



Proposal for a Soil Monitoring Law

Brussels, 19/10/2023

Key messages

- > FIEC **fully supports** the overarching objective of the Soil Monitoring Law which is to monitor and improve the quality and health of European soils.
- ➤ However, all **potential impacts** of the proposed principles **on the construction sector** and **new housebuilding**, in particular of those aimed at **mitigating "land take"**, should be **carefully evaluated**. They should adequately reflect the economic and societal reality in Member States.

FIEC fully supports the objective of monitoring and improving the state of soils

A harmonised soil monitoring framework for all soils is needed to address the knowledge gap on soils in the EU

About 60 to 70% of soil in the EU is in an unhealthy state. Degradation processes are continuing, with the drivers of these processes going beyond country borders, reducing the soil's capacity to provide vital ecosystem services. Against this background, <u>FIEC welcomes the initiative of the European Commission</u> of proposing a new EU directive on healthy soils.

Soil is a vital and limited resource and healthy soil provides numerous ecosystem services that are vital to the economy, the society and the environment. It is a strategic ally in mitigating the effects of climate change and can help us increase our resilience to extreme weather events.

FIEC reiterates its position from the discussions on the proposal for a "Nature Restoration Law": More decisive action at EU level is needed to put ecosystems on a path to recovery. Inaction is not an option. We agree with the Commission's assessment that there is currently a lack in Member States of comprehensive, transparent and harmonised data on soil health from soil monitoring and we therefore support the proposal's objective of putting in place a harmonised monitoring framework. This framework is crucial to close the knowledge gap on soils and to make informed decisions about how best to combat soil degradation in the EU.

Member States must be given sufficient time to put in place national monitoring systems

We support the proposal's approach which would allow Member States to gradually set up their governance system. This gradual approach is particularly important, considering that not all Member States have soil monitoring schemes in place yet and considering that already existing

FIEC is the European Construction Industry Federation, which through its 32 national member associations in 27 countries (24 EU countries, Norway, Switzerland, and Ukraine) represents construction companies of all sizes, i.e., small, and medium-sized enterprises and "global players", carrying out all forms of building and civil engineering activities.

schemes must be adapted to the new framework before they are fully operational. However, <u>any obligation under these systems on private companies</u> to collect and transmit data <u>must be proportionate</u>¹.

The potential impact of the proposed practices and principles on the construction sector should be carefully evaluated

'Land take mitigation principles' should adequately reflect the economic and societal reality in Member States

The EU construction sector is an "enabler" of the European Green Deal and provides many services in the "public interest": We build environmentally friendly infrastructure that connects cities, regions and countries; we build fossil-free energy and sustainable water infrastructure, and we help the EU improve the energy performance of its building stock and emit less CO2 by carrying out energy renovations.

However, the sector needs the right framework conditions to continue to live up to this key role. The implementation of new rules on energy efficiency, on sustainable construction products and on circular economy - to mention just a few - will drive up construction costs in an already inflationary context. This could further exacerbate the current housing and affordability crisis now unfolding in many EU countries². Therefore, FIEC urges decision-makers to carefully analyse and evaluate all potential impacts on the construction sector of any additional measures (in particular, "land take mitigation principles") that could hinder economic activity, make construction projects even costlier and conflict with "societal needs" (new transport infrastructure, affordable and social housing...). Particular attention should be paid to the situation of densely populated areas³.

Moreover, to avoid any room for interpretation, all provisions and terms used ("compensate", "ecosystem services" 4 ...) should be clearly defined to ensure effective implementation of the SML. <u>FIEC calls for the introduction of a "reward" approach</u> for citizens, businesses and institutions that are particularly committed to the recovery and restoration of ecosystem services. This would set the right incentives for all parties concerned to prioritise the health of soils⁵.

We stand ready to provide the European Commission and the co-legislators with further information about the impact of EU environmental legislation on construction activities and on new housebuilding and about current developments in the European construction industry.

⁵ We expect that measures to improve the health of soils, for example the desealing and renaturalisation of "artificial" land, will come with considerable costs. Efforts to improve the health of soils could be financially rewarded.



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¹ Private companies must not be obliged to collect and transmit data without their activity requiring it, meaning that mandatory transmission may be introduced for all data collected under a (service) contract. A uniform template should be made available for data transmission.

² For example, Germany is expected to see a 32% drop in new housing construction between 2023 and 2025, see https://www.ifo.de/en/press-release/2023-07-19/european-residential-construction-cools-down. In Sweden, investment in new housebuilding is forecasted to decrease by 42,4%, see https://fiec-statistical-report.eu/european-union

 $^{^{\}rm 3}\,$ For example, in the Netherlands and Belgium.

⁴ Currently defined as "the indirect contributions of ecosystems to the economic, social, cultural and other benefits that people derive from such ecosystems".