



Agreement on Construction Products Regulation (CPR): A major improvement for contractors, a massive cost and time saving for businesses

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On 13 December 2023, EU lawmakers reached a **provisional agreement** on the revised Construction Products Regulation (CPR). In recent years, the European Commission had identified numerous shortcomings in the "old" framework for construction products, in particular the **lack of updated harmonised standards** and of **environmental and sustainability performance criteria** for products. The Commission's original proposal of March 2022 also included new requirements for the on-site manufacture of products and for their dismantling.

FIEC welcomes the fact that the **overall complexity of the text** has been significantly **reduced.** In particular, the new regulation now focuses on the free circulation of construction products in the internal market by **excluding the direct installation**, dismantling and manufacture of products 'on site' from the scope. This represents a **massive cost and time saving for contractors (approx. 1-2 FTE per year)**. The standard-setting process has been simplified and the rules should also help the sector to become more sustainable and digitised. The final text also makes a clear distinction between the competences of the Member States, which are responsible for the safety level of construction works, and those of the Union, which defines the framework conditions for the internal market.

However, a major drawback is the long transition period from the current (305/2011) to the revised CPR. This transition period is likely to create immense planning uncertainty for the sector at a time when circular and innovative construction methods are on the rise.

Direct installation and manufacture of products 'on site' excluded from scope

One of <u>FIEC's priorities</u> from the outset was to **reduce** the **complexity** of the proposal - which FIEC has achieved - and to ensure that the revised CPR continues to apply to supply contracts and not to works contracts. Negotiators have now agreed to exclude the direct installation, deinstallation and the manufacture of products on site from the scope. FIEC estimates that this will **save contractors at least 1-2 FTE per year**.

Commenting on the scope, Eric Winnepenninckx, Rapporteur of FIEC's sub-commission on "Directives, Standards and Quality Assurance", states:

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.

"We thank the European Parliament's rapporteur, Christian Doleschal, and the Spanish Presidency for getting the revised CPR over the finishing line. The scope has been clarified thanks to FIEC's tireless efforts to convince the EU institutions that the direct installation, de-installation and on-site manufacture of products are already largely covered by national legislation and building codes in many EU countries.

The exclusion of direct installation is a significant and practical improvement for contractors: They would have been wrongly considered as 'product manufacturers' and obliged to comply with certain requirements that should only be imposed on manufacturers, such as completing declarations of performance and conformity or affixing the CE marking to each of these 'products'. This ambiguity had the potential to create red tape for the many SMEs in the construction sector".

However, the term **'services'** has not been removed from Article 1, which could lead to legal uncertainty as to whether certain services provided by contractors are covered by certain new provisions in the CPR.

FIEC's successful advocacy for a streamlined standardisation system and transparent and digital product information

FIEC, which met with several key legislators in the EU institutions and continued to lobby for a streamlined regulation throughout 2022 and 2023, has also succeeded in **simplifying the standard-setting process** and **limiting the powers delegated** to the European Commission. Under the agreement, standards can be published more quickly. New standards will be legally binding and only in certain circumstances will there be a **"fall back" solution** allowing the European Commission to revise requests or adopt harmonised technical specifications on its own. To ensure that the link between Member States' regulatory needs and standards is maintained, an expert group will advise the European Commission on the preparation of standardisation requests on the basis of a work plan for specific product families.

While FIEC insists that it is crucial to consider environmental and sustainability requirements at the works level, it welcomes the fact that several of these requirements, including **the life-cycle environmental performance** of construction products, will have to be disclosed by manufacturers in the "**declaration of performance**" and conformity. This will contribute to greater transparency on the embodied carbon of construction projects and help practitioners to calculate and disclose the life-cycle global warming potential (GWP) of buildings, in line with the requirements of the new **Energy Performance of Buildings Directive (EPBD)** and the **EU Taxonomy for sustainable activities**. The new CPR also specifically covers used, re-used and remanufactured products and promotes the long-term harmonisation of these products, which have the potential to boost the circular construction market.

"We believe - and hope - that the new rules on standardisation will speed up the standard-setting process at EU level. It remains to be seen whether the new mechanism will allow the notorious backlog of harmonised standards to be cleared", adds **Winnepenninckx**. "This is important to maintain Europe's global leadership in standardisation and to continue to export the Union's values, such as communicating environmental performance and the presence of hazardous substances, based on common assessment methods".



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The coherence between the revised CPR and the *Ecodesign for Sustainable Products Regulation* (ESPR) regarding the product passport is also positive. Product information will be made available by electronic means and digitally through the so-called **Digital Product Passport**, which will be interoperable with Building Information Modelling (BIM).

The new rules also empower the Commission to set mandatory minimum environmental requirements for **green public procurement** of construction products.

Transition period likely to create legal and planning uncertainty

A major drawback is undoubtedly the transition period. FIEC regrets that, despite its warnings, no viable solution has been found for the transition from the current Regulation (EU) 305/2011 to the future new CPR. The agreement proposes to **repeal most of the articles of the existing framework in 2039.**

"At a time when the sector is striving to become more sustainable and circular and is undergoing a fundamental transition, it is absolutely necessary to update outdated standards quickly", says **Winnepenninckx.** "It is our sincere hope that the transition and migration of harmonised technical specifications from the current to the new framework will be pragmatic, smooth and rapid".



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