

Off sick for a long time, but working again thanks to a unique public-private partnership - a new Social Impact Bond

Incapacity for work in Flanders and the shortage on our labour market

Today, the people who have been ill or **incapacitated for work** for a lengthy time currently outnumber the job-seekers. They receive benefits from the NIHDI because they have been unable to work for a long period. They often receive medical treatment, but they remain at home for many years. However, if we also work on 'work' in parallel with the medical treatment of these people with long-term illnesses, we can reduce the duration of their inactivity.

What is more, the **shortage on the labour market** is still substantial and we must make further efforts to look for talent outside the pool of job-seekers. Many people incapacitated for work are bursting with talent, and it is that talent that we have to tap into now.

Together we can make the leap forwards

If you are incapacitated for work and have been assessed by your doctor, you can follow a **path towards work**. This can lead to full-time or part-time employment or just a few hours of work per week. However, the current employment results of this incapacitated group are actually below standard. Approximately 30% of the assisted people actually go to work. We would like to see that figure **grow** by at least 10%. That's why we need an innovative approach and interesting partnerships, which may help in this great leap forward. Our objective is to get no less than **1000 such incapacitated persons** into a job.

The SIB funding mechanism

In addition to the current services, we also want to explore and discover alternatives that can provide an answer to the inactivity of people on long-term sick leave. A SIB, Social Impact Bond, is a funding mechanism suitable for this purpose.

A SIB is a **public-private partnership** in which a (social) service provider or a company, an investor and a government department enter into a contract to tackle a social problem with a **high social cost**.

An **independent evaluator** measures whether the targeted results are being achieved. If the service provider succeeds in the set-up, the government pays back the operating cost to the investor, along with a profit that results from the saving. Should the service provider fail in the set-up, then the investor bears the costs. In this way the government outsources the **financial risk** of the project.

Everyone wins

The return on investment and social profit is substantial for all parties involved in this project. The **people on long-term incapacity** themselves get the opportunity to return to work. The social **service provider** gets the space *and* the budget to try out an alternative service. The **investor** enjoys the social commitment and the return on investment if the project succeeds. But it is, above all, our **society** that wins here, because we are saving on paying out social security benefits and drawing on new talent to buoy up the labour market.

With a SIB, the government can therefore **mobilise private resources** to develop new solutions for complex societal problems. Government budgets are used more efficiently and effectively this way. A concept such as SIB brings social organisations and investors closer together and strengthens the **dynamic** between these two markets.

Work with us on work

To meet the social challenge of incapacity for work, the VDAB is looking for **unique partnerships and innovative projects**. Are you the social service provider we are looking for? Is your company *the* innovative power to put together an alternative? Or are you a (socially) committed investor? If so, then don't hesitate to obtain more information about this tender via regie@vdab.be.

Note - How does incapacity for work function in Belgium?

If you become incapacitated for work, your employer simply pays the first month of your salary in the usual way. From the second month onwards, you will receive benefits from your health insurance fund. A consultant doctor from the health insurance fund will assess your incapacity for work. From the 13th month onwards, the sickness fund is no longer responsible for paying your benefit, but the NIHDI (National Institute for health and disability insurance). You then move from initial incapacity to disability.

During the period of incapacity for work, the consultant doctor not only has the authority to assess your incapacity for work, but also to encourage you to return to work.