**FIEC** is the European Construction Industry Federation, representing via its 33 National Member Federations in 29 countries (25 EU & Norway, Switzerland, 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.



## PRESS RELEASE

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## WIDE SWEEPING "FIT FOR 55" PACKAGE: NEW CHALLENGES FOR CONSTRUCTION

"As decarbonisation is one of our top priorities, the "Fit for 55" package is certainly very relevant to the construction industry" says José-Michaël Chenu, FIEC Vice-President responsible for the Technical Commission, speaking about the package of energy and climate reforms just published by the European Commission. "Several of the proposed measures will have a significant impact on our sector and on its capacity to play a key role in the achievement of the EU Green Deal. The proposed extension of the Emissions Trading Scheme to buildings is one of them and we will be looking at it very closely."

Coinciding with the publication of <u>FIEC's position paper</u> on the revision of the Energy Performance in Buildings Directive, not itself covered in the package as it was already foreseen in the Renovation Wave communication last October, the "Fit for 55" package aims to ensure the EU goal of emissions reduction of 55% by 2030 is reached. Among the measures directly relevant to the construction industry is the reform of the Emissions Trading System (ETS) and its extension to buildings. The ETS, which covers around 40% of the EU's greenhouse gas emissions, is a "cap and trade system", which sets the total amount of certain greenhouse gases that can be emitted by the installations covered by the system. The cap is reduced over time. Apart from some very specific construction-related material manufacturers, the industry has hitherto largely been covered by the alternative Effort Sharing Regulation, which sets binding national greenhouse gas targets for each of the 28 Member States of the European Union, collectively amounting to a 30% cut in emissions, against a 2005 baseline, by 2030. This is also being revised. The revenue expected to be generated by emissions trading in buildings is to be earmarked for a climate social facility, which will be created to support vulnerable citizens, exposed to costs arising from the transition that will hit buildings. It remains to be seen how the reformed ETS will work alongside the extended ETS.

Some construction materials such as cement, iron and steel and aluminium, will be covered by the proposed Carbon Border Adjustment Mechanism, a tariff on imported goods based on their carbon content. This proposed regulation is strongly supported by the European Parliament but some industry bodies prefer the allowances under the ETS instead,

Energy efficiency and renewables also feature in the package, with changes to both the Energy Efficiency Directive and the Renewable Energy Directive foreseen.

Further information on the Fit for 55 package can be found <a href="here">here</a> and FIEC's position on the revision of the Energy Performance in Buildings Directive (EPBD) can be found <a href="here">here</a>.

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