

# Public consultation on the preparation of a Communication on the Sustainable Competitiveness of the construction sector and its enterprises

The Commission intends to adopt a Communication on the subject above by end of 2011. This Communication will:

- highlight the situation of the construction sector and recent market, regulatory and policy developments having an impact on the competitiveness of the construction enterprises;
- show the status of construction enterprises with regards to sustainable development objectives;
- outline policy measures that could help the sector to achieve the sustainable competitiveness objectives and ensure better coordination of the many initiatives put in place at European, national and sectoral levels.

This coordination policy could in particular contribute to rationalise ongoing initiatives, creating synergies and increasing their impact in the short, middle and long term.

The goal of this consultation is to gain an understanding of stakeholders' views on the challenges of the construction sector to be addressed at EU level. In addition, it should gather opinions and suggestions on policy measures that the Commission should undertake in cooperation with Member States and sectoral organisations to enhance the competitiveness of the EU construction enterprises and their contribution to sustainable development objectives.

For the purpose of this consultation “the construction sector and its enterprises” covers the whole 'supply chain', i.e. the manufacturing industry (the producers and suppliers of construction materials and products), contractors (building and civil engineering works) and the intellectual service providers (technical consultants, architecture, and engineering). Real estate services are also considered as a key client base of the construction sector.

'Sustainable competitiveness' is understood as capacity of the enterprises of the construction sector to achieve and to maintain the level of economic performance required by the market while at the same time pursuing sustainable development objectives. In other terms, this performance, which reflects the output of their economic activity, should also contribute to the realisation of objectives in terms of quality, social well being, employment, resource efficiency and respect for the environment.

## Background information

As an input to this Communication the European Commission launched a study at the beginning of 2010 to look into the background, needs and feasibility of developing a new competitive agenda for the EU construction sector. The outcome of the study, its findings and proposed contributions to the above mentioned communication are available at the following web site:

[http://ec.europa.eu/enterprise/sectors/construction/competitiveness/sustainable-competitiveness\\_en](http://ec.europa.eu/enterprise/sectors/construction/competitiveness/sustainable-competitiveness_en)

## 1 Key Challenges for the construction sector operators

The questions in this section are intended to understand how stakeholders perceive the main challenges to which the construction sector operators will most likely be confronted in the coming years in relation to specific aspects, i.e. the market and investment conditions, human capital, the regulatory environment and the demand for sustainable construction.

## *1.1 Market and Investment conditions*

The recent financial crisis has revived the debate about the stabilisation of the credit terms for investors and enterprises, which would have possible repercussions on the cash accounts of the enterprises in the construction sector. Delays of payments in construction projects generate additional strains on enterprises treasury. National recovery plans have anticipated certain investments that were already foreseen for infrastructure projects and have included also measures to boost the competitiveness of the enterprises of the construction sector.

In addition, the mobility of citizens, the ageing of the population and raising the awareness of citizens of environmental objectives and sustainable ways of life in urban contexts poses new challenges for the operators in the construction sector. The demand requires at the same time more and more performance and short and long-term flexibility.

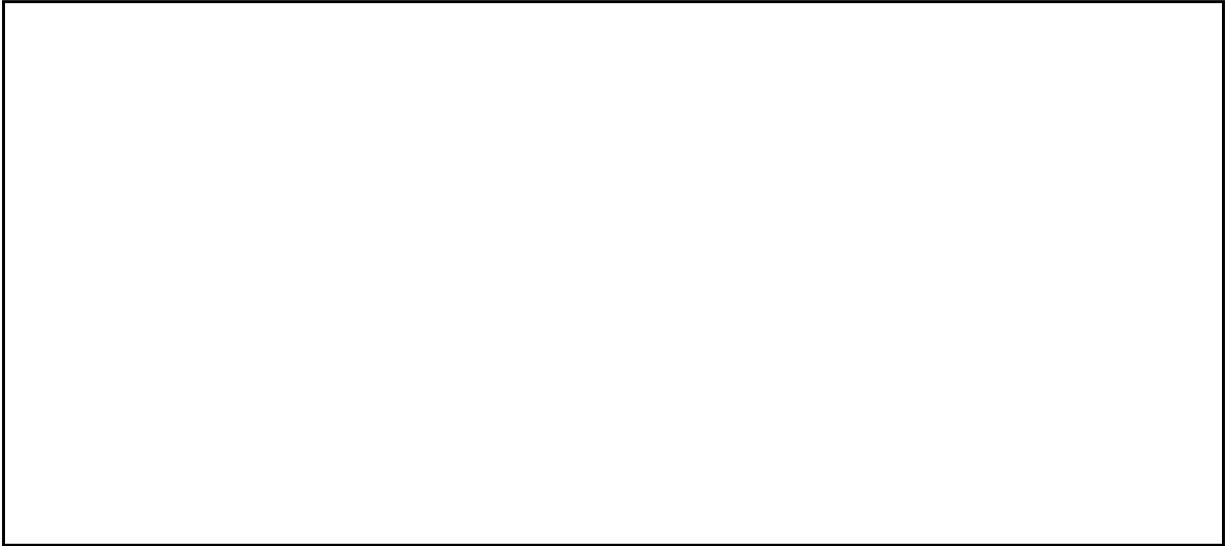
1.1.1 Considering your experience and feedback from your sector, do you think that the financial and economic crisis will have a long term impact on the structure and operation of the construction sector in general or specifically in your sector, in particular due to more stringent access conditions to capital and credit? If so, what do you think this impact will be? [\(optional\)](#)

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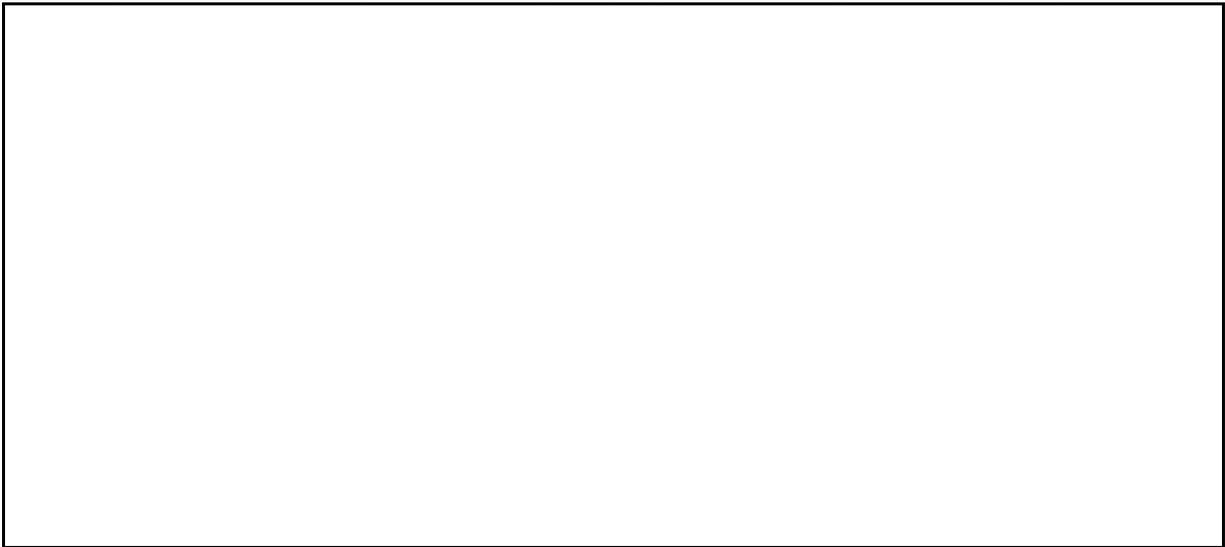
1.1.2 What is your experience with national recovery measures on the redeployment of the national labour market and the creation of new business in the construction sector? What can you say about the implementation and the impact of these measures with respect to the objectives of the EU recovery plan? [\(optional\)](#)

1.1.3 In your opinion, how are construction enterprises in general and enterprises in your field in particular adapting to changing conditions related to the labour market, the demand and urban, environmental and demographic concerns? Please give specific examples if possible. [\(optional\)](#)

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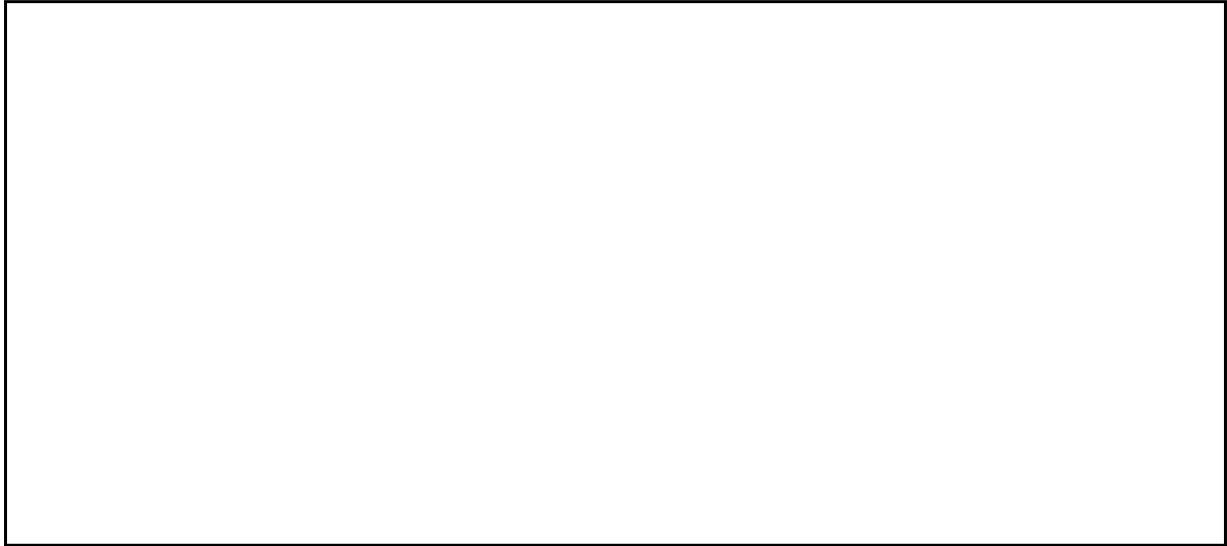


1.1.4 Do you consider that they are sufficiently adapting to these changes? Please specify. [\(optional\)](#)



1.1.5 Is there any particular construction market where you see possibilities for a faster development of “greening” the market? [\(optional\)](#)

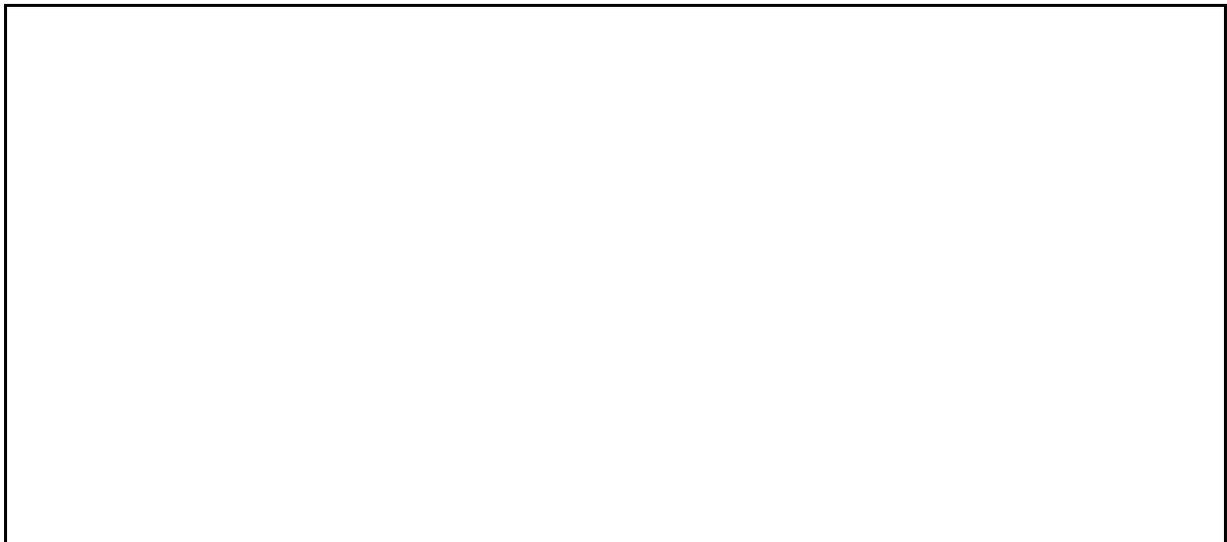
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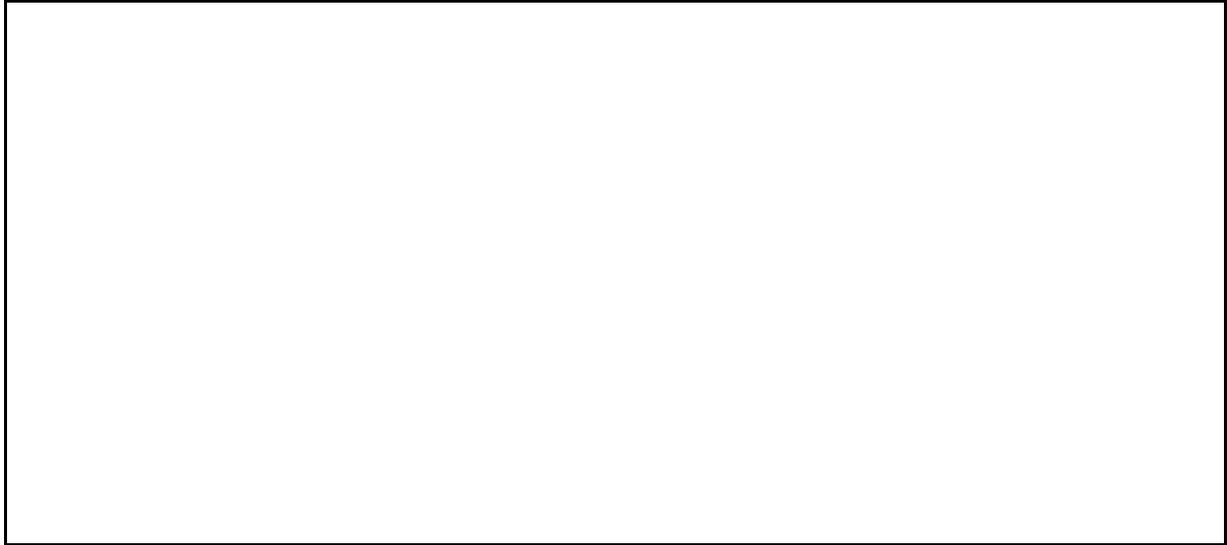
## 1.2 *Human capital*

It is assumed that growing competition at national and international levels and evolving requirements for higher technical and functional performances of construction works will stimulate the construction sector to better anticipate the needs in terms of human resources in cooperation with vocational education and training institutions. These needs will concern not only the uptake of new materials and enabling technologies, but also generic skills to conceptualise problems, formulate innovative solutions and communicate inside and outside of the company.

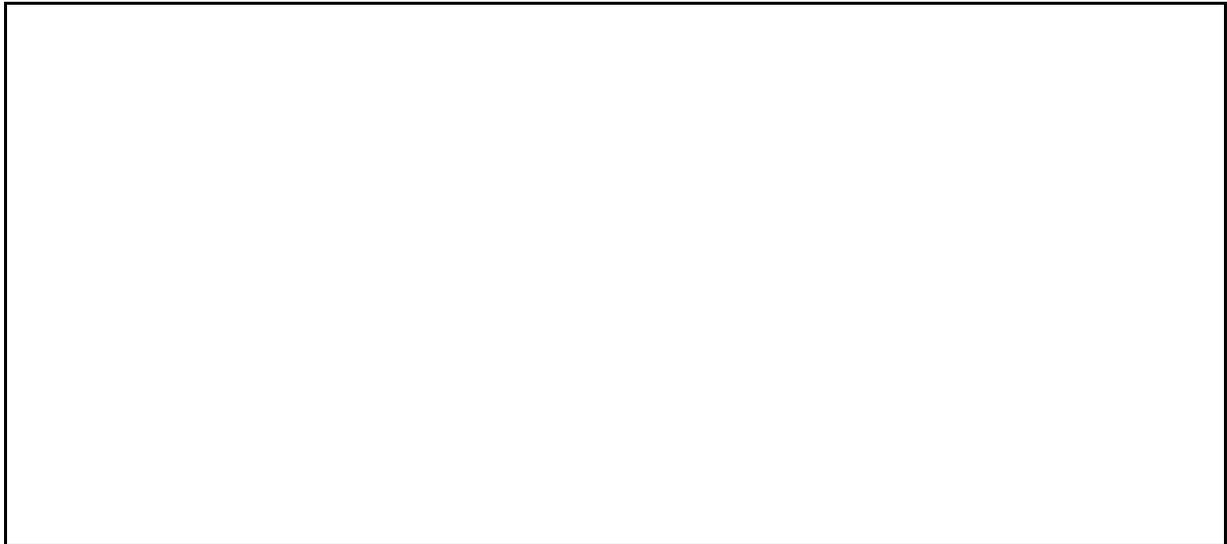
1.2.1 In your opinion, what is the overall situation regarding the recruitment of qualified staff? What specific challenges would you raise for the enterprises in your field? [\(optional\)](#)



1.2.2 What are in your views the priority areas that should be addressed in order to develop a better qualified, competitive and innovative management and workforce in the construction sector in general and enterprises in your field in particular? (optional)



1.2.3 Where do you see new job opportunities expanding in the construction sector in general and enterprises in your field in particular? (optional)



### *1.3 Regulatory environment*

It is often argued that the construction sector is confronted with more and more complex regulations both at the European, national and local levels. In addition, the coexistence of more and more numerous national and European standards and

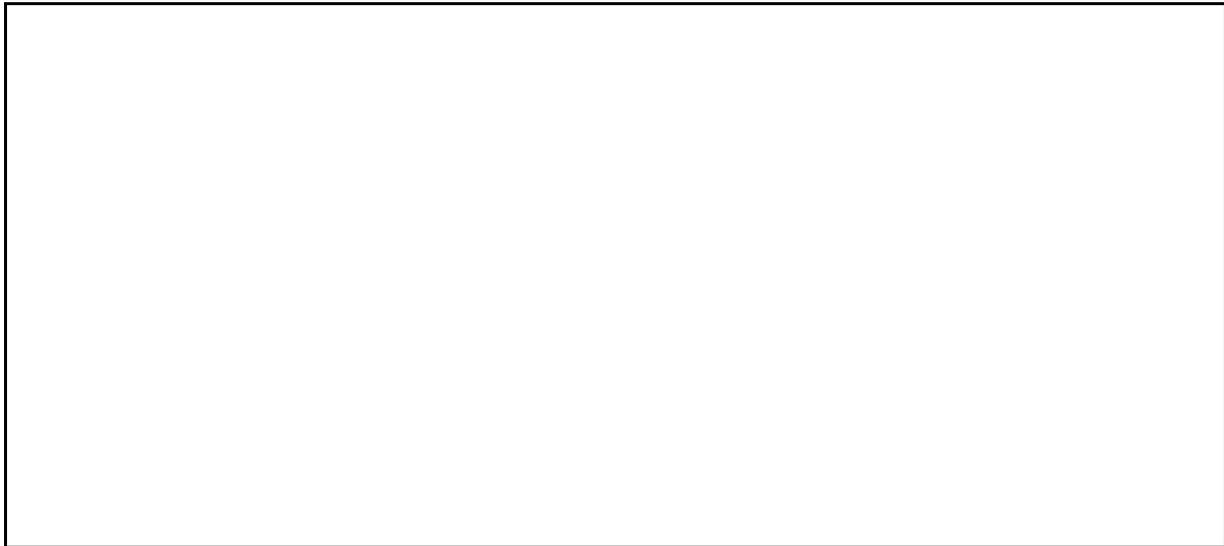
quality marks can raise communication issues between different actors on the market. Enforcement of regulations is increasingly privatised, but this delegation raises questions of efficiency and responsibility.

In addition, it is assumed that market opportunities for EU construction enterprises in emerging economies and of non-EU construction enterprises on the EU internal market will evolve in a globalised context, depending on access conditions.

1.3.1 Could you identify domains in construction that would require a better coordination between national and EU regulatory instruments (i.e. laws, standards, labels, certificates)? Please provide some examples and explain why you see gaps/overlaps in terms of rules definition, interpretation and enforcement, especially with respect to sustainable development objectives? (optional)

1.3.2 Do you see different framework conditions between the access of EU enterprises to international markets and the access of non-EU enterprises to the EU Internal Market in the construction sector in general and enterprises in your field in particular? Which main problems have come to your attention? (optional)

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## 1.4 *Demand for sustainable construction*

The demand for sustainable buildings and infrastructures is increasing, both in the EU as well as in emerging economies. Requirements as regards energy performance and environmental impact are increasingly taken into account in the planning phase and the management of projects. National evaluation methods and certification tools are beginning to be applied in procurement contracts, e.g. in the context of Green Public Procurement. EU standardisation work, e.g. CEN TC 350, and joint national initiatives, e.g. SB Alliance, are attempting to develop a more harmonised and systematic approach to answer the economic, social and environmental criteria.

The EU Structural and Cohesion Funds offer significant opportunities for co-financing of a large array of activities which can potentially be relevant to the construction sector, such as sustainable energy investments in buildings, R&D, innovation, ICT, and other business support measures, in particular for SMEs, as well as co-financing of various types of infrastructures, e.g. road, rail and other transport infrastructure, water and waste management.

1.4.1 Do you think that national performance assessment methods and certification tools should evolve to address construction works performances in an integrated manner and at the same time be useful to a wider range of projects (i.e. not only for large representative projects, but also for smaller construction works)? [\(optional\)](#)

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1.4.2 In your opinion, what are the main obstacles/issues for construction enterprises to meet the Green Public Procurement criteria in the coming years? [\(optional\)](#)

1.4.3 What is your experience with the use of European Structural Funds for energy efficiency investments in buildings, particularly in the residential sector, for infrastructure and for measures in support of the competitiveness of construction enterprises? Have you got any views on how the use of these funds could be improved to even better meet the needs of the construction sector? [\(optional\)](#)

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## 1.5 *Other possible challenges*

1.5.1 Do you consider that there would be other major challenges for the construction sector not addressed in the previous questions worth pursuing at European level? If yes, please specify the context and the main issues that should be tackled in your view. [\(optional\)](#)

## 2 Policy measures

In order to address the challenges mentioned in section 2, the Commission considers developing a series of measures articulated around 5 objectives (see below). The scope of the following questions is to gather opinions and suggestions on the scope of the policy measures that the Commission should implement in cooperation with

Member States and sector organisations. Therefore, respondents are welcome to specify the respective role of the European Commission, Member States administrations and sector organisations for the implementation of each policy measure.

## *2.1 Improve the human capital of enterprises according to the changing demands, technology and management methods especially for public-private partnerships*

This could concern a variety of technical domains and managerial issues, e.g. human and financial resources, hygiene and security, and innovation. A specific issue could be the uptake by the construction sector of Information and Communication Technologies (ICT) for technical aspects (design of products and projects, building information management, etc.) and for financial aspects (e-invoicing, Enterprise Resource Planning, etc.). Another issue could be training and education on environmental legislation and impacts (life cycle assessment of construction materials and buildings).

Various initiatives have been already launched at EU and national levels to respond to new job requirements in construction and to ensure a mutual recognition of skills development between Member States

(see

[http://ec.europa.eu/enterprise/sectors/construction/competitiveness/qualification-and-skills\\_en.htm](http://ec.europa.eu/enterprise/sectors/construction/competitiveness/qualification-and-skills_en.htm), BUILD UP Skills, etc.).

2.1.1 Regarding the capacity of construction enterprises to cope with the issues mentioned above, what should in your opinion be put in place to strengthen the dialogue and cooperation between construction stakeholders and vocational education and training institutions, at national and regional levels? Please specify the mechanisms that could improve the dialogue and cooperation. [\(optional\)](#)

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2.1.2 Do you think that the EU and/or national/regional administrations should develop policy frameworks to support these mechanisms? What would be the main lines of these frameworks? (optional)

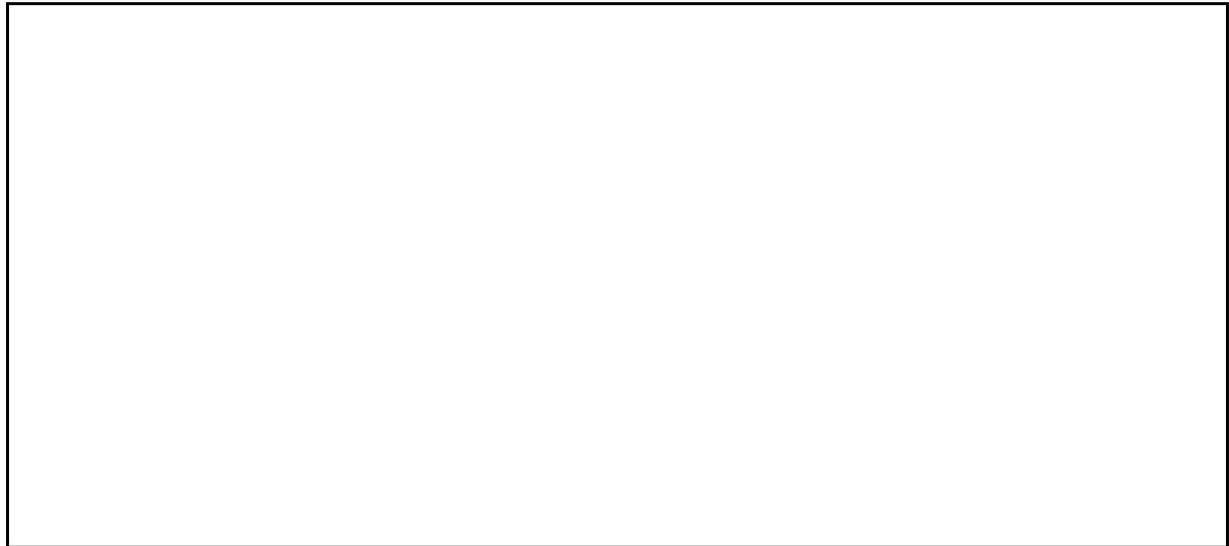
2.1.3 In the field of Information and Communication Technologies (ICT), do you think that specific initiatives could support a more rapid uptake? If yes, please specify. (optional)

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2.1.4 Looking at existing initiatives already launched by the European Commission such as those mentioned above, should equivalence systems for skills acquired in continuous vocational education and training be further promoted for the construction sector in general and enterprises in your field in particular? If yes, would you consider specific professions/domains? (optional)

2.1.5 Do you think that the European Commission and Member States should further encourage the development of skills and competences for performance based contracts, life cycle costing and Green Public Procurement criteria? Could you suggest any initiative that could support this development? What would be the respective role of the European Commission and of the Member States in the implementation of the initiative? (optional)

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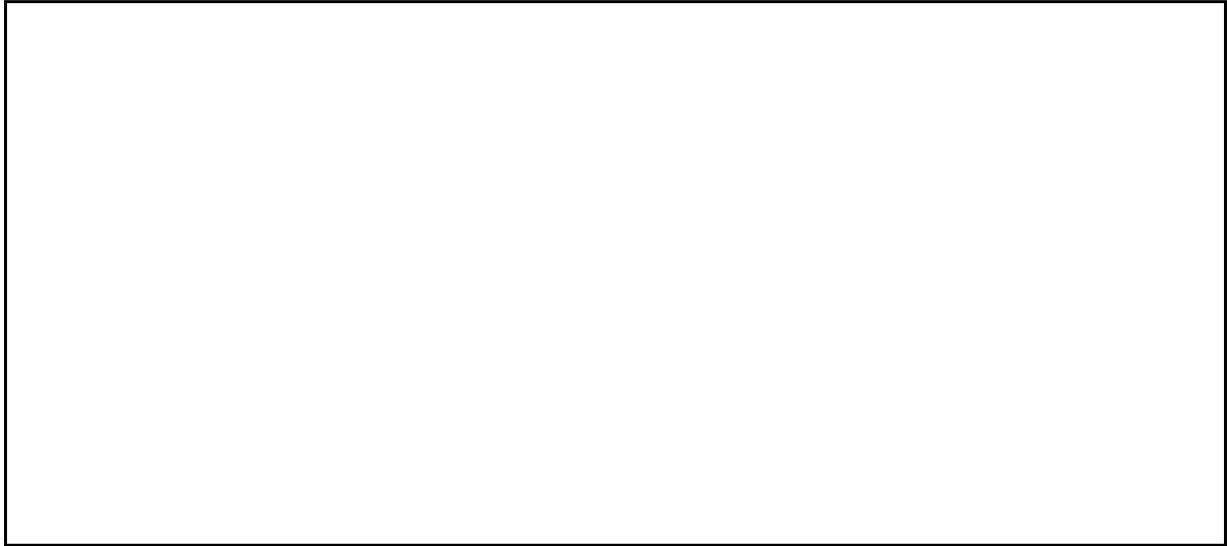


## *2.2 Increase the capacity for innovation and exploitation of technological developments*

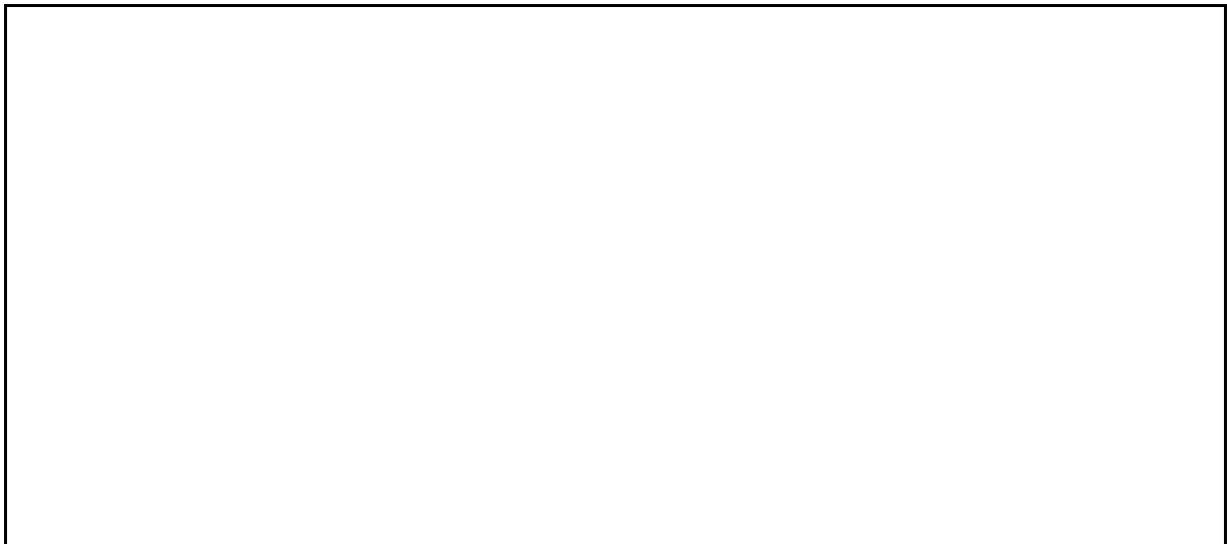
The European Commission has launched a debate (so called “Green Paper”) on a Common Strategic Framework for research and innovation activities at European level (see <http://ec.europa.eu/research/innovation-union>). This debate will also consider the experience gained from the European Construction Technology Platforms and related National Construction Platforms, the "Public Private Partnership" "Energy Efficient Buildings" (EeB), the Covenant of Mayors and very recent pilot initiatives such as the European Joint Innovation Partnerships, “Smart Cities” to ensure a better coordination of research and innovation activities, at European, national and sectoral levels.

2.2.1 In your opinion, what could be put in place in order to better coordinate the various mechanisms supporting research and innovation and ensure that future EU and national research programmes well address the main issues and challenges of the construction sector in general and enterprises in your field in particular? (optional)

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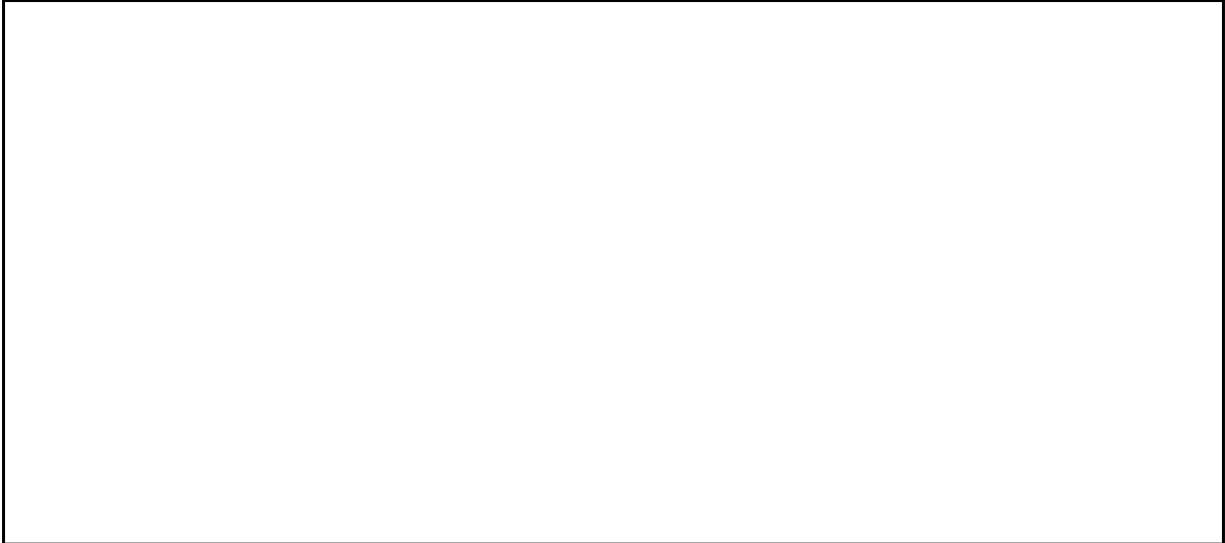
2.2.2 Would you consider demand side instruments supporting innovation (standardisation, labelling, certification, etc.) as a possibility to strengthen the exploitation of EU research? What would you suggest to improve the functioning of the existing instruments and initiatives in relation to the market concerned, e.g. new construction or renovation? [\(optional\)](#)



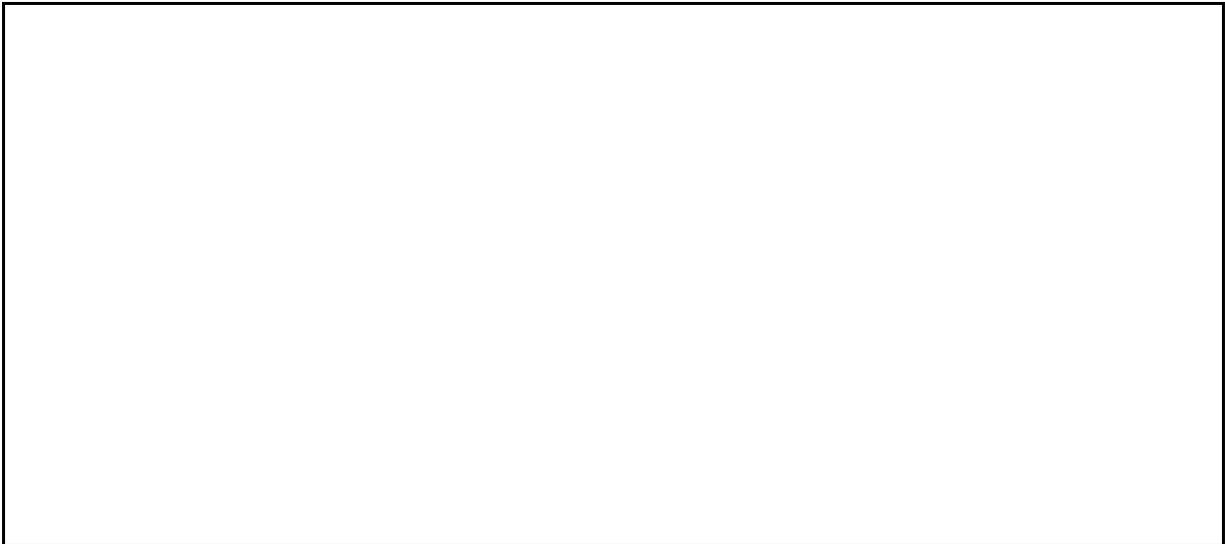
### *2.3 Manage efficiently the coherence and application of various legislations and regulations at European and national levels*

2.3.1 In your view, what are the specific cross-cutting issues amongst various EU legislations in fields such as the Internal Market, energy, environment, health and safety at work and Public Procurement that could require clarification, interpretation and better coordination with respect to their application to

construction? (optional)

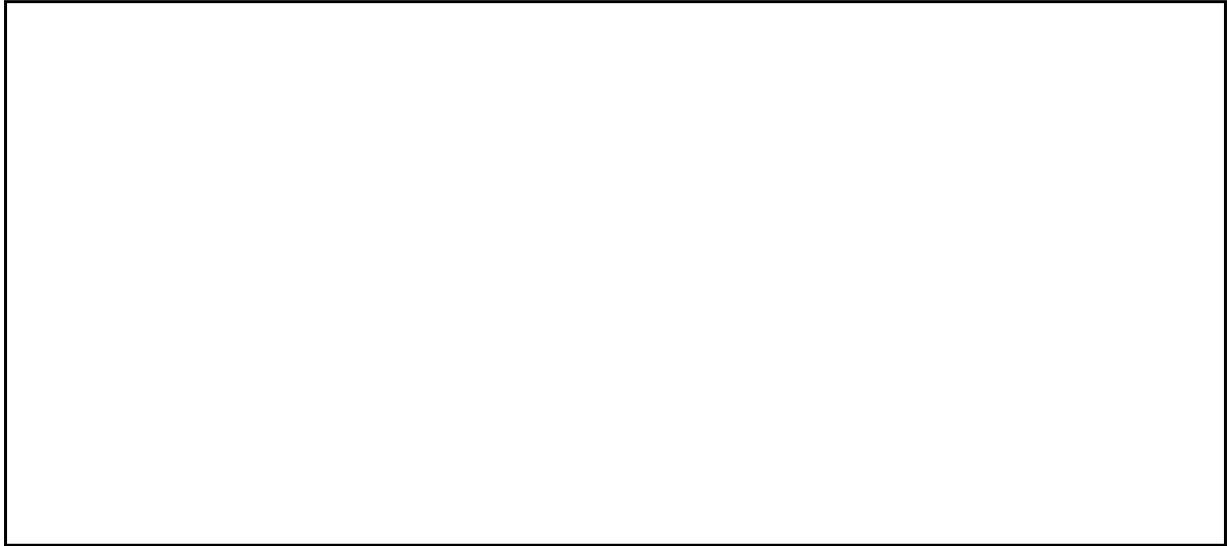


2.3.2 Which mechanisms would you suggest to reduce disparities in the enforcement of European legislation affecting the construction sector at national and regional levels? In your opinion, is there any legislative domain that requires specific attention in these mechanisms and how would you monitor and assess the efficiency of these mechanisms? (optional)



2.3.3 Do you consider that there should be an EU initiative to reinforce the usage of European technical specifications (i.e. technical standards) in national construction regulations/codes/guidelines and public procurement, in particular for Eurocodes? Could you describe the main features of this initiative? (optional)

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2.3.4 Should research in support of European standardisation be further promoted and which areas would benefit most from more support? [\(optional\)](#)



*2.4 Improve the harmonisation of different existing instruments based on life cycle approach for the assessment of the sustainability performances of construction products and construction works within the context of public procurement*

This concerns in particular Green Public Procurement, EU Ecolabel and other ISO Type I Ecolabels, energy building certificates, Ecodesign implementing measures, Life Cycle Costing, Environmental Product Declaration, European Standards derived

from CEN TC350 and TC 351 etc. and their coexistence with national certification and labelling schemes.

2.4.1 What would you propose to improve coherence between different existing instruments with respect to their application to the construction sector in order that they become more operational? [\(optional\)](#)

2.4.2 Amongst existing instruments, which ones do you see the most effective for the construction sector? Please specify according to the market considered. [\(optional\)](#)

2.4.3 If you consider that existing instruments are not effective enough for the construction sector, would you propose new instruments? Please specify according to the market considered. [\(optional\)](#)

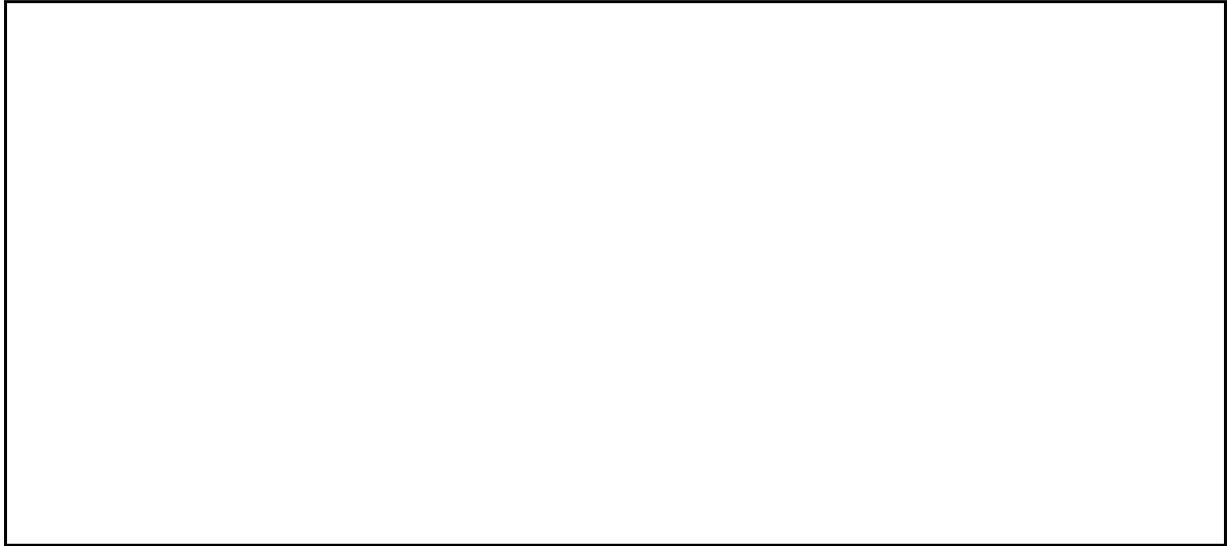
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2.4.4 Do you think that the recourse to European Structural Funds for construction projects should be conditional to more ambitious sustainable development criteria than today's practice? Please specify the domains of particular relevance and the type of criteria to be developed. [\(optional\)](#)

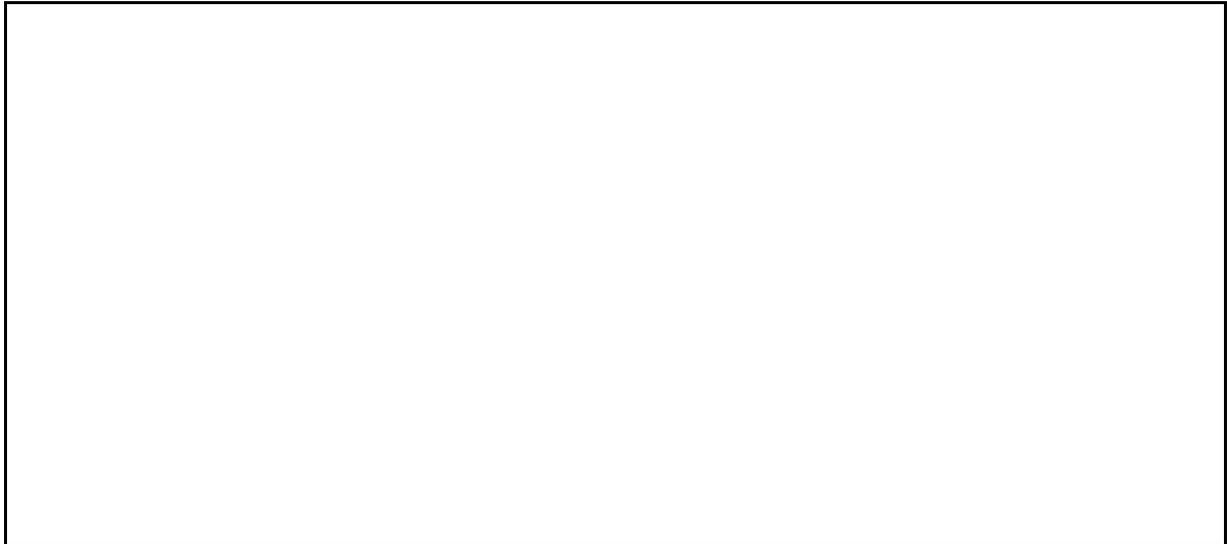
## *2.5 Ensure fair treatment in matters of competition*

2.5.1 According to your current experience, do you consider that it is necessary to have in the short term a monitoring of the practices regarding the access of non-European enterprises to construction public procurement in the EU? If yes, which criteria would be used for this monitoring? [\(optional\)](#)

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2.5.2 Do you consider that there are specific initiatives to be undertaken to guarantee a proper assessment of potential presence of state aid elements both in public and private developers projects? Please give the context and the type of initiative to be possibly undertaken. [\(optional\)](#)



### Useful links

PC commcomconstr on

Europa: <http://ec.europa.eu/enterprise/sectors/construction/competitiveness/public-consultation-commcomconstr/index>

### Background documents

Background study

(ECORYS);: [http://ec.europa.eu/enterprise/sectors/construction/files/compet/sustainable\\_competitiveness/ecorys-final-](http://ec.europa.eu/enterprise/sectors/construction/files/compet/sustainable_competitiveness/ecorys-final-)

Commission communication to the Council, Parliament, the Economic and Social Committee and the Committee of the Regions entitled 'The competitiveness of the construction industry' [COM(97) 539];: [http://ec.europa.eu/enterprise/sectors/construction/files/compet/com-97-539-commcompconstr\\_en.pdf](http://ec.europa.eu/enterprise/sectors/construction/files/compet/com-97-539-commcompconstr_en.pdf);

Life-cycle costing (LCC) as a contribution to sustainable construction: towards a common methodology;: [http://ec.europa.eu/enterprise/sectors/construction/competitiveness/life-cycle-costing/index\\_en.htm](http://ec.europa.eu/enterprise/sectors/construction/competitiveness/life-cycle-costing/index_en.htm);

Analysis and assessment of the elements of certain Community policies that impact on the competitiveness of the construction sector;: [http://ec.europa.eu/enterprise/sectors/construction/competitiveness/ec-policies-impact/index\\_en.htm](http://ec.europa.eu/enterprise/sectors/construction/competitiveness/ec-policies-impact/index_en.htm);

Future needs for skills and competences in the construction sector;: [http://ec.europa.eu/enterprise/sectors/construction/competitiveness/qualification-and-skills\\_en.htm](http://ec.europa.eu/enterprise/sectors/construction/competitiveness/qualification-and-skills_en.htm);

Voluntary arrangements for collaborative working in the field of construction services;: [http://ec.europa.eu/enterprise/sectors/construction/competitiveness/voluntary-arrangements\\_en.htm](http://ec.europa.eu/enterprise/sectors/construction/competitiveness/voluntary-arrangements_en.htm);

Screening of national building regulations: [http://ec.europa.eu/enterprise/sectors/construction/competitiveness/national-building-regulations/index\\_en.htm](http://ec.europa.eu/enterprise/sectors/construction/competitiveness/national-building-regulations/index_en.htm).