

EBC position on a New Circular Economy Action Plan

About EBC

Established in 1990, the European Builders Confederation (EBC) is a European professional organisation representing national construction employer associations of micro, small and medium-sized enterprises. EBC is a member and partner of SMEunited, the European association of SMEs, and Small Business Standards (SBS), the European association representing SMEs in standardisation.

The construction sector is of vital importance to the European economy. With 3.4 million enterprises and a total direct workforce of 13 million (EU-27)¹, the construction sector contributes at around 9% to the GDP of the European Union. 99.9% of the European construction sector is composed of micro, small and medium-sized enterprises.

General remarks

The construction sector is not just at the heart of the European economy, contributing 9% to the European Union GDP and directly employing a workforce of 13 million people, but also a key sector for a circular and sustainable Europe. While construction has a considerable environmental impact, with construction and demolition waste accounting for more than 35% of all waste generated in the EU, it is also an essential player in implementing the circular economy, e.g. by reducing the energy demand of buildings, increasing renewable energy installations and introducing recycled materials into the manufacturing process.

Based upon this, EBC welcomes the European Commission's "New Circular Economy Action Plan - For a cleaner and more competitive Europe". Indeed, we believe that Europe's future will be strongly influenced by decoupling economic growth from resource use and by combining economic progress with climate goals. However, a sustainable solution needs a coherent, stable and enabling policy framework with a balance between competitiveness, climate protection and social responsibility. Most certainly the implications of changing to a circular economy model will be more difficult for SMEs to cope with in terms of administrative burdens and technical requirements, due to their limited financial and human resources. Hence, it is crucial that regulatory initiatives are sensibly evaluated and designed through a dialogue with all concerned actors of the value chain, to develop an environment in which construction SMEs can deliver on their important role in making Europe circular and sustainable.

Specific remarks

a) Waste policy to support circularity

Construction and demolition waste accounts for more than 35% of the EU's total waste generation, making it one of the most voluminous waste streams and at the same time one of the focal points of a circular economy strategy. In addition to this, our EU building stock accounts for approximately 50% of all extracted

¹ Eurostat (2020). National accounts employment data by industry. Retrieved from https://ec.europa.eu/eurostat/web/products-datasets/product?code=nama_10_a64_e

material. Both issues highlight the importance to reduce construction and demolition waste, but also to increase its reuse, recycling and recovery. Construction SMEs are fully aware of the role they must play to reduce the impact of their renovation and demolition activities on the environment and thus support better waste management, which starts with proper sorting. Indeed, without sorting, no recycling or recovery is possible. However, construction SMEs often face challenges, e.g. when the building materials are entangled or glued to each other. In addition to this, they usually work in a small radius around their undertaking, and do not always find collection or treatment facilities close to the construction site or their undertaking where they can deposit their waste. Another problem is that the facilities receiving the waste do not necessarily allow a bulk of waste of the same nature to be collected and then transported to recycling facilities, which are rare and widely scattered throughout the countries.

- Ensure that construction enterprises are able to benefit from an appropriate number of waste facilities located close to construction sites or their businesses (maximum 20 km or 30 minutes transport time). The facilities may be waste collection centres or grouping/storage platforms.
- Establish an online platform available in all 23 official EU languages where best-practice examples on deconstruction and renovation activities are explained/shared and where manufacturers can inform about the eco-design parameters of their materials/equipment and new technologies and tools to reduce waste.
- Financially support enterprises that reduce the general amount of packaging on their materials and equipment.
- Provide adequate EU funding for awareness-raising/training programmes in the building sector on deconstruction works and waste prevention activities at all levels (initial training, master's degree, continuing training, etc.) and in particular for on-site staff and supervisors.
- Increase the safe, sustainable and circular use of excavated soils through a framework that facilitates cost-efficient treatment and develop European standards in this regard.

b) Conditions facilitating an EU market for secondary raw materials and sustainable products

Construction and demolition waste consists of many materials, including concrete, plaster, wood, glass, metals, polystyrene and plastics. Many of these can be recycled – to be used as ‘secondary raw materials’ – or reused to make construction more circular. In the same spirit, sustainable products can play a big role in construction with offering a low-carbon footprint. However, several challenges currently prevent a greater uptake of secondary raw materials and reused and/or sustainable products. For example, some product standards impose a maximum amount of recycled products in their manufacturing process. In addition, the reuse of materials/equipment, which requires knowledge of their residual performance, is very costly in terms of evaluation. Another problem is the reluctance to reuse recycled materials or reused products because of uncertainty about their residual quality and consistency and general questions of corporate responsibility to use “non-new” materials and products. At the same time, possible administrative or bureaucratic obligations with regard to “green products” can be detrimental for producers of small-quantity or custom-made products, as the burdens may make their business unprofitable.

- Establish an expert platform with multi-stakeholder participation to discuss feasible solutions to increase recycled materials in construction products.

- Revise product standards to allow more secondary raw materials to be incorporated into construction products.
- Develop a clear framework that addresses issues related to the residual performance of materials/products to support their reuse.
- Remove the waste status from all materials and equipment that can be reused.
- Assess the role standardisation can play for certain recycled/reused construction materials and products in order to increase their demand.
- Create levers to offer more recycled products in the construction industry. Establish rules on the reuse of materials and products in terms of liability and insurability.
- Consider financial support in the frame of subsidies or tax credits to support the purchase and use of recycled materials and sustainable products (e.g. wooden window frames or wood fibre insulation). Develop a platform for best-practice exchange at the European level on ways to integrate and promote recycled/reused materials and products.
- While we value eco-design and life cycle assessment as valuable tools to improve the environmental performance of products, the Construction Products Regulation should be the only piece of legislation regulating construction products in order to avoid overlaps and legal uncertainty in the market. Thus, EBC opposes the extension of the eco-design directive to construction products.

c) A holistic approach to “green” the built environment

For a successful implementation of circular economy in construction, it needs to be part of a holistic approach on the built environment, meaning that it goes hand in hand with other policies focusing on the EU building stock, such as the renovation wave initiative, level(s), etc. Indeed, buildings are not just major consumers of raw materials, but also account for 40% of final energy consumption and 36% of CO₂ emissions, which highlights the significance of drastically reducing the impact of buildings on our environment and climate. However, environmental requirements, higher material recovery targets and administrative burdens (e.g. certification) are becoming one of the major cost drivers in construction, which could jeopardise the goal to combine affordable housing with sustainable buildings. Material traceability as well as construction process benefits through digitalisation remain yet to be reaped by all construction sector actors, including SMEs. In addition to this, Green Public Procurement, aiming to reduce the environmental impact of procured products/services/works and to promote environmentally friendly solutions, can have a disruptive effect on the market to the disadvantage of SMEs, if it does not take the principle of “think small first” into account.

- Encourage and facilitate coordination between different initiatives, such as the renovation wave, level(s) etc. in order to ensure a coherent and tailored approach, which is capable to get off the ground.
- Ensure an appropriate financial framework to generate uptake of measures to improve the sustainability, durability and adaptability of the EU built environment.
- Make sure EU funding and support programmes have a focus on sustainability in the built environment and increase awareness raising as well as technical support for them.

- Assess the feasibility of buildings' digital logbooks as a tool to positively influence owners' knowledge and professionals' services, and put specific attention to topics such as data ownership, access rights and liability issues.²
- If specifications require green criteria in a tender, ensure that SMEs are not discriminated by criteria, which artificially foreclose the market.
- Make the digital transformation of the built environment and the construction sector a priority in European funding programs and put special attention to the inclusion of SMEs to enable all enterprises, independent of their size, to participate.

² For more information on this topic, please consult the EBC position paper on buildings' digital logbooks and building renovation passports.