



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
REGIONAL POLICY

GUIDANCE NOTE ON THE IMPLEMENTATION OF INTEGRATED HOUSING INTERVENTIONS IN FAVOUR OF MARGINALISED COMMUNITIES UNDER THE ERDF

DISCLAIMER:

This is a document prepared by the Commission services. On the basis of the applicable EU Law, it provides technical guidance to the attention of public authorities, practitioners, beneficiaries or potential beneficiaries, and other bodies involved in the monitoring, control or implementation of the Cohesion policy on how to interpret and apply the EU rules in this area. The aim of this document is to provide Commission's services explanations and interpretations of the said rules in order to facilitate the implementation of operational programmes and to encourage good practice(s). However this guidance note is without prejudice to the interpretation of the Court of Justice and the General Court or evolving Commission decision making practice.

1. BACKGROUND

The purpose of this note is to support national authorities, implementing bodies, project promoters and beneficiaries in setting up integrated housing interventions in favour of marginalised communities, including marginalised Roma communities, under the Regulation (EC) No 1080/2006 (The ERDF Regulation), as amended by Regulation (EU) No 437/2010¹, and Article 47 of Regulation (EC) No 1828/2006 (the Implementing Regulation), as amended by Regulation (EU) No 832/2010².

This guidance note clarifies issues related to implementation of the legal provisions adopted under amending Regulations (EU) No 437/2010 and (EU) No 832/2010, with particular focus on the new elements of setting up integrated housing interventions and the fulfilment of the conditions allowing such interventions.

The Commission strongly encourages national, regional and local stakeholders to exploit the legal provisions as fully as possible by taking steps for the implementation of integrated housing interventions in favour of marginalised communities. It is recommended that in the 2007-2013 programmes Member States should use EU funds either

(1) to fund the costs of pilot projects or

(2) to support the development of projects through their preparatory phase

while they assess the possibility for larger scale investment in housing for marginalised groups in the future.

Where such interventions are not eligible under existing programme documents the Commission for its part undertakes to treat as a priority requests for programme modification.

In the context of EU Cohesion policy and, in particular in the context of the ERDF, the eligibility of housing interventions constitutes an exception. This also has been reiterated by the statement of the Commission and of the Council to Regulation (EU) No 437/2010.

2. LEGAL PROVISIONS

In the context of ERDF programming and in the light of the exceptional nature of housing investment the main new elements and the conditions to be fulfilled in order to set up an intervention under Article 7(2) of the ERDF are listed below.

¹ OJ L 132, 29.5.2010, p. 1.

² OJ L 248, 22.9.2010, p.1.

Article 16 of Regulation (EC) No 1083/2006³ provides the general background for interventions while Article 7(2) of the ERDF Regulation and Article 47 of Regulation (EC) No 1828/2006 provide the specific legal basis and conditions.

New Elements

- a. The new provisions apply throughout EU-27 (Article 7(2)(b) of ERDF Regulation);
- b. The new provisions apply in favour of marginalised communities, including marginalised Roma communities (Article 7(2)(b) and fifth recital of the ERDF Regulation);
- c. Interventions can take place in urban or rural areas (Article 7(2)(b) and third recital of the ERDF Regulation);
- d. With a view to ensuring effectiveness, housing investments have to be implemented as part of an integrated approach, i.e. taking place together with other types of interventions including interventions in the areas of education, health, social inclusion and employment (Article 7(2)(b) of ERDF Regulation and Article 47(2)(a) of the Implementing Regulation);

Conditions

These conditions have to be fulfilled:

- a. The physical location of such housing has to ensure spatial integration of these communities into mainstream society and not contribute to segregation, isolation and exclusion. (Article 47(2)(b) of the Implementing Regulation);
- b. The type of intervention should be renovation and replacement, including newly constructed houses, and social housing (Article 7(2a) of the ERDF Regulation);
- c. The allocations to housing expenditure shall be either a maximum of 3% of the ERDF allocation to the operational programmes concerned or 2% of the total ERDF allocation (second subparagraph of Article 7(2) of the ERDF Regulation);

The criteria for the definition of areas of intervention⁴ do not apply to interventions in favour of marginalised communities (Article 7(2)(a) of ERDF Regulation and Article 47(1) the Implementing Regulation.

The provisions set out in the Regulations do not establish a minimum requirement in relation to the combination of interventions that have to accompany housing and compose an integrated approach in favour of marginalised communities and aimed at their desegregation, spatial integration and inclusion. Integrated housing interventions must

³ Article 16 requires that Member States take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, on the age or sexual orientation during the various stages of implementation of the Funds and, in particular, in the access to them.

⁴ Relating to housing interventions in the EU-12 under an integrated urban development plan for areas experiencing or threatened by physical deterioration and social exclusion.

address the dimension of spatially integration and flanking measures in at least one or more (and ideally all) of the areas referred to in the ERDF Regulation.

3. GUIDANCE FOR EFFECTIVE IMPLEMENTATION

The Structural Funds – ESF and ERDF – and the EAFRD contribute to sustainable and inclusive communities through a wide array of interventions.

The ERDF can primarily support socio-economic inclusion interventions in housing, childcare infrastructure, health care facilities, education and training infrastructure; employment creation and entrepreneurship measures; and urban regeneration⁵. It is important that these interventions, to be effective, are complementary with interventions in, among others, the fields of education, health, social inclusion and employment, and often also in training, entrepreneurship, capacity building, security and equal opportunities, whether funded by ESF, EAFRD or other national, regional or local schemes⁶. Such interventions are most effective as part of a medium or long term socio-economic inclusion strategy.

The ERDF provisions should be used for housing interventions that include measures to improve spatial integration and form part of an integrated approach. An integrated approach should involve spatially integrated housing and measures in at least one or more (and ideally all) of the areas referred to in the modified ERDF Regulation, and should foster coordination with ESF interventions.

Within this framework the following types of housing interventions are encouraged:

- Renovation of existing residential buildings - multi or single family;
- Renovation involving the change of use of existing buildings;
- Construction of new housing - multi or single family;
- Replacement of existing housing through the construction of new housing, renovation or change of use of existing buildings;

In all cases the housing or buildings that are giving rise to eligible expenditure should be owned by public authorities or non-profit operators or acquired by them for that purpose. This includes, where relevant, the original housing being replaced or demolished. The ownership of the housing must be kept by the public authority or non-profit operator for a

⁵ In the current period JESSICA funding instruments may also potentially target housing for marginalised groups.

⁶ The European Fundamental Rights Agency published in 2009 a comparative report on "Housing conditions of Roma and Travellers in the European Union" This report provides valuable analysis, insights and lessons on the full range of issues and approaches that should be taken to address housing needs for Roma communities. A number of issues presented are also relevant for other marginalised groups. Good practice case studies are presented from the Czech Republic, Hungary, Ireland, Slovakia, Spain and United Kingdom.
http://www.fra.europa.eu/fraWebsite/research/publications/publications_per_year/2009/pub-cr-roma-housing_en.htm .

minimum period of five years⁷. Any proceeds from the use of the original site should be taken into account when establishing eligible costs.

Housing interventions that have the effect of contributing to segregation, isolation and exclusion should clearly not be funded. Such measures could include the following:

- Housing interventions that are not accompanied by other integration measures;
- Interventions leading to or accompanied by increased concentration of marginalised groups, for instance within a given space or involving the grouping of communities together;
- Interventions leading to further physical isolation in terms of increased distance from other rural or urban communities or new physical barriers.

The main concepts that need to be taken into account in the implementation of the provisions on integrated housing are the following:

- **Marginalised communities.** The Commission does not provide a definition for marginalised communities, leaving to Member State the responsibility to do so on the basis of national indicators. However, marginalisation can be established by looking at a combination of relevant indicators such as measures of high long-term unemployment, low level of education attainment, discrimination, (extremely) poor housing conditions, and disproportionate exposure to health risks and/or lack of access to health care⁸.

In the Commission's view, the main objective of interventions in favour of housing for marginalised groups in a Member State should be to target those populations most in need of help (i.e. "poorest of the poor" or those otherwise considered most vulnerable). Member States are therefore encouraged to clearly identify the populations they consider as marginalised.

- **Integrated approach.** Given the complexity of the measures widely recognised to be relevant in inclusion processes, the concept of an *integrated approach* encompasses a co-ordinated and coherent framework across several policy fields in this case in order to progressively achieve targeted socio-economic integration⁹.

In order for the benefits of housing interventions to be maximised there should be complementary actions in, among others, the fields of education, health, social inclusion and employment, and often also in training, entrepreneurship, capacity

⁷ Following the provisions of Art 57 of Regulation (EC) No 1080/2006 which sets a minimum timeframe of durability.

⁸ The list of indicators is not exhaustive and refers to the Employment and social policy indicators, Social inclusion strand of the Open Method of Coordination – EUROSTAT, (http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_and_social_policy_indicators/omc_social_inclusion_and_social_protection/social_inclusion_strand).

⁹ In the EU-15 one source of experience in such integrated approaches, including housing in some cases was the URBAN programmes of the Programming period 2000-2006.

building, security and equal opportunities, whether funded by ESF, EAFRD or other national, regional or local schemes.

- **Desegregation / spatial integration.** *Desegregation* is generally defined as the process leading to an ending of marginalisation of a group and its inclusion in the mainstream society. Segregation can have different dimensions such as legal, economic, social and physical exclusion. Member States are encouraged to examine indicators of segregation (which may in any event be closely aligned with the indicators of marginalisation) not least in order to be able to evaluate the impact of social inclusion measures.

Housing is a major element addressing desegregation but is not sufficient on its own to fully address problems of segregation. Socio-economic inclusion/ integration of marginalised communities has the ultimate goal of ensuring for such communities equal (or at least improved) access to the same services as mainstream society, such as jobs, non-segregated education, housing and health services.

In relation to housing, *spatial integration*, that is proximity or access to the main villages/towns and communities, is a particular issue that has to be addressed for an ERDF measure to be eligible. Spatial integration is generally defined as the process by which a settlement frontier is eliminated (or reduced) through improved integration with core areas and surrounding communities.

Improved spatial integration can be achieved in the following ways:

- Through the progressive integration of housing for marginalised groups in mainstream neighbourhoods.
- Through investments in appropriate infrastructures and services ensuring improved connection of the settlement with neighbouring urban area / other rural communities (for instance, improved connections between the targeted settlement and the principal population area and the extension of public transport services). In this second case there should also be a prospect for the further integration of marginalised groups into mainstream communities.