

FIEC is the European Construction Industry Federation, representing via its 29 National Member Federations in 26 countries (23 EU & EFTA and 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.
Recognised “Sectoral Social Partner” (employers)



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FIEC position paper – Clean Energy Package

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Good attempt to join up various policy elements

■ FIEC broadly welcomes package but dissection required for analysis

The Clean Energy Package appears to mark a new way of working in the European Commission, which is welcomed by FIEC. We have long since stressed the need for different policy departments to work together on major policy areas, so this attempt to bring different aspects of energy policy under one umbrella is commendable. What this approach means though, is that we have to deal with the various measures proposed in more than one position paper. This one covers the broad view of the package, whereas other complementary position papers cover more specific aspects, according to their focus. In particular, the proposal for the revision of the Energy Performance in Buildings Directive is addressed in a separate position paper.

■ FIEC welcomes binding headline target of 30% in Energy Efficiency Directive

FIEC broadly welcomes the binding target and can support the EU-wide effort to achieve it, by renovating buildings. For the maximum improvement in energy renovation of the building stock, appropriate investment needs to be available.

■ Clean Energy Innovation essential and new initiatives applauded

We welcome “targeted financial instruments... in untested but promising clean energy technologies or business models” and we also invite the EU institutions to address the “adoption of existing energy-efficiency technologies across building stocks...”, which we strongly agree is not fast enough. We call on the Commission to consider how this could be achieved, through its *Smart Financing for Smart Buildings* initiative.

Whilst we do not oppose the notion that the “consumer has to be at the centre of the energy system”, we urge the co-legislators to ensure that **consumer “engagement” does not inadvertently result in consumers bearing the burden of responsibility for clean energy in the EU**. This needs to be a joint effort, with considerable effort from the energy companies, as well as the important role for construction stakeholders. Consumers can do their bit when well informed, but should not be solely responsible for the clean energy revolution in the EU.

FIEC supports the concept of **voluntary green public procurement**, assuming that the criteria are clear, fair and in line with the 2014 public procurement directive.

“**Market creating innovation**” would be a welcome additional aspect to Horizon 2020. However, access to any new programmes should be open to all companies, not only SMEs and start-ups. In addition, FIEC strongly supports funding for research into *Decarbonising the EU building stock by 2050*. Moreover, as construction has historically tended to achieve more in terms of **incremental innovation**, notwithstanding the current disruptive innovation being delivered by BIM, drones, robots and Artificial Intelligence, we strongly support the focus on incremental innovation as well as disruptive innovation.

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With regard to the extended scope of the **Enterprise Europe Network**, we call for a **thorough evaluation** of the potential benefits of this proposal, particularly if further funding is to be considered.

■ **Crucial role to be played by social partners in managing changes**

FIEC shares the Commission’s view on the crucial role to be played by the social partners in mapping and anticipating the skills needed and ensuring that they are adequately integrated into the various national training schemes. FIEC broadly welcomes the sectoral “Blueprint” initiative, which should however adequately take into account the diversity of the situations between and within the various Member States, even at regional and local level, with regard to both the skills/competences needed on the market, as well as the training systems. Also in this respect the involvement of the social partners is an important key success factor.

■ **Still a long road ahead**

Given that EU energy efficiency measures are not new, the fact that in Europe we have achieved rather little in terms of renovating the building stock and eliminating the risk of energy shortages in the future, means that we still face a major challenge. However, the Clean Energy Package shows what is possible when the EU institutions tackle problems with joined up thinking and collaboration between policy makers. FIEC strongly supports this approach and now calls for the industry to be offered its rightful place in all relevant stakeholder groups established to ensure the success of the Package, particularly the Clean Energy Industrial Forum (see annex).

ANNEX

■ **Communication requires clarification and more commitment to construction**

Whilst the Communication *Clean Energy for All Europeans* sets the scene for the numerous issues tackled in the rest of the documents, some statements are ambiguous and have raised questions in FIEC, particularly as there are potential implications for the construction industry, which warrant further investigation.

Industrial production in the construction sector. Does this mean pre-fabrication? Off-the-shelf renovation kits? Robots replacing construction workers? What is being proposed here? Improving output and in particular the rate of energy renovation of the existing building stock is an ambition that is shared by FIEC, but the industry should lead its own innovation and we have already seen proposals for simplistic solutions, developed by well-meaning think tanks and project proposers, without any involvement of contractors, who have to implement these “good ideas”. **We must be involved in the discussions about the future of the industry.**

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“Energy efficiency of buildings can be one of the drivers for modernisation of the sector and its workforce”.

The construction industry is modernising already and in spite of accusations to the contrary, contractors are using new technology (BIM, drones), new processes (BIM¹, Design for Deconstruction) and are re-skilling their workforce, ready for the challenges that lie ahead. Construction has been around for as long as humans have needed shelter and it has a longer record of adaptation than many of the industries more recognised for innovation, because of their more apparent speed of change. Contractors are already constructing Nearly Zero Energy Buildings (NZEBS) and are ready to renovate more buildings as soon as Member States effectively implement the regulatory framework and find solutions for the obstacles that have prevented more effective implementation of the current Energy Performance in Buildings Directive.

Providing a fair deal for consumers. FIEC is in favour of a fair deal, which addresses the energy needs of all types of consumer, not only those in financial difficulty. Energy efficiency investments are expensive for most householders and in particular, deep renovation, the bespoke nature of which maximises energy saving potential, is financially out of reach for most building owners. Furthermore, split incentives deter landlords from making such investment. With this in mind, we urge Member States to deliver a fair deal for all. Ignoring the majority of consumers will result in little change to the renovation rate, particular in the residential sector.

Clean Energy Industrial Forum. This could be a good idea. However, whilst certain industries are mentioned, construction is conspicuously absent. As the industry that will deliver NZEBs, it is **imperative that construction is included in this forum.**

Blueprints for Sectoral Cooperation on Skills. We welcome the proposed new “Blueprint” for the construction sector, with a focus on low carbon technologies.

Smart financing for smart buildings. FIEC welcomes this initiative. Regarding the projects in the EFSI 2.0 infrastructure and innovation window, FIEC welcomes the clear political promotion of projects that should contribute to a more stable climate, energy efficiency and innovation. That said, we question the rationale for setting up a binding 40% target. These funds need to be distributed in the right proportions, in order to ensure that important projects (e.g. schools, hospitals etc.), the main purpose of which is not to deliver climate and energy targets, are not overlooked.

€17bn from ERDF and Cohesion Fund for energy efficiency. We welcome the commitment to invest this sum in public and residential buildings and enterprises.

Specific proposals in Pillars I, II and III. We support more effective use of scarce public funding, all kinds of technical assistance for project promoters and de-risking investment in energy efficiency. For the latter, we call for the use of the EEFIG de-risking platform.

EU framework on environmental performance of buildings, circular economy, CDW Protocol². We are pleased to see these EU initiatives referenced in the Communication. FIEC has been involved in all of them.

¹ Building Information Model, Modelling or Management depending on context.

² Construction and Demolition Waste Protocol, published November 2016

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Principles and rules for sustainable design of buildings. These should not amount to any new initiatives, but should take into account recent principles and rules, such as those being developed as part of the EU framework on environmental performance of buildings and BIM, amongst others.

Possible revision of the Construction Products Regulation (CPR). FIEC welcomes the fact that the discussion on the future of the CPR has been extended to include possible revision, should that be the best solution for all stakeholders. In any event, FIEC supports the concept of a well functioning single market for construction products and any improvements to the CPR should ensure that this overall objective is maintained.

One-stop-shop for project promoters. This initiative is welcome, if it simplifies procedures for project promoters and in particular helps to avoid over-complex financial instruments.

■ Ecodesign must not duplicate existing measures for construction products

Ecodesign Working Plan 2016-2019. FIEC repeats its concerns, already raised in its position on Ecodesign and Energy Labelling in 2014³. That said, if the Commission intends to align Ecodesign measures with those already required under the Construction Products Regulation and existing standards, then FIEC would be more inclined to support the Ecodesign Working Plan 2016-2019. Before we can do that, we caution against exaggerating the benefits of Ecodesign for consumers and we call on the co-legislators to take steps **to avoid any duplication of existing rules**, which would cause an additional administrative burden and additional expense for the construction industry, resulting in an **eventual increase in prices of construction materials** for both professional users and consumers alike. We invite co-legislators to discuss this issue thoroughly with relevant stakeholders, including FIEC's community, the contractors, before approving the Ecodesign Working Plan.⁴

■ Some additional points for consideration

Embodied energy. This important factor is addressed in the forthcoming EU voluntary framework for the environmental performance of buildings. Clean energy should be tackled with the same **life cycle approach** as this framework.

To renovate or to demolish? Renovation at any price is not always the best option. Sometimes, a building simply cannot deliver a worthwhile return on investment and it is more cost effective to demolish it. Moreover, energy efficiency should not be the overall goal of major renovation, in cases where there are other problems, for example structural weaknesses in buildings in earthquake zones. We call on the EU policy makers to explain what guidance will be given in this regard and to work with experts in the industry, to develop any guidelines necessary, to facilitate the right decision in cases of older/at risk buildings.

³ <http://www.fiec.eu/en/fiec-positions/position-papers.aspx>

⁴ COM (2016) 773