**FIEC** is the European Construction Industry Federation, representing via its 32 National Member Federations in 28 countries (25 EU, Norway, Ukraine & Turkey) construction enterprises of all sizes, i.e. small and medium-sized enterprises as well as "global players", carrying out all forms of building and civil engineering activities.

# Position Paper 01/07/2020

## FIEC position paper on the new Circular Economy Action Plan


### Summary

This position paper outlines FIEC's detailed reaction to the new Circular Economy Action Plan that was published on 11 March 2020. As well as broadly welcoming the Plan, we have emphasised a number of priorities from it. These priorities are either aligned with those of our European contractor community, should form part of our sector's future strategy, or are not yet feasible for large or small contractors.

The paper explains our requests and elaborates on our views, as follows:

1. We welcome the commitment to ensure **coherence between various relevant legislation**. Our starting point here is that the **Construction Products Regulation (CPR) should be the baseline in terms of relevant measures for products**. Although we want to avoid duplicating legal requirements, we also recognise the CPR cannot include all regulatory measures. We therefore propose that, where this is the case, we need a **streamlined legislative framework** that minimises costs, confusion and the administrative burden on construction companies.
2. We ask that the **industry be involved directly in the creation of any recycling and recovery targets**. Related to this, we deal with the issue of **who is responsible for recovery** of materials.
3. We comment on the **availability of recycling facilities**, the convenient location of which is key to improving rates of recycling.
4. We ask for a **balance in the market between supply of and demand for secondary materials.**
5. We raise the need for **End of Waste Criteria at EU level**, to facilitate the reuse of materials across EU internal borders.
6. We welcome the **enforcement of market surveillance** of products.
7. We acknowledge the different rates of progress in the Member States.
8. We strongly support **digitalisation of construction as an enabler for the Circular Economy Action Plan.**


Readers are invited to continue going into the detail on the following pages. For further information, please contact us at the email address info@fiec.eu or consult our website www.fiec.eu.

## Introduction

FIEC welcomes the European Green Deal and the Circular Economy Action Plan. We support the Sustainable Development Goals and believe that these pillars should form the basis of relevant policy for the construction industry in the future.

We would like to remind EU policy makers that construction is not limited to buildings. It means the entire built environment, including civil engineering, infrastructure and deep foundations. Moreover, buildings require both construction and then renovation and maintenance. At the end of life, where it is not possible to renovate further or adapt the use, it is also sometimes necessary to undertake deconstruction and this work is also done by the construction industry.

FIEC also supported the previous Circular Economy Action Plan and calls for better implementation in general of relevant EU policy for the Circular Economy. Whilst some progress has been made, it is clear that it was necessary to maintain some elements of the previous Action Plan in the new one. This indicates that more needs to be done to achieve the ambitions for Circular Economy and setting new goals before previous ones have been achieved would be premature.

Having said that FIEC is not against ambitious objectives. The Circular Economy is a route to reducing resource use, reducing waste, increasing efficiency and ultimately making companies more profitable and sustainable. However, we believe that we need the right conditions to ensure that Circular Economy goals are achieved. Some of these conditions are explained in this position paper, which focuses on some key elements of the Circular Economy Action Plan. Firstly, we set out our priorities and then we look at some other elements that we also believe to be important.

## 1. Coherence with other legislation welcomed, especially Construction Products Regulation

FIEC welcomes the product policy initiative and strongly agrees that the best approach is to create no waste in the first place. In terms of implementation, this initiative should take account of the fact that there is already a regulation for construction products, namely the Construction Products Regulation. We therefore suggest that any new measures that are appropriate for secondary materials should be incorporated into this regulation. Such measures include the product sustainability principles that are under consideration.

The revision of the Construction Products Regulation has already been announced in the European Green Deal and is expected to include new requirements for dealing with circular economy. With this in mind we insist that there is no overlap between the product policy initiative, Ecodesign Directive, Product Environmental Footprint or any other relevant regulation and the Construction Products Regulation. In particular, the scope of the Ecodesign Directive should explicitly exclude construction products. All measures related to improving the circularity of construction products must be dealt with in the Construction Products Regulation. However, for a workable and profitable Circular Economy interfaces with other regulation (e.g. for waste and chemicals) also need to be considered and inconsistencies avoided.

⇨ **No overlap with the Construction Products Regulation. This should remain the single instrument for regulation construction materials.**
⇨ **Scope of Ecodesign Directive should explicitly exclude construction materials.**

## 2. Mandatory targets for recycled plastic and targets for recovery of other materials

FIEC was involved in the development of the Construction and Demolition Waste Protocol and supports the guidelines that are contained in that document, published in 2016. Whilst the Protocol was promoted at EU level, the guidelines were for voluntary use and the level of active uptake of these guidelines – and therefore the impact it has had on the level of recycling and reuse of construction materials – is not really known.

FIEC accepts that it may be time to consider mandatory targets for the recovery of certain materials that have already been used previously in construction. However, we ask that the following be taken into consideration:

- Some components removed during renovation and demolition may contain substances that make reuse or recycling impossible. Many used materials so far lack proper traceability, i.e. the possibility to ascertain in a sufficiently sound and economically feasible manner the composition of the product and potential contaminants during the construction or "in use" phases.
- Taking into account the above, mandatory targets for recovery of any materials should acknowledge the age and composition of the waste materials generated; and these targets should result from a thorough consultation with relevant stakeholders.
- We also recognise the very different waste streams different subsectors can incorporate and produce throughout the construction and end of life phases. Since different parts of the construction sector have different opportunities and limitations for recycling, we suggest targets are set by subsector. Much like in the WEEE directive, this would allow individual services, such as foundations or cladding, to have more specific and relevant targets to work towards. Any targets should of course be aligned with the End of Waste Criteria (see separate point in this paper).
- It needs to be clear who will be responsible for recovery. Some responsibility also falls on the firms that sort and recycle waste from demolition experts. Whilst construction companies can specify that their materials can be recycled, the process with which these materials are recovered at the end of life phase can impact the actual recovery.
    - This raises the difficulty of allocating responsibility in life cycle analysis, particularly for Extended Producer Responsibility. We note that in existing EU circular economy legislation, like the WEEE directive, business to business transactions also transfer Extended Producer Responsibility. To this end and for the sake of consistency, the final client would therefore be solely responsible from a cost perspective, since they ultimately specify the final design. Admittedly, however, this requires contractors to incorporate an understanding of this responsibility into any designs they propose.
    - If we are to truly encourage the use of secondary materials and ease of recycling at end of life in construction projects, then both of these need to be rewarded at their installation. This can be done by reducing Extended Producer Responsibility costs at their outset, much as is being proposed in other EU directives. We also want to avoid price increases of materials, caused by Extended Producer Responsibility.

⇨ **Any targets should be considered only after further consultation with stakeholders, In any case, they should:**

- **be compatible with End of Waste criteria**
- **take into account the limited possibilities for recycling caused by toxic elements or other limiting factors**
- **take into account constraints faced by demolition firms.**
- **be set by subsector.**

⇨ **It needs to be clear who is responsible for recovery. This should be made explicit in the revised Construction Products Regulation.**

### 3. Availability of conveniently located recycling facilities must be improved

Whilst some Member States have better facilities than others, in general, there remains a lack of consistency across the EU in terms of the availability of conveniently located recycling facilities. Indeed, this problem has not been adequately solved since the publication of the last Circular Economy Action Plan, in spite of this need being consistently expressed by FIEC and other construction stakeholders. Therefore, FIEC strongly welcomes the commitment from the Commission to propose to harmonise separate waste collection systems. Furthermore, we ask that Member States be required to ensure the availability of conveniently located recycling facilities at local level. This is necessary to avoid transportation of waste over long distances, which generates emissions and should therefore be eliminated as far as is feasible. In the provision of adequate facilities, local authorities should ensure that these are also provided in urban areas, where space is limited on and around construction sites, for sorting and separation. Provision also needs to be made for materials that require advanced recycling treatment, such as PVC (for which costs are high and adequate facilities less available) or concrete and asphalt from road demolition (often lacking storage space and appropriate recycling facilities).

Adequate space needs to be available for temporary storage of excavated soil, pending its recycling or reuse. This will prevent unnecessary transportation.

Finally, although a last resort, landfill may be the only suitable destination for non-recyclable materials and facilities need to be available locally.

⇨ **FIEC welcomes harmonised separate waste collection systems.**
⇨ **Local, conveniently located recycling facilities are essential.**
⇨ **Facilities with advanced processes need to be within a reasonable distance.**
⇨ **Storage space for excavated soil is needed.**
⇨ **Landfill facilities must remain accessible as the waste destination of last resort.**

## 4. The market for secondary materials should be equal to the level of supply

There is still a problem with a lack of demand for secondary materials. The Circular Economy Action Plan itself acknowledges the risk of over-supply compared with the corresponding demand. Therefore, FIEC welcomes the measures that will be put in place to ensure that the EU has a well-functioning internal market for high quality secondary raw materials.

The public sector has an important role to play and FIEC calls for the use of secondary materials to be allowed in public works contracts. This would help to boost the demand for these materials and allow construction companies to make this part of their offer, not only to the public sector but also to private clients.

The public sector also has an important role to play, in establishing the right tax framework and incentives to stimulate the market.

In order to allow widespread use of secondary materials and an increase in demand, certain barriers need to be overcome.

- First, there is the perception that these materials are in some way inferior to new materials. To address this, as well as the existing product standards there is a need for the rapid development of European harmonised standards for secondary materials. Standards would ease the concerns of clients and allow secondary materials to compete on a level playing field with new materials. Standards would also allow the gradual reduction in the reliance on and overuse of virgin raw materials, thus accelerating the move towards a Circular Economy. Digital passports, tagging and watermarks, all mentioned in the Circular Economy Action Plan, could also provide solutions.
- Second, there is the problem of price. Secondary materials are generally no cheaper – and can even be more expensive – than new materials. This is because as well as covering the cost of recovery, in order to be recycled or reused additional processes, such as cleaning in order to remove dangeous substances and decontaminate products, have to be undertaken. This generates costs for the supplier, which can also be the contractor. With the action plan taken in its entirety, demand for these secondary products is only going to increase, whilst we also aim to extend products lifecycles. This means less secondary materials and more demand, which will only push up prices further. We therefore must ensure closer collaboration between construction companies and waste disposal/recycling companies, to help ensure sufficient quality and volume of materials can be constructed from our designs/ materials.
- Third, there is the real problem of contamination from substances identified as being of very high concern. Safety needs to be guaranteed. Therefore, FIEC welcomes the Commission's proposed co-operation with industry, to develop systems for identifying and tracking these substances in waste. This problem could also be addressed by standardisation and digital methods as already mentioned above.
- Fourth, from a life cycle sustainability perspective, the removal, sorting and cleaning of secondary materials may also release more GHG emissions and produce more waste than using abundant, locally sourced raw materials. We therefore must be careful that the pursuit of the circular economy does not cause 'burden shifting' and create other sustainability impacts.

⇨ **Measures are welcomed that will ensure that the EU has a well-functioning internal market for quality secondary materials.**
⇨ **European harmonised standards for secondary materials are essential and must be developed rapidly to reassure clients. Digital passports, tagging and watermarks could also provide solutions.**
⇨ **Identification and tracking of substances of very high concern are necessary to eliminate the risk of contamination of secondary materials.**
⇨ **Secondary materials that have generated emissions during the recycling process may not be the best choice when using locally abundant virgin materials can avoid unnecessary emissions.**

### 5. End of Waste Criteria for construction welcomed

FIEC has long been calling for End of Waste Criteria, which enables the reclassification of waste as secondary material. This should be harmonised at EU, national and regional level as it would facilitate easier reuse of materials across borders.

⇨ **End of Waste Criteria harmonised at EU level will faciliate circularity.**

We also recognise, according to the EU waste hierarchy, that prevention and reuse should always come before recycling waste. To this end, we propose further emphasis should be placed on reuse and renovation of structures. We encourage the redevelopment of brownfield sites and propose, even at the end of life phase, the likes of foundations can be reused in situ.

### 6. Enforcement via market surveillance is welcomed

FIEC welcomes the proposal for stronger market surveillance of products placed on the European markets. An improvement in market surveillance with regards to sustainability of products is needed, also in the sector of construction. Thorough market surveillance needs to avoid that flawed, insufficient or even dangerous products are incorporated into buildings with a lifespan of often more than decades. Nevertheless, additional surveillance of sustainability requirements is welcomed.

⇨ **Existing market surveillance requirements need to be effectively implemented.**
⇨ **Additional surveillance of sustainability requirements is welcomed.**
⇨ **Additional responsibility and powers for market surveillancy authorities, like for instance, "mystery shopping" are welcomed.**

### 7. Step up efforts to create a level-playing field in Europe

The progress of implementing a more circular economy in Member States, the recycling rates and also reduction rate of construction and demolition waste vary largely between Member States. The recovery rates of construction and demolition waste varied according to Eurostat in 2016 from 54% in Slovakia to 100% in countries like the Netherlands and Luxembourg.

## 8. Digitalisation is an enabler for the Circular Economy Action Plan

*"To achieve the European Union's policy goals, digitalisation is essential."*[1]

FIEC has long stated that digitalisation is an enabler for all the major EU policy goals and this applies in particular to the Circular Economy. Therefore, we strongly welcome the recognition that digital technologies "will not only accelerate circularity but also the dematerialisation of our economy"[2]

It is important that public administrations in the EU keep pace with technolgical progress in the private sector and ensure that adequate research and innovation funds are allocated for fostering digitalisation in the construction sector.

In particular, we support the proposed promotion of digital technologies for tracking, tracing and mapping of resources as well as the gathering of relevant and important data about materials. Digital tracing of materials is a good starting point and assuming the benefits are achieved, digitalisation could be further used to facilitate circularity.

We also strongly support the development of the EU Digital Log Book for buildings, which should oversee all existing initiatives. This should therefore specify a common interface, which facilitates the link to other relevant sources of information. This should include a basic level of information that allows evaluation of substance content prior to recycling or reuse. The Log Book will enable an accurate, thorough and constantly updated record of the materials used in new buildings, amongst other information. This record will be vital for the Circular Economy as it will facilitate future recycling and reuse, when the building is renovated or disassembled.

We also welcome the European Dataspace for Smart Circular Applications.

- ⇨ **Widespread use of digital technologies to facilitate the Circular Economy.**
- ⇨ **We strongly support the development of the EU Digital Log Book.**
- ⇨ **We welcome the European Dataspace for Smart Circular Applications.**

## 9. Additional points

### a. FIEC welcomes the overall goals of the forthcoming Strategy for Sustainable Built Environment as well as the Renovation Wave.

Both of these important initiatives will add impetus to the effort to accelerate circularity in construction, which includes a longer life cycle for the existing building stock. Both initiatives need to be supported by a financial package.

### b. Industrial symbiosis offers a solution through collaboration across industries

Further potential should be explored through research and in particular with the support of the Horizon Europe programme (see also below). More work and research is also required to upscale industrial symbiosis from an inter-company level, making it an inter-sector approach that can help all construction companies work towards the circular economy. This is particularly important given the requirement for local sourcing for each construction project, minimising transport emissions and support local communities.

[1] *" Smarter Construction, Stronger Economy, Inclusive Society: the European Construction Industry Manifesto for Digitalisatio.* 2018. http://www.fiec.eu/en/library-619/joint-manifesto-on-digitalisation-from-the-construction-industry.aspx

[2] Circular Economy Action Plan, March 2020.

### c. Horizon Europe must support research aimed at finding new solutions

Research into circularity in construction must be included in specific actions under the new research programme**.** This is already foreseen in the partnership proposal for Built4People.

### d. The EU should not export the problem of waste

It would be easier, but not responsible, to simply ship waste to third countries and let them deal with the problem, possibly by simply reusing materials without first guaranteeing their quality and safe use. FIEC supports the Commission's commitment to take responsibility for EU generated waste in the EU, by creating an effective Circular Economy. This should not exclude allowing a certain amount of cross-border transport of recyclable materials, in cases where the nearest suitable facilities are in another EU country. Although we should aim to reduce long distance transport of such materials as far as possible, if the emissions generated are off-set by the gains of recycling, it makes sense to allow such movement within the EU.

### e. New business models should be developed in construction

The whole supply chain has to be overhauled to embrace circularity principles. New business models could support this, e.g. "Construction elements as a service".

### f. Excavated soil

Soils are a valuable, finite natural resource; their value needs greater recognition. The good management of soil is frequently undervalued in sustainability assessments. Too often excess soils and aggregates are considered as an afterthought or problem, which increases the likelihood of them becoming waste. Soil reuse protocols need to be based on high standards and not create an easy or "fake" recovery route.

The various regulations in the different Member States lead to the situation where excavated soil is often sent to landfill. This must change by reviewing legislation and criteria to find methods which ensure that all soil is recovered. We note, in Belgium and Holland, for example, that this can be achieved with rigorous testing of extracted soils, both at a site and macro scale.

### g. Comment on Green Public Procurement and Lifecycle Assessment

We welcome the European Commission's proposal to define a method for lifecycle assessment under the condition that a single harmonised method across Europe is achieved as a result. In our view methods for calculating lifecycle costs should be prepared for the largest possible number of construction services and should be binding through an act of law within the framework of Directive 2014/24/EU. This would encourage environmentally friendly and sustainable procurement across Europe through transparent and non-discriminatory competition.

However, the lifecycle assessment of services involves additional complexities compared with materials or products. This should be anticipated so that companies offering construction services compete on a level playing field.

**Contact @ FIEC:**
Sue Arundale
**Email:** info@fiec.eu

www.fiec.eu
info@fiec.eu
@FIEC_Brussels
FIEC EU

FIEC - European Construction Industry Federation
Avenue Louise 225, BE-1050 Brussels / **Tel.** +32-2-514 55 35
Transparency Reg. 2221016212-42 aisbl Nr Entreprise : BE 0688 919.140