Basic information

2008/0245(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	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	Rapporteur	Appointed
REGI Regional Development	ANGELAKAS Emmanouil (PPE-DE)	19/01/2009

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2940	2009-05-05

European Commission

Commission DG	Commissioner
Regional and Urban Policy	HÜBNER Danuta

Key events

Date	Event	Reference	Summary
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	Decision by Parliament, 1st reading	T6-0207/2009	Summary
02/04/2009	Results of vote in Parliament		
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
Amendments and repeals	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

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE419.852	29/01/2009	
Amendments tabled in committee		PE420.197	18/02/2009	
Committee report tabled for plenary, 1st reading/single reading		A6-0134/2009	13/03/2009	
Text adopted by Parliament, 1st reading/single reading		T6-0207/2009	02/04/2009	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	03619/2009/LEX	06/05/2009	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2008)0838	03/12/2008	Summary
Commission response to text adopted in plenary	SP(2009)3507	25/06/2009	

Additional information		
Source	**Document**	**Date**
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act	
Regulation 2009/0397 OJ L 126 21.05.2009, p. 0003	Summary

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

2008/0245(COD) - 02/04/2009 - Text adopted by Parliament, 1st reading/single reading

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

2008/0245(COD) - 06/05/2009 - Final act

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.

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

2008/0245(COD) - 03/12/2008 - Legislative proposal

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.