

The opening of the European Regional Development Fund (ERDF) for energy efficient renovation in low-income households - just a drop in the bucket?

Two weeks after the European Parliament adopted a new regulation which makes energy efficient renovations for low-income households eligible, the **Friedrich-Ebert-Stiftung** and the **International Union of Tenants (IUT)** organized an expert roundtable entitled "Decent housing for a Social Europe - Could European structural funds be the answer for the Eastern European housing sector?." Using the example of the Eastern European housing sector **Libor Roucek**



(MEP), **Milan Taraba** from the Czech Union of Tenants, **Daniela Grabmüllerova** from the Czech Ministry for Regional Development and **Corinne Hermant-de Callatay** from the



European Commission (DG Regio) discussed the possible consequences of this recent development. The experts agreed on the fact that the opening of the ERDF offers a great chance in order to make the Eastern European building stock more energy-efficient. Positive side effects would be the reduction of energy costs for low and middle income tenants, the mitigation of climate change through the reduction of carbon dioxide emissions, the boost of regional labor markets and economies ("green jobs"), the strengthening of social cohesion and not least a contribution to reach the 20-20-20 goals set in the European Climate Package.

Even though this amendment is a step in the right direction some critical points which might limit the impact of ERDF funds were raised in the following discussion:

- The funds made available are only a drop in the bucket for some member states (the available amount accounts for up to 4% of the total ERDF allocation per member state or up to 8 billion Euros in total). Above all this new regulation doesn't mean more money from the European Union but a shift of priorities within the same budget. Therefore it is important to consider Structural Funds as leverage to initiate the refurbishment of buildings all over Europe. Furthermore one must keep at the back of one's mind that Structural Funds alone are not sufficient and should be combined with other financial instruments such as banking loans.
- In many member states a lack of capacity to call for funds exists. In addition to the already existing possibility to use European Social Funds (ESF) for training and capacity

building in the housing sector the actual support is still not satisfying. Therefore it is recommendable to further support capacity building in the member states on how to access the funds easily and non-bureaucratically, e.g. by sending independent consultants.

- Widespread corruption in some member states might impede that the funds reach the right addressees.
- In the past European funds often went to prosperous regions and not only to socially deprived regions. Regarding the management of the funds eligible for energetic renovation the member states are responsible for defining housing categories and selection criteria. In order to increase social cohesion within Europe a common definition (understandably allowing for national characteristics) on social housing should be strived for.



Leaving those doubts behind the fact that the EP voted with a great majority for the opening of the ERDF was judged as a great success. The vote shows political will and has an important symbolic impact. The next step to be made is now to care for a proper implementation at the national level. Therefore it is indispensable to mobilize institutional actors at all levels and to involve and educate citizens in order to increase local capacities. Furthermore most participants agreed that

the member states now have to actively apply for the money. Consequently the possibility to apply for these funds must be promoted – next to MEPs the civil society and as well the private sector is here required. If the funds which are currently approved till 2013 will be prolonged depends to a great extent to the amount of calls by the member states.

Finally the expert round table contributed to the promulgation of ERDF funds and raised awareness of the topic among participants from regional representations, civil society organizations and officers in charge from the European institutions.

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Nina Netzer