



Procedure file

| Basic information | |
|---|---------------------|
| COD - Ordinary legislative procedure (ex-codecision procedure) Regulation 2008/0245(COD) | Procedure completed |
| European Regional Development Fund ERDF: eligibility of energy efficiency and renewable energy investments in housing Amending Regulation (EC) No 1080/2006 2004/0167(COD) | |
| Subject 3.60.05 Alternative and renewable energies 3.60.08 Energy efficiency 4.10.12 Housing policy 4.70.07 European Regional Development Fund (ERDF) | |

| Key players | | | |
|-------------------------------|--|--|-------------------------|
| European Parliament | Committee responsible REGI Regional Development | Rapporteur | Appointed 19/01/2009 |
| | Committee for opinion ITRE Industry, Research and Energy | PPE-DE ANGELAKAS Emmanouil Rapporteur for opinion | Appointed |
| Council of the European Union | Council configuration Economic and Financial Affairs ECOFIN | Meeting 2940 | Date 05/05/2009 |
| | Commission DG Regional and Urban Policy | Commissioner HÜBNER Danuta | |

| Key events | | | |
|------------|---|---|---------|
| 03/12/2008 | Legislative proposal published | COM(2008)0838 | Summary |
| 13/01/2009 | Committee referral announced in Parliament, 1st reading | | |
| 09/03/2009 | Vote in committee, 1st reading | | Summary |
| 13/03/2009 | Committee report tabled for plenary, 1st reading | A6-0134/2009 | |
| 01/04/2009 | Debate in Parliament |  | |
| 02/04/2009 | Results of vote in Parliament |  | |
| 02/04/2009 | Decision by Parliament, 1st reading | T6-0207/2009 | Summary |
| 05/05/2009 | Act adopted by Council after Parliament's 1st reading | | |
| 06/05/2009 | Final act signed | | |
| 06/05/2009 | End of procedure in Parliament | | |
| 21/05/2009 | Final act published in Official Journal | | |

| Technical information | |
|----------------------------|--|
| Procedure reference | 2008/0245(COD) |
| Procedure type | COD - Ordinary legislative procedure (ex-codecision procedure) |
| Procedure subtype | Legislation |
| Legislative instrument | Regulation |
| | Amending Regulation (EC) No 1080/2006 2004/0167(COD) |
| Legal basis | EC Treaty (after Amsterdam) EC 162 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | REGI/6/70840 |

| Documentation gateway | | | | | |
|---|--|--------------------------------|------------|-----|---------|
| Legislative proposal | | COM(2008)0838 | 03/12/2008 | EC | Summary |
| Committee draft report | | PE419.852 | 29/01/2009 | EP | |
| Amendments tabled in committee | | PE420.197 | 18/02/2009 | EP | |
| Committee report tabled for plenary, 1st reading/single reading | | A6-0134/2009 | 13/03/2009 | EP | |
| Text adopted by Parliament, 1st reading/single reading | | T6-0207/2009 | 02/04/2009 | EP | Summary |
| Draft final act | | 03619/2009/LEX | 06/05/2009 | CSL | |
| Commission response to text adopted in plenary | | SP(2009)3507 | 25/06/2009 | EC | |

| Additional information | |
|------------------------|-------------------------|
| National parliaments | IPEX |
| European Commission | EUR-Lex |

| Final act |
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| Regulation 2009/397 OJ L 126 21.05.2009, p. 0003 Summary |

European Regional Development Fund ERDF: eligibility of energy efficiency and renewable energy investments in housing

PURPOSE: to permit the Member States to frame the public support in the way they consider more appropriate and, for the definition of the low income households, to use national definitions.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

CONTENT: in dealing with the financial crisis, the Commission took the initiative to propose to the Member States a framework aiming to stimulate the real economy (see COM/2008/0706). This initiative endorsed by the Member States has subsequently been substantiated by the [European Economic Recovery Plan](#) which, among other, suggests the adoption of actions in the priority areas of the Lisbon Strategy. As for the energy, special attention is given to the improvement of energy efficiency in buildings. Member States are, therefore, encouraged to re-programme their Structural Funds Operational Programmes in order to devote a greater share to energy-efficiency investments, including where they fund social housing.

Under the current regulatory framework, ERDF supported interventions in the housing sector, including energy efficiency, are reserved only for Member States that acceded to the European Union on or after 1 May 2004, and under the conditions set out in Article 7(2) of Regulation (EC) No 1080/2006. Such support for energy efficiency and renewable energy investment in the housing sector should be made available for all Member States. To make this happen, an amendment to the current regulatory framework is needed.

The proposed modification to Regulation (EC) No 1080/2006 on the European Regional Development Fund seeks to permit and facilitate energy efficiency and renewable energies interventions in the housing sector in all Member States. Interventions should target low-income households, as defined by the national legislation in force.

European Regional Development Fund ERDF: eligibility of energy efficiency and renewable energy investments in housing

The Committee on Regional Development adopted the report drawn up by Emmanouil ANGELAKAS (EPP-ED, EL) amending, under the first reading of the codecision procedure, the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 1080/2006 on the European Regional Development Fund as regards the eligibility of energy efficiency and renewable energy investments in housing.

The main amendments were as follows:

- MEPs specify that in each Member State, expenditure on energy efficiency improvements and on the use of renewable energy in existing housing shall be eligible up to an amount of 4% of the total ERDF allocation. Member States shall define categories of eligible housing in national rules, in conformity with Article 56(4) of Regulation (EC) No 1083/2006, in order to support social cohesion;

- in order to ensure the necessary simplification in the management, administration and control of operations that receive an ERDF grant, particularly when linked to a result-based reimbursement system, MEPs propose adding three additional forms of eligible costs, namely:

- 1) indirect costs, declared on a flat-rate basis, of up to 20% of the direct costs of an operation;
- 2) flat-rate costs calculated by application of standard scales of unit cost as defined by the Member State;
- 3) lump sums to cover all or part of the costs of an operation. The lump sum shall not exceed EUR 50 000;

- in order to ensure legal certainty in relation to the eligibility of expenditure, these additional forms of eligible costs should be applicable to all grants from the ERDF. Retroactive application should therefore be necessary with effect from 1 August 2006, which is the date of entry into force of Regulation (EC) No 1080/2006.

European Regional Development Fund ERDF: eligibility of energy efficiency and renewable energy investments in housing

The European Parliament adopted by 629 votes to 17, with 12 abstentions, a legislative resolution amending, under the first reading of the codecision procedure, the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 1080/2006 on the European Regional Development Fund as regards the eligibility of energy efficiency and renewable energy investments in housing.

The amendments adopted in plenary were the result of a compromise negotiated with the Council:

Article 7 of Regulation (EC) No 1080/2006: the Parliament clarifies that, in each Member State, expenditure on energy efficiency improvements and on the use of renewable energy in existing housing shall be eligible up to an amount of 4% of the total ERDF allocation. Member States shall define categories of eligible housing in national rules, in conformity with Article 56(4) of Regulation (EC) No 1083/2006, in order to support social cohesion.

The Parliament introduced a new paragraph (Article 1(3)) on costs that shall be eligible for a contribution from the ERDF provided that they are incurred in accordance with national rules, including accountancy rules. In the case of grants: (i) indirect costs, declared on a flat-rate basis, of up to 20% of the direct costs of an operation; (ii) flat-rate costs calculated by application of standard scales of unit cost as defined by the Member State; (iii) lump sums to cover all or part of the costs of an operation.

The following specific conditions must also be met:

- the options referred to in points (i), (ii) and (iii) may be combined only where each of them covers a different category of eligible costs or where they are used for different projects within the same operation;
- the costs referred to in points (i), (ii) and (iii) shall be established in advance on the basis of a fair, equitable and verifiable calculation
- the lump sum referred to in point (iii) shall not exceed EUR 50 000.

Article 1(3) of the Regulation shall apply with effect from 1 August 2006.

European Regional Development Fund ERDF: eligibility of energy efficiency and renewable energy investments in housing

PURPOSE: to increase support for investments improving the energy efficiency of the buildings, including the housing sector.

LEGISLATIVE ACT: Regulation (EC) No 397/2009 of the European Parliament and of the Council amending Regulation (EC) No 1080/2006 on the European Regional Development Fund as regards the eligibility of energy efficiency and renewable energy investments in housing.

CONTENT: following a first reading agreement with the European Parliament, the Council adopted a regulation making energy efficiency improvements and renewable energy schemes eligible for support from the European Regional Development Fund (ERDF) in all Member States. The Regulation, which forms a part of the [European Economic Recovery Plan](#), provides easier access to grants co-financed by the ERDF. The main objective of the Regulation is to increase the share of energy-efficiency investment and to simplify the management,

administration and control of ERDF operations by simplifying the justification of indirect costs (i.e. costs which are not directly linked to the project, but which are necessary for its implementation such as phone or electricity costs) and reducing the workload and number of supporting documents required to justify expenditure.

The Regulation provides that expenditure on energy efficiency improvements and on the use of renewable energy in existing housing is eligible, up to 4% of the total ERDF allocation (i.e. overall up to EUR 8.0 billion). Previously, the ERDF supported interventions in the housing sector, including energy efficiency, only for the 12 Member States that acceded to the EU on or after 1 May 2004, up to a level of 2% of the total ERDF allocation.

In accordance with the recommendations of the European Court of Auditors, the Regulation extends the scope of Regulation (EC) No 1080/2006 (the ERDF Regulation) to three additional forms of eligible costs:

- indirect costs, declared on a flat-rate basis, of up to 20% of the direct costs of an operation;
- flat-rate costs calculated by the application of standard scales of unit cost as defined by Member States;
- lump sums to cover all or part of the costs of an operation, within a limit of EUR 50 000.

These options may be combined only where each of them covers a different category of eligible costs or where they are used for different projects within the same operation. The costs must be established in advance on the basis of a fair, equitable and verifiable calculation.

Previously, the reimbursement of ERDF expenditure was based on the "real cost" principle. This meant that EUR 1 of grant must correspond to at least EUR 1 of justified paid expenditure. The justification of expenditure was based on invoices and other accounting documents showing what has actually been done, which could amount to hundreds of documents. Furthermore, all supporting documents had to be kept available for three years after the closure of the programme.

The new rules concerning the facilitating of the access to grants co-financed by the ERDF will apply retroactively from 1 August 2006, while energy efficiency improvements and renewable energy investments in housing shall apply from 10/06/2009.

ENTRY INTO FORCE: 10/06/2009. However, Article 1(3) (see above on eligible expenditure in the case of grants) shall apply with effect from 1 August 2006.