



EUROPEAN COMMISSION

Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs

Industrial Transformation and Advanced Value Chains
Clean Technologies and Products

"Strategy for the sustainable competitiveness of the construction sector and its enterprises" (COM (2012) 433 final)

High Level Tripartite Strategic Forum, 4th Meeting

14th April 2016 (9.00-13.00)

Centre de conférences Albert Borschette (CCAB), Brussels, Room 0C

Outline draft agenda

Chairman: *Mr Antti Peltomäki, Deputy Director-General, DG for Internal Market, Industry, Entrepreneurship and SMEs*

9.00-09.30 *Registration and coffee*

09.30 Welcome address: State of play of the Construction 2020 initiative
Mr Antti Peltomäki, Deputy Director-General, DG for Internal Market, Industry, Entrepreneurship and SMEs

09.45 "Enhancing sustainability in construction: the need for investments, and innovation"

PRESENTATION 1 - Improving the image of the construction sector, *Mrs Sarah McMonagle, Federation of Master Builders (UK)*

PRESENTATION 2- Innovation to improve performance, quality and safety in construction, *Mr Paul Duphil, Secretary General, OPPBTP (FR)*

Open floor discussion

11.00 "Supporting a business-friendly environment for construction"

PRESENTATION 3- Smart regulation and administration, synergies among cross-policies initiatives, *Mr Peter van Veen, Director 'construction', Ministry of Internal Affairs (NL) tbc*

PRESENTATION 4- Modernisation of public procurement and good governance, *Mr Matti Mannonen: Managing Director, Finnish Association of Consulting Firms SKOL (FIN)*

Open floor discussion

12.30 Reporting on the main discussion points

Mr Jan Maarten De Vet, Ecorys Brussels

12.45 Commission roadmap for the Ministerial Conference under the Slovak Presidency

Ms Lowri Evans, Director-General, DG for Internal Market, Industry, Entrepreneurship and SMEs

13.00 Closing of the meeting

Annotated Agenda – Issues for Discussion

Introduction and objectives of the meeting

The 4th Meeting of the Construction 2020 High Level Tripartite Strategic Forum is an opportunity to take stock of the implementation of the Construction 2020 Action Plan, to identify where progress has been and made and where further efforts are required. Equally, in view of the proposed mid-term review in 2017, it is an opportune moment to give early consideration to the future orientation and possible revision of the Action Plan.

In addition, the Meeting is intended to support preparation of the forthcoming Ministerial Conference on Construction that the European Commission will organise with the Slovak Presidency, which will take place in Bratislava on 15-16 September 2016. The Meeting provides, therefore, an opportunity for the Forum to identify and highlight developments and issues that could be ‘brought to the table’ at the Ministerial Conference.

The Ministerial Conference will be organised around two main topics, which are mirrored in the agenda of the Forum Meeting. The first will consider the construction sector’s interrelations with the broad sweep of EU-level cross-sectoral policy initiatives. The second will focus on strengthening the business environment for construction so as to support performance improvements and increase the sector’s competitiveness.

Session 1: "Enhancing sustainability in construction: the need for investments, and innovation"

The European economy has not redressed the losses sustained during the financial and economic crisis and in its aftermath. Recovery in Europe, while continuing, is slow and major challenges to the world economy imply that risks to European growth are increasing. The negative impacts of crisis have been more profound and have lingered longer in construction than in other sectors. In 2015, real output of EU construction remained one-fifth below its pre-crisis level, while employment had fallen by well over 3 million (-20%).

The European Commission has stressed its determination to pursue actions to stimulate growth and job creation while pursuing its objective of setting the EU on a path to long-term sustainable economic growth. This ambition is encapsulated by a raft of initiatives across multiple policy areas (e.g. Energy Union including Energy Efficiency targets, Resource Efficiency, Circular Economy, Digital Agenda, Single Market, Skills Agenda, ...) and through the ‘Investment Plan for Europe’, which aims to kick-start jobs and growth by stimulating investments to boost competitiveness, particularly infrastructure investments.

The construction sector is implicated in all of the Commission’s key cross-sectoral initiatives and will be instrumental to their successful implementation. Stimulation of public and private sector investments – both at European and national levels – will directly impact on the demand for construction activities and, in turn, on employment creation. For example:

- The construction and use of buildings in the EU account for about half of all extracted materials and energy consumption¹;

¹ COM 2014 (445) “Resource efficiency opportunities in the building sector”

- Construction and demolition waste represents a third of the overall waste stream²;
- The construction sector is a key employer, especially for craft-related professions. Its performance has major repercussions on the labour markets and other economic sectors at local level, especially so in construction-related materials (e.g. wood, glass, ceramic and clay-based products, structural metal products, chemicals and plastics), construction machinery and equipment, etc.;
- A substantial part of investments through European Structural and Investment Funds (ESIFs) are targeting construction-related activities;
- Involvement of firms in the construction sector in innovation activities and their take-up of innovative products is still relatively low compared to manufacturing and market services;³
- The use of ICT solutions in the construction sector remains low and an increase in their adoption could stimulate important productivity gains.

Taken together, and despite the significant achievements already made, there is still considerable further potential for the construction sector to play a role in addressing societal challenges. In other words, there remains a gap between the current economic, social and environmental performance of the construction sector and its potential to contribute in full to the EU's growth, jobs and sustainable development ambitions.

At the same time, the construction sector has an important role in delivering the building and infrastructure solutions that will enable other sectors to respond to major economic, societal and environmental policy challenges.

Among issues that Forum may reflect on, are:

- What are the main reasons for the gap between the current economic, social and environmental performance of the sector and its potential to contribute to the EU's sustainable development ambitions?
- How to efficiently and effectively engage the sector in cross-sectorial initiatives and position the sector as a front-runner in their implementation?
- How to raise awareness among different constituencies (e.g. policy-makers, business and the general public) of the sector's potential to contribute to growth, job creation, and greater resource efficiency?
- How to promote innovation activities and the take-up of innovative construction solutions? Both in relation to productivity enhancement and the use of ICT in construction, and in relation to meeting energy-efficiency and sustainability targets while assuring a high level of health & safety at work?
- How to better take into account the importance of buildings and infrastructure in the economic and sustainability performance of other economic sectors?
- How to better take into account the role and impact of construction in addressing other major societal challenges, such as demographic change (e.g. population ageing, migration, etc.)?

² Idem. In this context the EC together with industry representatives and Member States has taken the lead in preparing an EU-wide Construction & Demolition waste protocol.

³ See: European Commission (2013), '*Competing in Global Value Chains: EU Industrial Structure Report 2013*', Luxembourg: Publications Office of the European Union

Session 2: "Supporting a business-friendly environment for construction"

The construction sector is highly regulated, with many aspects of construction activities falling within the competence of Member States. This raises the administrative burden on construction businesses, and can act as a barrier to cross-border activities, particularly for the many small and micro-enterprises that dominate the sector. The resulting EU market fragmentation, reflected in very low cross-border provision of construction services, is seen as a factor that prevents the full exploitation of the sector's potential and holds back competitiveness improvements.

There is a need to identify possible new and alternative approaches for improving the functioning of construction markets - within the EU and at national levels - and for developing a business environment that is generally more supportive to the construction sector. The Single Market Strategy has highlighted problems in professional construction services (i.e. architectural and engineering services) and the construction sector itself, for which possible legislative action ('the services passport') is under consideration.

Within the framework of the Construction 2020 Action Plan, the Commission has initiated a pilot 'fitness check' study, covering 15 EU legislative texts in the policy fields of Internal Market, Energy Efficiency, Environment and Health & Safety and, more specifically, on those provisions within these EU texts that may impact the construction sector.

Among issues that Forum may reflect on, are:

- Which areas of the present business environment for construction offer the best opportunities for better regulation improvements and administrative simplification?
- How to promote coherence, coordination and cooperation across multiple EU and national policy strategies impacting on the construction sector so as to create synergies and maximise positive impacts?
- What MS-specific initiatives have been developed to coordinate national and subnational policies relevant to the construction sector? And what can be learnt from these?
- In what other ways can good governance contribute to the support of a business-friendly environment for construction? (e.g. stability of regulatory framework, public procurement, training of workers, awareness raising about the sector)