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UAGHTARANACH NA FRAINCE
AN tAONTAS EORPACH
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EUROPOS SAJUNGA
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PRÉSIDENCE FRANÇAISE

UNION EUROPÉENNE *

Réunion informelle des ministres du Logement



ue
2008.fr

Informal Housing Ministers meeting

24 Nov. 2008 : Marseille



PRÉSIDENCE FRANÇAISE

UNION EUROPÉENNE ★

- **Impact of European Union policies on access to housing national policies**

Laurent Ghekiere,

Head of UE office, Brussels,

Union Sociale pour l'habitat - CECODHAS



**Access to housing is not an objective
assigned to the Community
by the Member States,**

but...

... 5 key interactions

- ❑ **Access to housing policies** are fully in line with the objectives of the Treaty and the interest of the Community,
- ❑ **Access to Housing Policies** play a key role in the implementation of EU fundamental Rights;
- ❑ **Access to housing** is set as a common EU objective in the implementation of the Lisbon strategy;
- ❑ **Access to housing policies** can be supported by the EU as a tool to strengthen cohesion ;
- ❑ **Instruments of access to housing policies** must be compatible with the EU law > **Ongoing process of legal adaptation, notification and dispute.**

... interactions took on board by the EP

- . **37 reports** including Housing issues / mandature 2004-2009
- . **An Intergroup** on Urban and Housing issues (70 MEPs)
- . **An European Charter on Housing** of the Intergroup



TOP 5 interactions EU/Housing issues :

Cohesion : 10 reports

Social Inclusion : 6 reports

SGEIs – SSGIs : 4 reports

Energy : 4 reports

Demography-Elderly : 3 reports

Concrete example of interaction...

Legitimacy VS proportionality



Mario Monti
Commissioner
Competition

« Social housing is fully in line with the basic objectives of the EC-Treaty. It is a legitimate element of public policy and as **it is limited to what is necessary** it is in the interest of the Community that social housing is supported ».

State Aid N209/01 SG 2001 D 289528 – 3rd july 2001

ACCESS TO MS HOUSING POLICIES

MS OBJECTIVES

- COMMUNITY INTEREST :**
- EC TREATY OBJECTIVES
 - EU FUNDAMENTAL RIGHTS
 - EU SOCIAL POLICIES
 - SGEIs – common EU value

 **HOUSING POLICY IMPACT**

MS INSTRUMENTS

PUBLIC SUPPORT to HOUSING UNDERTAKINGS

**STATE AID
VAT
ERDF**

REGULATION of HOUSING SERVICES PROVIDERS

**INTERNAL MARKET
PUBLIC TENDERING**

 **HOUSING POLICY IMPACT**



3 MAIN EUROPEAN UNION POLICIES

SOCIAL

- COHESION
- ANTI-POVERTY
- SOCIAL PROTECTION
- SSGIs

- LEGISLATION
- EU FUNDS
- OPEN METHOD OF CO-ORDINATION (OMC)
- BEST PRACTICES

**HOUSING POLICY
IMPACT**

ENVIRONMENTAL

- ENERGY
- ENVIRONMENT
- WATER
- LAND protection...

- EU STANDARDS
- EU LEGISLATION
- RESEARCH
- EU FUNDS ?
- GREEN VAT ?

**HOUSING POLICY
IMPACT**

ECONOMIC

- INTERNAL MARKET
- COMPETITION
- STATE AIDS
- VAT

- LEGISLATION
- CONTROL
- NOTIFICATION
- DISPUTE – ECJ RULING

**HOUSING POLICY
IMPACT**

1 - IMPACT OF THE OPEN METHOD OF COORDINATION on social inclusion : benchmark of MS access to housing policies

OMC Social protection / inclusion

- National Action Plans
- Peer Review
- Joint report
- Common Objectives
- EU program (Progress)

Renewed social agenda

Opportunities, access and solidarity in 21st century Europe. Access to Housing dimension on the following issues :

- Immigration
- Young people
- Combatting poverty and exclusion
- Active inclusion

Common objectives – social dimension of the Lisbon strategy

- « Implementation of policies aiming at improving access to a decent housing for all and to basic services relating to housing occupation (electricity, water, heating...) ».

European Council for Social Affairs to the Nice Council, 30th november 2000

2 - IMPACT OF EU ENERGY AND CLIMATE CHANGE POLICIES : towards EU supports ?

« Acting together, Member States and UE Institutions should mobilise an eco-renovation programme to improve the energy Efficiency of the housing stock and public buildings.

(...) – Member States should re-programme their structural Funds operational programmes to devote a greater share to Energy-efficiency investments, particularly for social housing to protect the most vulnerable »

*A European Economic Recovery Plan for growth and jobs
European Commission, Draft communication, 10 november 2008*

3 - IMPACT OF THE EU COHESION POLICY : EU support to (new) MS access to housing policies at the regional level following your last meeting of Praha (2005)

New member-States : « (...) the contribution from the ERDF to housing expenditure should concern the provision of good quality accommodation for lower incomes groups, including recently privatised housing stock, as well as accommodation for vulnerable social groups. »

Old member-States : « Expenditure on housing shall be eligible only for those MS that acceded to the European Union on or after 1 May 2004 (...) »

4- IMPACT OF THE INTERNAL MARKET :

Exclusion from the Services directive based on the guarantee of fundamental rights



« This Directive should not cover those **social services in the areas of housing** (...).

These services are essential in order to guarantee the fundamental right to human dignity and integrity and are a manifestation of the principles of social cohesion and solidarity and should not be affected by this Directive. »

Evelyne Gebhardt
Rapporteur of the European
Parliament on the services directive

5- IMPACT OF THE COMMON VAT REGIME : Reform of low rates of VAT to housing taken the lack of impact on trades



“ Category 10 is modified and Category 10a is added to cover more broadly the **housing sector**.

This amendment consists of a rationalisation and extension of Member States' option to **apply reduced rates in the housing sector** by removing the limitation to housing "provided as part of a social policy" and adding repair, maintenance and cleaning of housing (currently categories 2 and 3 of Annex IV).

These changes are unlikely to create distortion of competition to the internal market. »

Laszlo Kovacs
Commissioner
Taxation and Customs
Union

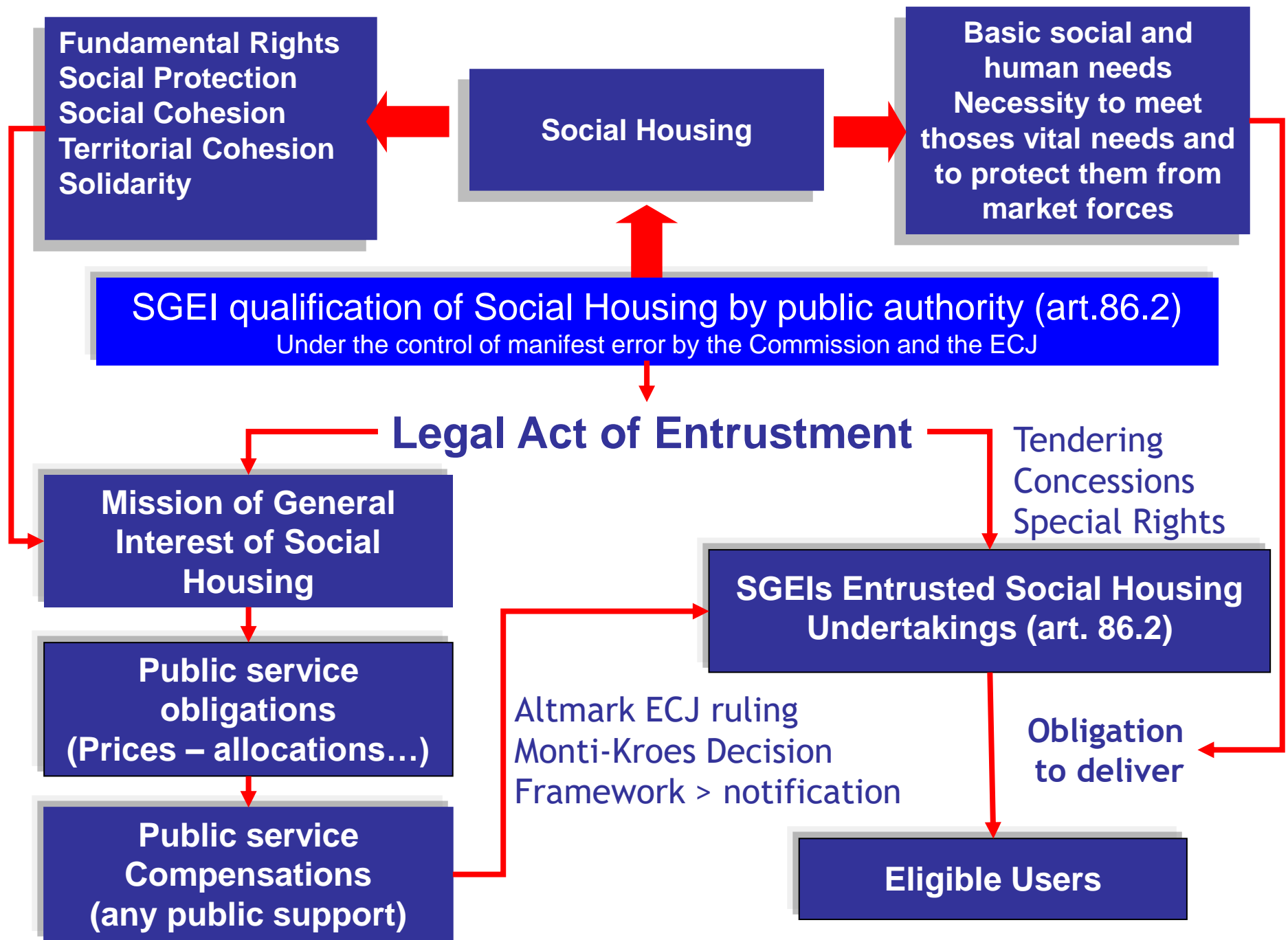
6- IMPACT OF COMPETITION RULES :

Exemption from State Aid notification



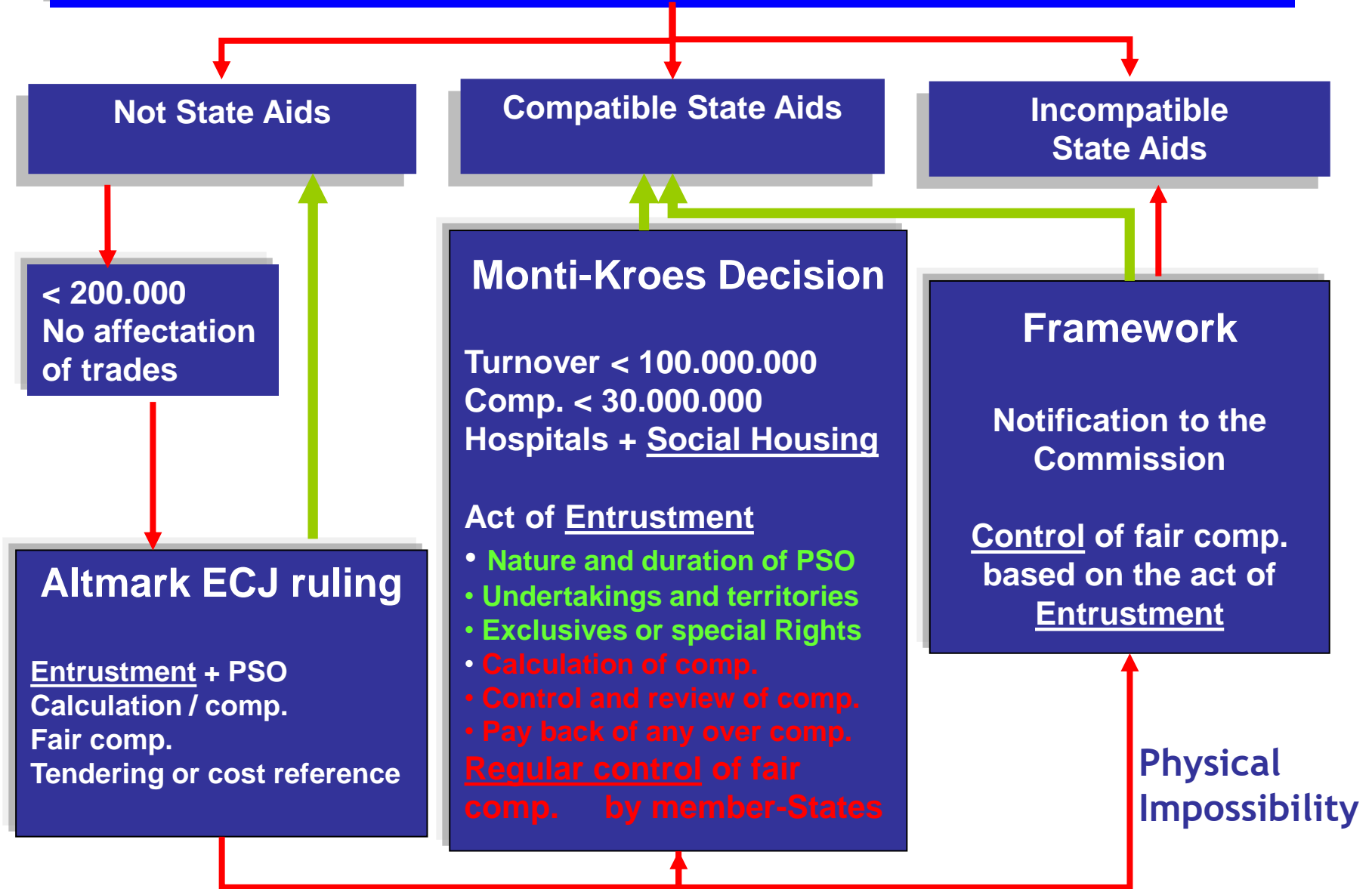
Neelie Kroes
Commissioner
Competition

- ❑ « Undertakings in charge of social housing entrusted with tasks involving **SGEIs** »
- ❑ SCOPE : « Undertakings in charge of social housing providing **housing for disadvantages citizens or socially less advantaged groups, which due to solvability constraints are unable to obtain housing at market conditions** »
- ❑ Exemption from notification without ceiling under conditions (**SGEIs legal act + control of fair compensation**)



Financing Social Housing as SGEIs / art.86.2

State Aid or not – compatible State Aid – incompatible State Aid ?



MS evaluation Reports on State Aid to Social Housing as SGEI (december 2008)

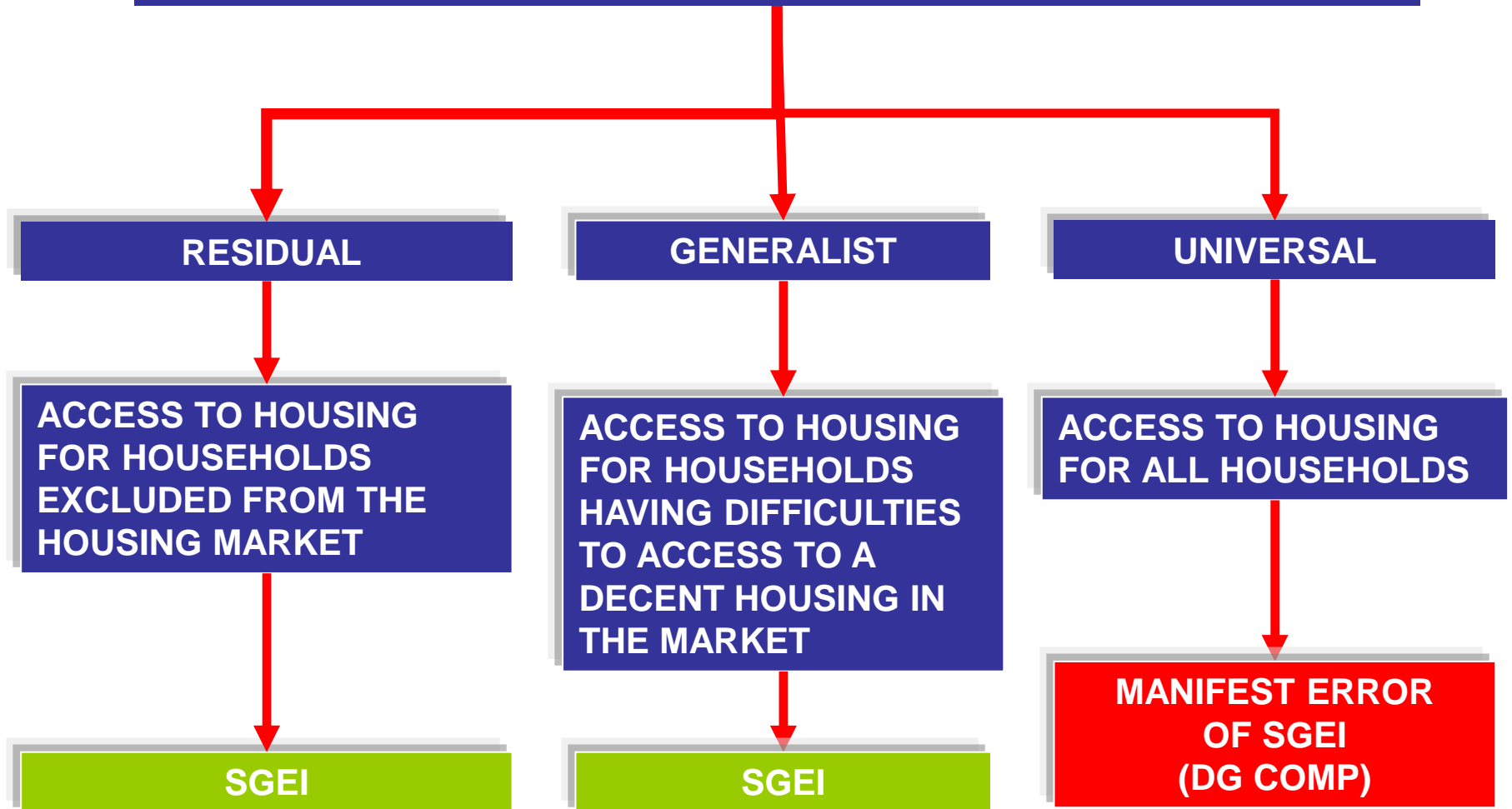
- ❑ Evaluation of the **Monti-Kroes Decision (2005)**
- ❑ 2006-2007-2008 MS report on State Aid to SGEI including social Housing
- ❑ Number of Social Housing Undertakings beneficiaries, level of compensation, average compensation, act of Entrustment, effective control of fair compensation, any difficulties to apply the decision of 2005 (DG COMP Guidelines – july 2008)
- ❑ MS reports to be sent to DG COMP by **19th december 2008**
- ❑ DG COMP Evaluation by **december 2009**

7 - IMPACT OF SGEI ECJ FRAMEWORK :

Scope of social Housing as SGEI and manifest error of assessment

- ❑ Commission point of view (DG COMP) : « (...) *letting dwellings to households other than socially disadvantaged cannot be considered as a service of general interest*”.
- ❑ Court point of view (ECJ ruling) : “*The control which the Community institutions are authorised to exercise over the use of the discretion of the Member State in determining SGEI is limited to ascertaining whether there is a manifest error of assessment*”.

MS conceptions of Social Housing and SGEI : SGEI of Social Housing VS SGEI of Housing ?



IMPACT OF COMPETITION RULES :

EU Control on instruments of Housing policies and on the scope of the SGEI

Increasing MS notifications to DG COMP (legal certainty)

- ❑ Subsidies to social or affordable Housing for target groups (young people, elderly, migrants, ...) as permanent SGEI or as normal commercial services by targeted and time limited support.

Ongoing dispute on the scope of Social and Public Housing

- ❑ Manifest error of SGEI of Social Housing
- ❑ Illegal State Aids to « Public Housing »