*March 4th, 2024*

*OVAM*

*BE-C[C53]-I[I-514]-T[197]*

**Award of six public contracts for recycling facilities**

**Milestone/target description**: Award of six public contracts (\*) for recycling facilities

*(\*) Public contract” is to be understood as subsidy grant decision signed by the Flemish Minister for Environment.*

Six investment projects for recycling facilities have been selected for support. A jury shall make an assessment of the projects, the final selection shall be confirmed by the Flemish minister for Environment.

Award of the contracts to the projects selected under the competitive call for proposals with terms of reference including eligibility criteria that ensure that the selected projects comply with the ’Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.

**Target date for implementation**: 31/12/2022

**Current situation**: 14 investment projects for recycling facilities have been selected for support.

**Verification mechanism**: Summary document duly justifying how the target (including the relevant elements of the target, as listed in the description of the target and of the corresponding measure in the CID annex) was satisfactorily fulfilled.

This document shall include as an annex the following documentary evidence:

1. Copy of published terms of reference for the competitive call for proposals (link to the call, specification of the period when call was open for applicants and the technical specifications of the call).
2. Extracts from the terms of reference for the call for proposals that ensure compliance with the ’Do no significant harm’ Technical Guidance (2021/C58/01) as specified in the CID annex.
3. List of selected projects with selected bidders, brief description. Copy of the jury’s assessment of the projects.
4. Copy of grant decisions signed by the Flemish Minister for Environment for the award of subsidies to successful candidates for at least six projects relating to recycling facilities.

**A. Evidence provided:**

Annex 1 – 2: Decree Flemish Government containing the conditions that companies and investments must meet to be eligible for subsidy, the scope of the support mechanism, the procedure for assessment of the submitted dossiers, the modalities for payment of the subsidy and conditions for possible recovery of the subsidy. Publication in Belgian Official Journal followed on September 9, 2021.

Call 1:

* Annex 3: Ministerial decision, containing the call period and the amount of the call 1
* Annex 4: Manual call 1
* Annex 5: Decision Flemish Government call 1
* Annex 6 until 11: Grant Decision signed by the Flemish Minister for Environment for the award of subsidies to 6 successful candidates in call 1

Call 2:

* Annex 12: Ministerial decision, containing the call period and the amount of the call 2
* Annex 13: Manual call 2
* Annex 14: Decision Flemish Government call 2
* Annex 15 until 22: Grant Decision signed by the Flemish Minister for Environment for the award of subsidies to 8 successful candidates in call 2

**B. Detailed justification:**

On September 3, 2021, the Decree "**Besluit van de Vlaamse Regering tot vaststelling van de regels voor de toekenning van steun aan ondernemingen om materiaalkringloop te sluiten**" was approved by the Flemish Government. This decree contains the conditions that companies and investments must meet to be eligible for subsidy, the scope of the support mechanism, the procedure for assessment of the submitted dossiers, the modalities for payment of the subsidy and conditions for possible recovery of the subsidy (see Annexes 1 and 2). Publication in Belgian Official Journal followed on September 9, 2021.

The total support amount of EUR 30 million was divided equally into two calls of EUR 15 million each. The two calls ran for a well-defined period announced via ministerial decision.

The evaluation criteria were included in the Decree of the Flemish Government. The weighting factors of the criteria are laid down in the ministerial decsion of the call, but are the same in both calls. The manual for each call clearly defines the assessment framework used.

The **first call** was launched on Oct. 25, 2021. Dossiers could be submitted until December 10, 2021. The call period and the amount of the call were set by ministerial decision, published in the Belgian Official Journal on October 25, 2011 (Annex 3).

Several initiatives were taken to help (potential) project submitters during the call and to communicate about the Recycling Hub program. All useful information about the Recycling Hub was bundled in a specific place on the OVAM website (<https://ovam.vlaanderen.be/vlaanderen-als-recyclagehub>). To provide guidance to interested project submitters, a comprehensive manual was provided (Annex 4). This manual also includes a description of the DNSH principle (page 7-8).

Furthermore, a standardized method of submitting the file was imposed. This involved an application form and various attachments (plan of action, project budget, etc.). Templates were provided for uniformity.

During the first call, a total of 18 projects were submitted. The jury assembled on January 13 and 14, 2022. After judging, thirteen projects were eligible for financial support, i.e. these achieved a sufficiently high score on both jury days. After submitting the dossier to the Inspection of Finance and the Department of Finance, on April 1, 2022, the Flemish Government selected six projects for a total subsidy of fifteen million euros (Annex 5). Each project was allocated its grant by ministerial decision (Annexes 6 to 11).

The **second call** was launched on May 30, 2022. Dossiers could be submitted until August 22, 2022. The call period and call amount were set by ministerial decision, published in the Belgian Official Journal on May 27, 2022 (Annex 12).

Communication was provided in the same way as in call 1. The manual for call 2 was adapted after consultation with the European Commission (Annex 13).

During the second call, a total of 17 projects were submitted. The jury met on September 19 and 21, 2022. After judging, thirteen projects were eligible for financial support, i.e. these achieved a sufficiently high score on both jury days. After submitting the dossier to the Inspection of Finance and the Department of Finance, the Flemish Government selected eight projects on November 25, 2022 for a total subsidy of fifteen million euros (Annex 14). Each project was allocated its grant by ministerial decision (Annexes 15 to 22).

A total of 14 projects could be subsidized with the total amount of 30 mio euro, much more than initially foreseen. Of these 14 projects, 6 are investments in the recycling of plastics (PP, PO, rubber) and production of plastic recyclates, 3 investments in the construction sector (recycled waste streams: sand/stony fraction, bitumen and PIR), 1 investment in the recycling of mattresses, 1 in diaper recycling, 1 in the production of glue using recyclate, 1 in the recycling of Al-alloys and 1 investment in the high-quality recycling of VFG.

**Elements of the verification mechanism:**

1. Copy of published terms of reference for the competitive call for proposals

* Link to the call: <https://ovam.vlaanderen.be/vlaanderen-als-recyclagehub>
* Specification of the period when the call was open for applicants: Annex 3 (Ministerial decision call 1) and Annex 12 (Ministerial desicion call 2)
* Technical specification of the call: Annex 2 (Decree Flemish Government), Annex 4 (manual call 1), Annex 13 (manual call 2)

2. Extracts form the terms of reference for the call for proposals that ensure compliance with the ‘Do no significant harm’ Technical Guidance as specified in the CID Annex

* Annex 4: manual call 1, p. 7-8
* Annex 13: manual call 2, p. 7-8. The manual for call 2 was modified after consultation with the European Commission, including a correction of the DNSH principle.
* The DNSH principle is an exclusion criterion that is checked when verifying completeness and admissibility. This is also mentioned in the manual (section 6.2).
* Compliance with the DNSH principle is also imposed as a condition in the ministerial decisions that award the grant (Article 3 of each decision).

3. List of selected projects with beneficiaries, brief description. Copy of jury’s assessment of the projects.

* The list of the selected projects: Annex 5 (decision Flemish Government call 1), Annex 14 (decision Flemish Government call 2)
* Brief description: see ‘Motivering’ in the ministerial decisions awarding the subsidy (annex 6 until 11 for call 1; annex 15 until 22 for call 2)
* Copy of jury’s assessment of the projects: see annex 1 of the ministerial decisions awarding the subsidy (annex 6 until 11 for call 1; annex 15 until 22 for call 2)

4. Copy of Grant Decision signed by the Flemish Minister for Environment for the award of subsidies to successful candidates for at least six projects relating to recycling facilities.

* Call 1: annex 6 until 11
* Call 2: annex 15 until 22

**C. Achievement of the requirements in the description of the measure**

*The Flanders recycling hub measure aims to realise at least six important investments in new recycling facilities. The focus is on missing links in a number of value chains to enable local circular production, such as the recycling of nappies, mattresses, and textiles. Investments are also sought in the plastic and chemical sectors.*

*In order to ensure that the measure complies with the ‘Do no significant harm’ Technical Guidance (2021/C58/01), the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude the following list of activities: (i) activities related to fossil fuels, including downstream use; (ii) activities related to waste landfills, incinerators and mechanical biological treatment plants; and (iii) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected.*

*The measure was launched in the fourth quarter of 2020. The award of contracts shall be completed by 31 December 2022. The projects shall be completed by 30 June 2026.*

*Requirement 1*: 14 projects could be subsidized with the total amount of 30 mio euro, much more than initially foreseen.

*Requirement 2*: Of these 14 projects, 6 are investments in the recycling of plastics (PP, PO, rubber) and production of plastic recyclates, 3 investments in the construction sector (recycled waste steams: sand/stony fraction, bitumen and PIR), 1 investment in the recycling of mattresses, 1 in diaper recycling, 1 in the production of glue using recyclate, 1 in the recycling of Al-alloys and 1 investment in the high-quality recycling of VFG.

*Requirement 3*: To provide guidance to interested project submitters, a comprehensive manual was provided in call 1 (Annex 4). This manual also includes a description of the DNSH principle and the criteria in the description of the measure in the CID (page 7-8). The manual for call 2 was adapted after consultation with the European Commission (Annex 13).

Compliance with the DNSH principles and relevant EU and national environmental legislation is also required in each Grant Decision (annex 6 until 11 for call 1; annex 15 until 22 for call 2).

*Requirement 4*: The **first call** was launched on Oct. 25, 2021. After submitting the dossier to the Inspection of Finance and the Department of Finance, on April 1, 2022, the Flemish Government selected six projects for a total subsidy of fifteen million euros (Annex 5). The **second call** was launched on May 30, 2022. After submitting the dossier to the Inspection of Finance and the Department of Finance, the Flemish Government selected eight projects on November 25, 2022 for a total subsidy of fifteen million euros (Annex 14).