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Committee of the Regions

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DRAFT OPINION

Commission for the Environment, Climate Change and Energy

Resource efficiency opportunities in the building sector

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This document will be discussed at the meeting of the **Commission for the Environment, Climate Change and Energy** to be held **from 11 a.m. to 4 p.m. on 11 December 2014**. To allow time for translation, any amendments must be submitted through the online tool for tabling amendments (available on the Members' Portal: http://cor.europa.eu/members) **no later than 3 p.m. (Brussels time) on 28 November 2014.** A user guide is available at http://toad.cor.europa.eu/CORHelp.aspx.

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Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Resource efficiency opportunities in the building sector, COM(2014) 445 final

Draft opinion of the Commission for the Environment, Climate Change and Energy – Resource efficiency opportunities in the building sector

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. fully supports the efforts to develop policy coordination, focusing on sustainable buildings and factoring in resource efficiency in the building sector. Local and regional authorities have undertaken to promote greater resource efficiency, given its advantages for the environment, the climate, the economy and society;

2. is concerned that the Commission communication overlooks the role of local and regional authorities, despite the fact that the Committee has drawn attention to this aspect in previous opinions on similar subjects. The Committee therefore asks the Commission, when preparing its communications, to analyse ways and means in which the Committee and local and regional authorities in general could be involved in consultations;

3. points out that in the broad and complex policy area of sustainable buildings, initiatives here must be designed and carried out in such a way that consideration is first given to all aspects related to the people, communities and institutions that will use the buildings. Local building materials are often considered most efficient, having a positive impact on the local economy and requiring the least transport;

4. proposes that the EU institutions analyse the option of developing a compensation mechanism which would not make regions that are leaders in resource use any less competitive. This mechanism would, firstly, help less developed regions to meet the challenges involved in sustainable buildings (specifically preventing the increase in prices triggered by internalising external negative factors) and, secondly, facilitate the renovation and expansion of green infrastructure in regions affected by changes in land use;

A. Fundamental problems

5. points out that, in the Committee's view, resource efficiency is a guiding principle for many EU policies and plays an important role in energy, industry, research, transport, water, waste management and regional and urban development, as well as in the EU's fight to combat climate change. Given that the flagship initiative "A resource-efficient Europe" aims to link up economic development, social wellbeing and responsible use of natural resources, the Committee points out that local and regional authorities have a key role to play in spurring on resource efficiency in the context of the policy package on the circular economy;

6. considers that one important means of increasing the number of green buildings is to step up support for construction companies and developers with a view to green construction. Green

buildings have long-term advantages, particularly in terms of energy savings and worker productivity. While green buildings are more cost-efficient, it is the final owners and users who reap the benefits, not the builders. The additional costs entailed in putting up green buildings – generally 2 to 5% – cannot readily be passed onto the owners, which is why construction companies often find that it is not financially viable;

7. commends the Commission on its intention to stimulate the market in recycling construction and demolition waste by stepping up support for research and demonstration projects. The Committee would also point out that, subject to broader cooperation with the Member States, research and innovation projects under the Horizon 2020 framework programme could make recycling more attractive economically;

B. Local and regional authorities supporting resource efficiency policy

8. considers that, for local and regional authorities across the EU, the priority is to urge EU policy to move past a technocratic approach to indicators with a view to greening the construction sector. It is in the interests of local and regional authorities to draw attention to the major environmental and economic challenges involved in improving resource efficiency in the construction sector;

9. points out that local and regional authorities play a key role in reducing environmental impact, as they are in a position to make a proper assessment of appropriate measures adopted in support of energy efficiency, by carefully assessing local features and aspects;

10. considers that it would be useful to apply a system of territorial and regional planning tools to resource efficiency, while taking into account renewable energy, energy efficiency and waste management;

11. considers that the efforts made to date by the EU's local and regional authorities are extremely important, with outstanding examples being the Emilia Romagna region's energy efficiency strategy, programmes identifying new technologies and approaches based on the traditional local architecture of Harghita county, and the innovative activities of the city of Rakvere in Estonia. These and similar initiatives lead the way in resource efficiency and the sustainable construction industry;

12. notes that industrial activity linked to construction materials from the green construction industry and demolition would create many jobs. Developing regional and local action plans on these issues, together with appropriate human resource solutions, would contribute substantially to achieving resource efficiency targets;

13. regrets that, contrary to its proposal, the Covenant of Mayors has not tackled resource efficiency. However, the Committee firmly believes that it will do so once the targets have been approved;

14. points out that the Commission has pledged to provide an initial set of indicators for resource efficient buildings in two to three years. The Committee calls for the local and regional level to be consulted on and given the opportunity to contribute to these indicators throughout the development process;

15. draws attention to the fact that local and regional authorities play an important role both in carrying out political investments in sustainable buildings and as owners of public buildings, public housing and utility networks;

16. reiterates that it cannot endorse the solution whereby if a Member State fails to meet its waste or energy efficiency obligations, the Commission can propose that ESIF funding be suspended in part or in full. This generally penalises local and regional authorities and the local communities represented indirectly by them, regardless of the extent to which they have contributed to the policy targets;

17. calls on local and regional authorities to step up cooperation on green public procurement, thereby helping the local and regional level to meet the EU's ambitious targets for sustainable buildings;

C. *Definitions, indicators, R&D*

18. considers that it must not be forgotten that the construction industry is a tool, and buildings can have a town planning, architectural, social, economic and environmental dimension, and that particular importance must be attached to the problem of sustainability. It must be underscored that buildings do not in themselves have a good or harmful effect on their environment, other than in the context of the complex interrelations referred to above. The Committee therefore proposes that the approach centred on buildings be further developed to incorporate the new contexts;

19. points out that the technical and performance characteristics of construction materials change rapidly after manufacture, and this process does not stop once the materials are in place. It is therefore important to analyse whether, after demolition, certain materials are suitable for reuse and whether it is possible to introduce a separate certification system;

20. nonetheless, highlights the need for research into the upkeep and maintenance of buildings and associated facilities as this could provide opportunities to extend their lifecycle;

21. stresses that re-purposing construction materials from demolition sites, for example for building roads, should be treated as a key research area as many construction materials contain harmful, hazardous or contaminating components and appropriate answers have not yet been found as regards gauging, and where necessary reducing, the inherent risks;

22. considers that rediscovering traditional construction technologies and materials is a great opportunity for the European construction sector: they are a model of the way in which local resources can be used for efficient solutions geared to local conditions;

23. points out that analysis is needed of whether renovating existing buildings is an appropriate solution in every case: existing buildings in many regions of Europe, including public buildings, can be renovated to provide a suitable degree of comfort only after substantial investment. These situations draw attention to the fact that, while renovating existing buildings is always more resource efficient than demolishing them or building new ones, the aesthetic, architectural and social value of a new building is much greater in some cases. Therefore, alongside the purely technical aspects, consideration must also be given to the architectural, social, economic and environmental aspects;

24. would point out that as regards construction, the Commission document does not mention the use of renewable energy, although such energy clearly contributes to a building's sustainability. Solar and wind power systems integrated into buildings would greatly reduce the environmental impact throughout the lifecycle, particularly as regards CO_2 emissions. An accurate analysis must take account of the materials and energy used to generate electrical units and energy;

25. considers that clarification is needed regarding the difference between specialist terms used interchangeably: passive building, environmentally friendly building, sustainable building, low energy building and zero carbon building. Clarifying these definitions is plainly a matter for R&D; progress is needed urgently as the Commission wants to adopt key measures in this field;

26. emphasises that alongside the reuse of metals and glass, which is covered in detail in the communication, the research highlights promising data regarding concrete and wood. As construction materials, concrete and wood are suitable for reuse, easily sorted and simple to recycle and/or use. Local and regional analyses regarding the reuse of these materials should therefore have priority;

27. considers that with regard to the use of wood and other natural construction materials, it must be borne in mind that growing needs in the construction industry will lead to local or indirect changes in land use. It is important that this industry does not repeat past mistakes as regards the production of biomass for energy. Changes in land use must be analysed in detail in order to incorporate the results into this policy area;

28. proposes that alongside resource efficiency procedures, university curricula for engineers, architects and economists should also include procedures to reduce the amount of additional resources used as a result of changes mid project;

29. considers that with regard to resource efficiency and specifically in the case of recycling construction and demolition waste, the costs and impact of sorting and transport must also be taken into account. Fully standardised analysis procedures are therefore necessary, and policy and R&D processes must also integrate the comparison of options factoring in transport and on site or local recycling capacity;

D. Governance, partnership, knowledge transfer

30. is pleased that the Commission communication emphasises that disseminating best practice plays an important role in these measures. In this respect, cooperation projects between groups of regions with similar features must have priority. In this field, it is not feasible to have one standard practice or universal approach: local and regional actors must learn from one another which are the most suitable solutions, and pooling local knowledge from different regions could provide added value;

31. points out that many local and regional authorities have observed that the Member States view instruments established by energy efficiency rules merely formally, as a system alien to the design culture of their regions or countries. This attitude must be addressed as regards resource efficiency, and with this in mind the Committee proposes analysing the governance of the current policy;

32. points out that some regions do not have appropriate knowledge and skills, and so the technology gap – when more developed regions pull ahead – may increase, particularly in less developed regions. With a view to solving this problem, these regions must be supported by cooperation mechanisms focusing on difficulties related to the transfer of knowledge. Consideration must be given to the possibility of maximising the transfer of knowledge regarding design and construction to regions with insufficient skills;

33. flags up the risk inherent in the fact that several Member States have planned ahead without a clear conception of resource efficiency or sustainable buildings, which will hinder the achievement of the proposed goals. On this point, the Committee proposes that the Commission set up a platform for cooperation between the Commission, the Committee of the Regions and local and regional authorities in order to coordinate policy in this field;

E. Compensation mechanism

34. considers that political leaders should be aware that any radical change in the construction sector will require political will and strong leadership by the upper levels of local and regional administration. They cannot disregard the fact that local and regional operational budgets are limited and offer scant room for investing in improvements to buildings, even if such investments offer an excellent return and are quickly amortised;

35. emphasises that, according to the results of the market analysis to which the Commission refers, the cost of investing in green construction is only a few percent higher than in traditional construction. However, this is only partly true: the cost of investing in such construction can be many times higher in developed regions than in less developed regions. The technical context of this construction needs to be linked to the economic context. However, in addition to the scale of current and expected differences, it is strongly recommended that less developed regions be made aware of the challenges they are liable to face;

36. proposes separate analyses in order to determine whether, when construction costs are presented and it is preferred also to present the external costs of the full lifecycle from the point of view of resource efficiency, this might result in a disproportionate rise in housing problems affecting these less developed regions and hinder the construction industry and economic development, thus increasing poverty;

37. considers that priority must be given to rural regions and small and medium-sized towns, as these regions are less efficient than large towns. Their defining features need to be specified in compensation systems, regulations and R&D to prevent them being severely handicapped.

Brussels,…

II. PROCEDURE

Title	Resource efficiency opportunities in the building sector
Reference(s)	COM(2014) 445 final
Legal basis	Article 307(1) TFEU
Procedural basis	Optional referral
Date of Commission letter	16 July 2014
Date of President's decision	11 July 2014
Commission responsible	Commission for the Environment, Climate Change and Energy (ENVE)
Rapporteur	Csaba Borboly, President of Harghita County Council (RO/EPP)
Analysis	October 2014
Discussed in commission	Scheduled for 11 December 2014
Date adopted by commission	Scheduled for 11 December 2014
Result of the vote in commission	
Date adopted in plenary	Scheduled for 11-12 February 2015
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Date of subsidiarity monitoring consultation	N/A