If this last year of my mandate as EBC President was again marked by the economic crisis and the difficulties of the construction sector, it was also placed under the sign of the European elections and the work done by EBC in preparing to them. Construction SMEs, indeed, expect a lot from the newly elected European Parliament and from the college of Commissioners that will be appointed in the following months.

The essential role of the European Union in the life of construction SMEs is widely recognised. Important steps have been taken over these last five years in order to harmonise the trade of construction products, to facilitate SMEs’ access to public procurement and to protect them from late payments. The EU also tackled the issue of social dumping thanks to the adoption of the Posting of Workers Enforcement Directive, and encouraged investments in energy retrofitting works thanks to the Energy Efficiency Directive. Above all, the Review of the Small Business Act and the “Think Small First” principle show the efforts of European legislators to adapt EU policies to SMEs’ needs.

Nevertheless, many of the adopted legislation is still not SME friendly. Many challenges lay ahead to boost construction SMEs, which provide 83% of the 13 million jobs in the construction sector. Our enterprises need an easier access to bank loans and to markets, less red tape, suitable fiscal measures and support to internal demand. Solutions to tackle these issues do exist and should be put in place as soon as possible, as we clearly point out in our Manifesto.

As no clear majority came out of the European Parliament elections and with the slight erosion of seats for the two largest political groups, it is fundamental that the main European parties engage in a constructive dialogue and act jointly to support Europe’s economic recovery. Indeed, during the electoral campaign, the major European parties all committed to taking measures in favour of SMEs; we need political support to turn into concrete actions over the next five years. The economic health of our sector - and the economic recovery of the entire European Union - depend on the implementation of strong and targeted measures for construction SMEs.

I am very proud of what EBC has achieved these last three years and I would like to thank all our members for their contribution to our successes. I call upon them to keep working together and being united to look ahead and re-establish our sector as a strong and sustainable driver of the EU economy!
An increasing number of national regulations are little more than national adaptations of European legislation in the energy, social, fiscal and standardisation domains, usually implemented without properly assessing their impact on SMEs.

Six national associations representing construction craftsmen in several European countries therefore joined forces in 1990 to establish the EBC – European Builders Confederation – the Voice of Construction Crafts and SMEs in Europe.

Through its 20 members and partner organisations EBC represents 2 million craftsmen and SMEs. Via its permanent office in Brussels, EBC works in close collaboration with the European Union of Craftsmen and SMEs (UEAPME), organisation of which EBC is a member. EBC is also a founding member and project partner of Small Business Standards (SBS), the newly created association representing SMEs in the standard making system.
Our political goal is clear: to represent, defend and promote the interests of construction craftsmen and SMEs, in close co-ordination with our national member organisations. In order to elaborate common policies, EBC’s members meet at least four times a year at Board of Directors meetings in Brussels and at the General Assembly. The latter is normally combined with the EBC Annual Congress, which is organised in turns by the EBC members and dedicated each year to a specific topic.

Throughout the year our permanent team has the task of monitoring EU activities and keeping members informed about forthcoming legislation, projects and other issues. With its network of experts originating from our member organisations, EBC establishes its position papers, which are then defended jointly in Brussels and before national governments.

**Partnerships, projects, committees**

EBC takes part in the Standing Committee on Construction, which is in charge of regulating construction work. This is chaired by the European Commission and comprises representatives from the governments of all EU Member States. Furthermore, the European Commission recognises the added representation of EBC with regard to the European Social Dialogue in the construction sector and since 2007 FIEC gave EBC two observer seats within its delegation for this committee. EBC is also a partner of the Build Up Platform for the energy efficiency of buildings. Since March 2012, EBC has been a member of WorldSkills Europe, the regional organisation responsible of organising the largest European trade skills competition. Finally, EBC has been a partner of several European projects: the most recent ones has been Shelter and EuroApprenticeship.
Since the last European elections in June 2009, the European economy has been stricken by a deep and long-lasting crisis, which is especially affecting crafts, small and medium enterprises of the construction sector. Hundreds of thousands construction businesses and jobs have disappeared over the past five years and the existence of many more construction SMEs is at stake. According to some experts, the 2008 output level of construction enterprises will only be reached again in 2023.

Construction SMEs need strong and targeted actions to overcome this downturn and express their full economic potential. The European Institutions and Governments should distinguish between sound budgetary management and blind austerity policies to find a way out from the crisis.

The next European Parliament must engage in providing small and medium-sized enterprises with the political environment and the economic conditions to do what they can do best: work and create jobs and wealth at a local level. Indeed, small and medium enterprises of the construction sector are fundamental for the well-being and the recovery of the European Union.

EBC Manifesto for the European Elections

1. Create an encouraging financial and fiscal framework
2. Implement the Small Business Act and the ‘Think Small First’ principle
3. Develop entrepreneurship in vocational education and training
4. Combine Internal Market freedoms and the need of a level playing field
5. Turn environmental challenges into opportunities
6. Make standardisation accessible and suitable for SMEs

All these publications are available on the EBC website: www.eubuilders.org
European construction enterprises with less than 10 employees: 91.9%
European construction enterprises with less than 20 employees: 96.9%
European construction enterprises with less than 50 employees: 98.9%
European construction enterprises with less than 250 employees: 99.9%
European construction enterprises with more than 250 employees: 0.1%

THE CONSTRUCTION SECTOR
- 10% of the GDP of the European Union
- 3 millions entreprises in the sector
- 13 millions workers in the sector
- 40% of greenhouse-gas emissions

Small and medium construction enterprises:
- 80% produce 80% of the construction industry’s output
- 83% employ 83% of the total sector workforce
- Create local jobs for traditional manual activities which are not subjected to delocalisation
- Have a huge potential to reduce youth unemployment, offering increasingly more qualified jobs
European construction has experienced severe declines within the last years as a result of various crises. The decline mainly results from public consolidation measures which dampened civil engineering, whereas the overall weak economic framework, high unemployment and low consumer confidence reduced the potential in housing and non-residential construction in 2013.

Indeed, according to Euroconstruct, the European construction market forecast network, the economic pressure on the European construction sector continued in 2013: European construction output declined on average by 3.0% in real terms compared to 2012.

Construction is expected to grow moderately by 0.9% in 2014 and 1.9% in 2015 but the construction outlook should be more favourable from 2016 on according to experts.

NATIONAL SITUATIONS

Production output declined by 2.7% in real terms in 2013 in the Western European countries, mainly in those countries which were most affected by the economic and real estate crisis, as Portugal and Italy. Also Eastern Europe was affected most with a decline of 7.7%. On the other hand only a few countries could increase output in construction in 2013; these were mainly Nordic countries as Denmark and Central European countries like Germany and Austria.

Some national situations are still critical. If the EU average for SMEs to be paid by public administrations is around 60 days, Italian SMEs face late payments of in average 170 days. In France, one third of liquidations affect the construction chain, with no improvement expected in 2014 since around 22000 additional failures are expected: between October 2012 and October 2013, the number of enterprises in liquidation increased by 5.1%. In Spain, even if the first glimpses of recovery seem to appear, construction SMEs consider that 2014 will not see them recover their investments in public works, for a fifth year in a row.

HOUSING, NON-RESIDENTIAL CONSTRUCTION AND CIVIL ENGINEERING

However, keeping in mind that the growth path starts from a very low level, all sectors (housing, non-residential construction and civil engineering) are expected by experts to experience an expansion in volume. In the area of housing, it seems that most of countries will overcome the turbulences of the past years in 2014. Non-residential construction will profit from the better economic environment mainly from 2015 on. Finally, experts foresee necessary investments in infrastructure from public authorities to soften the current public finance consolidation policy.

EUROSTAT FORECAST

According to Eurostat, the statistical office of the European Union, the production in construction in the euro area has increased by 6.7% in February 2014 compared with February 2013. This increase seems to be due to building construction rising by 6.6% and civil engineering by 7.6%. In the EU28, the increase of 5.5% is due to building construction rising by 5.9% and civil engineering by 3.9%. The highest increases in production in construction, for the same period, were registered in Slovenia (+33.1%), Hungary (+28.3%), Spain (+23.9%), Poland (+14.4%) and Germany (+14.1%), and the largest decreases in Romania (-14.7%), Portugal (-11.5%) and Italy (-7.9%).
In its Manifesto for the European elections EBC calls on the European Institutions to adopt concrete actions around 6 priorities for the benefit of 92% construction enterprises with less than 10 employees in Europe. The Manifesto highlights the importance of creating an SME-friendly business environment which really “Thinks Small First” in order to boost growth and employment in the construction sector.

1. In its manifesto, EBC asks for the creation of an encouraging financial and fiscal framework for SMEs, facilitating access to finance and applying reduced VAT rates to renovation works.

2. The EP and the Member States should fully embrace the Small Business Act (SBA) by simplifying legislation and applying the “SME Test” on all stages of the legislative process. EBC also calls for the Parliament to play a more active role in the SBA governance structure.

3. EBC believes that entrepreneurship should be integrated in vocational education to overcome the ageing challenge and create future entrepreneurs.

4. As the construction sector is seriously affected by social dumping and undeclared work, EBC suggests improving the coordination between labour inspectorates, establishing a public database to check potential subcontractors’ compliance with legislation, and harmonising social legislation.

5. The EU should support green investments such as renovation works increasing the energy efficiency of buildings, for example by applying reduced VAT rates to energy efficient material and earmarking proper and stable financial means. Environmental challenges should be turned into opportunities for SMEs.

6. SMEs should also be represented in the standardisation process to facilitate their access to the internal market. The European institutions should support and count on the work of Small Business Standards (SBS) to improve the accessibility of standardisation for SMEs.

WHAT THEY SAID...

“The biggest challenge to small businesses in Europe is the unwillingness of banks to provide them with credit to grow, and the unfair competition they face when multinationals evade tax and refuse to operate on a level playing field. The country of profit must be the country of taxation.” Martin Schulz, S&D. The Parliament Magazine, 14th April 2014

“My goal of cutting red tape in Europe has one simple objective – to reduce the regulatory burdens for businesses, especially start-ups and SMEs.” Jean-Claude Juncker, EPP. Press release, 11th April 2014

“We have to give O2 back to our SMEs in order to restore growth in Europe! To do this we need a social and fiscal harmonisation!” Elisabeth Morin-Chartier, EPP. Declaration on twitter, 11th April 2014

“The success of SMEs is key for the future of our competitiveness, as they are the biggest drivers for innovation. But too much potential is lost when young companies with fresh ideas don’t get a bank credit and investors are wary of taking risks. The greatest obstacles for European entrepreneurs are bureaucracy, complex regulations and financial bottlenecks.” Jürgen Creutzmann, ALDE. Press release, 21st November 2013

“Very often, it is national gold-plating of EU laws which makes life difficult for SMEs. When the EU enacts a Directive and every country implements it differently or adds additional rules, this increases costs for those companies who want to do cross-border business.” Paul Rübig, EPP. Press release, 17th April 2014

“The cuts in the EU budget cast a long shadow. They regrettably reduce the support to SMEs in their competitiveness and innovation efforts during this crisis.” Reinhard Bütkofer, Greens/EFA Group. Press release, 21st November 2013

The speakers in the breakfast. From the left: MEP Jürgen Creutzmann (Chair of the ALDE SME Task Force); Ms. Maarit Nyman (Deputy Head of the Unit “SME policy” in DG Enterprise); Riccardo Viaggi (EBC Secretary General)
The European Builders Confederation EBC welcomes the official adoption by the European Parliament of the Public Procurement Directive on 15th January 2014 in Strasburg.

The main aims of the new directive were simplification of procedures, facilitating SME access and better use of public procurement to fulfil other policy objectives.

This central piece of legislation took on board some of the construction SME requests about facilitating small and medium enterprises’ access to this market. However, much more could have been done at the European level and should now be done at the national level.

**MAIN MEASURES FOR CONSTRUCTION SMEs**

The introduction of the division of contracts into lots will enable small and medium businesses to participate in more tenders, considering that the large size of contracts is among the most important barriers for SMEs. EBC is thus glad for the introduction of the ‘apply or explain’ principle, by which a contracting authority must explain why the contract is not divided in smaller lots.

The use of self-declaration, the promotion of e-procurement and the reduction of the minimum turnover necessary for a firm to participate in a bid are also positive provisions that will reduce the bureaucratic and financial costs for SMEs participating in public tenders.

The direct payment of subcontractors is another fundamental measure that Member States should apply more often. Next to this, the respect of the Late Payment Directive is also an essential requirement for European SMEs which risk the default due to the delays and credits accumulated from public authorities.
NEGATIVE RESULTS

Among the negative outcomes are the disproportionate flexibility in the choice of procedures, the critical reduction of minimum time limits to present an offer and less favourable legislation for groupings of enterprises participating in a tender. Moreover, any precise numerical element to define abnormally low tenders was deleted. Finally, publicly-owned companies are allowed to carry out up to 20% of their activities (instead of the original 10%) on the private market keeping the possibility of obtaining contracts from the controlling public authorities without tenders.

CONCLUSIONS

Some provisions are not legally binding, but their inclusion in a European legislative text for the first time creates the possibility for further developments on this subject. Therefore, EBC calls on the Member States to take the needs of small and medium businesses into the highest consideration with appropriate and effective measures in the transposition phase, complying with the ‘Think Small First’ principle.
NEW RULES ON PUBLIC PROCUREMENT: EBC SPEAKS AT THE COMMISSION CONFERENCE

On 19th March 2014 EBC Secretary General Riccardo Viaggi spoke at the EU Conference on the new rules on public procurement and concessions organised by DG Internal Market with over 500 participants. Riccardo Viaggi outlined the positive points as well as certain negative elements for SMEs under the new legislation.

At this stage the key priority is ensuring expedient and correct implementation at national level that can guarantee a stable legal framework for the coming years and avoid early revision processes. EBC and its national members will check that this national implementation will improve SME access to public procurement, as the directive establishes.

SME ACCESS TO FINANCE: EBC SUPPORTS RECOMMENDATIONS FROM A RECENT SURVEY

Without proper access to finance for SMEs, there will not be a way out of this crisis and even the timid signs of recovery seen since spring 2014 risk to remain inconclusive. This is why EBC remains very vigilant on all new solutions that can kick-start access to credit and points to this as the most important priority of the SBA.

Among these efforts, a study commissioned by the EC on SME rating and banks’ feedback to SME loan applications was published at the end of April 2014. The study confirms that the smaller a firm, the larger the likelihood that its funding application will be declined. In the case of applications for bank loans, the EU average for rejection is 17.9% for micro enterprises, 13.5% for small enterprises, 5.7% for medium-sized enterprises and 3.4% for large enterprises.

The report insists on the necessity to enhance the transparency of the criteria used by banks to grant a loan, in order to help SMEs to improve their applications and identify the banks granting loans to SMEs more easily. SMEs should also have the right to check the accuracy of data held on them by banks and credit rating agencies.

Furthermore, the report recommends implementing article 431 of the Regulation 575/2013 (CRR), that gives banks an obligation to “explain their rating decisions to SMEs and other corporate applicants for loans”. SMEs should be better informed on their right to request a feedback by the bank and they should seize this opportunity to improve their future loan applications.

The Member States of the European Union are advised to create institutions such as Credit Mediators or independent Credit Review Bodies in order to control banks and credit rating agencies.

Since most SMEs do not have the resources for legal or financial counselling, the report suggests improving training and financial literacy in the educational system. A better training would increase the chance of young entrepreneurs to be granted a loan.
CONSTRUCTION 2020 ACTION PLAN

In July 2012, the European Commission released the 2020 Construction sector Action Plan, a Communication for the sustainable competitiveness of the construction sector and its enterprises. EBC welcomed this strategy and actively took part in the Thematic group meetings, which addressed each of the five strategic objectives of the action plan, and in the High level Tripartite Strategic Forum, both set up by the Communication. During these occasions of exchange with other European construction sector’s stakeholders, the European Commission and national Governments’ representatives, EBC contributed to the debate putting forward small and medium construction enterprises’ positions. EBC suggested as key measures:

- Supporting SME access to the low carbon refurbishment market through proper incentive schemes and financial schemes
- Improving and encouraging apprenticeship through better use of Build Up Skills and the social dialogue
- Ensuring a level playing field amongst SMEs, fighting social dumping

Recommendations
The main ideas coming from the work of the Thematic Groups were compiled in a recommendation document and approved by the High Level Strategic Forum of Construction 2020, where EBC President José Antonio Calvo Delgado seats. Unfortunately, contrary to what previously foreseen, these Recommendations were not presented to the European Council for endorsement. The activities of the Construction 2020 Action Plan continue in 2014, but EBC highlights the importance of a clear political support by the European Commission and the European Council in 2015, with the new European legislature fully in place.

2013 SME ASSEMBLY IN VILNIUS

The 2nd European SME Assembly took place in Vilnius, Lithuania, on 25th and 26th November 2013. The SME Assembly was created as a part of the governance structure of the Small Business Act review. Following the success of the first SME Assembly in Cyprus in 2012, the 2013 SME Assembly again brought together SMEs, business organisations, European, national and regional governments, academia and the media to discuss how to encourage a “Europe of Enterprise”.

Construction entrepreneur Chris Carr (from EBC’s UK member, FMB) has taken part in the panel that addressed “simplifying the rules”, speaking about the importance of reducing red tape for construction entrepreneurs and craftsmen. In another panel, EBC Secretary General Riccardo Viaggi focused his speech on the value of entrepreneurship education. In the very near future the construction sector will be confronted with the retirement of many craftsmen and entrepreneurs. The consequent loss of knowledge and skilled labour force must be urgently restored in order to prevent many businesses from shutting down. Entrepreneurship education is the proper answer to this challenge, because it prepares young people both to create new or take over existing businesses and to supply the skills necessary for both traditional and innovative activities in construction. The 2014 SME Assembly takes place in Naples from 1st to 3rd October.

"2013 SME Assembly, Vilnius"
During its last plenary session on 16th April 2014 the European Parliament adopted a directive of major importance to the construction sector: the directive on the enforcement of Directive 96/71/EC on posting of workers.

The construction sector is very sensitive to different levels of labour costs, in particular when they stem from undeclared labour and social dumping. Law-abiding SMEs working in compliance with the rules and respecting the social rights of their workers are suffering from the effects of the system’s “grey areas” where controls are lacking and social dumping becomes possible. This situation inevitably leads to unfair competition because these enterprises have to bear higher costs and burdens. Policy-makers at all levels should bear in mind those entrepreneurs on the ground and implement effective solutions.
KEY PROVISIONS FOR CONSTRUCTION SMEs

The proposal for an enforcement directive was highly controversial, particularly regarding certain articles, and has triggered an intense debate between “old” and “new” EU Member States. Nevertheless, the long and challenging negotiations have borne their fruits. EBC welcomes this agreement, as it reflects some of its main requests.

- **Identification of genuine posting**: open list of different criteria Member States can employ to identify abusive situations.

- **National control measures**: open list of control measures that Member States can apply. Member States will have the possibility to introduce further control provisions. EU Member States will have to simply communicate (and not notify!) these measures to the Commission. They must be justified and proportionate in accordance with Union law.

- The obligation for the company posting workers to appoint a contact person.

- Greater administrative cooperation between Member States on setting precise time limits for information to be transferred.

- Introduction of a single national website in every Member State, where the applicable terms and conditions of employment will have to be published. This will help construction SMEs to understand the legal framework for posting.

SUBCONTRACTING LIABILITY

The enforcement directive states that Member States should take measures so that posted workers can hold the contractor, of which the employer is a direct subcontractor, liable for any outstanding remuneration. This liability only applies to the construction sector. Instead of these liability rules Member States also have the possibility to take other appropriate and equivalent enforcement measures.

CONCLUSION

EBC believes that the Posting of Workers Enforcement Directive is a step forward in the right direction, although it leaves considerable doubts over its full effectiveness. Our sector suggested concrete solutions for this, specifically a database to check enterprises’ compliance with social legislation.

The new rules will enter into force as from 2016.
2013 EBC ANNUAL CONGRESS

On 27th and 28th June 2013 the European Builders Confederation celebrated its Annual Congress in Brussels.

The core part of the 2013 Annual Conference was a debate between MEP Danuta Jazłowiecka, construction social partners and the European Commission on how to ensure free movement of workers and services, while avoiding the risk of social dumping. EBC President José Antonio Calvo reminded attendees that common rules at European level are needed and must be complied with, in order to prevent undeclared work, bogus self-employment and social dumping.

Public authorities should provide enterprises with appropriate instruments to comply with their obligations. Indeed, SMEs do not have these means of control and cannot accept to be tasked with burdensome policing tasks. The speakers agreed that useful solutions are enforcement of cooperation between Member States and the role of social partners, hence avoiding new administrative burdens for SMEs.
EUROPEAN HEALTH AND SAFETY STRATEGY - EBC ADVOCATES FOR SIMPLIFICATION

Over the last decade the European construction sector has been improving its performance in Occupational Safety and Health, counting less fatal accidents. However, it still is one of the most dangerous and high priority sectors of the European economy as the risks are many, varied and arising from new activities. In 2013, the European Commission launched a deep policy reflection, to define the new European Occupational Safety and Health (OSH) policy framework leading to 2020. Launching an EU-wide consultation in summer 2013, the Commission wanted feedback on administrative burden of OSH, on new and emerging risks, and on the actions needed for this strategy to work.

EBC REQUESTS ABOUT THE NEW OSH STRATEGY

In response to this consultation, the European Builders Confederation advocated for simplification, cutting red tape, stopping new and unnecessary legislation, and improving implementation of existing regulation. Additionally, training, awareness raising and information for both employers and workers are the most important elements for the success of all the Occupational Health and Safety campaigns.

REDUCING RED TAPE

EBC highlighted that EU OSH policy comprises numerous and complex European laws. This field has been pointed at by EBC national members as one of the top three for the creation of bureaucracy. The real issue is not the lack of appropriate legislation, but its improper implementation. Indeed, very often entrepreneurs of small and medium businesses have difficulties in understanding the regulation and they may lack in expertise within the company. Before introducing new legislation, the European Commission has to assess its impact on SMEs, with the “SME TEST”. However, this is not sufficient. An ex-post assessment after the entrance into force of a law would also be necessary to evaluate shortcomings and replicable successes. Finally, very often a key problem is the gold plating resulting from additional and unnecessary legislation introduced by national governments.

Mrs. Eva Török participated in the EBC Board of Directors in September 2013 to present the new EU occupational safety and health policy framework.

“From the left, EBC President José Antonio Calvo Delgado and Mrs. Eva Török, Deputy Head of the Cabinet of Commissioner for Social Affairs László Andor”
THE SIMPLIFICATION AGENDA IN THE FIELD OF HEALTH AND SAFETY: MEP MORIN-CHARTIER AT BATIMAT

At the beginning of November 2013, Paris was the setting of Batimat, one of the biggest European expositions for the construction sector. EBC decided to take this occasion to hold its Board of Directors meeting.

During this Board meeting the EBC members had an interesting debate with MEP Elisabeth Morin-Chartier (EPP-FR), who spoke about the simplification agenda in Occupational Health and Safety and fair competition in the Internal Market. Mrs. Morin-Chartier shared EBC members’ concerns about excessive burdens and gold plating in this field. She suggested that, in order to simplify SMEs’ and microenterprises’ task in implementing OSH requirements, best practices guidelines should be published well before the deadline for applying the directives.

“The more we strengthen the Internal Market, the more we must improve Social Europe. I personally think that the next will be the mandate of Fiscal and Social Europe, as this mandate was the one of Economic and Banking Europe”, MEP Elisabeth Morin-Chartier in an interview for EBC.

“National laws should not complicate EU laws. On the contrary, their objective should be to stimulate and facilitate the conversion of EU legislation into national laws”, MEP Elisabeth Morin-Chartier in an interview for EBC.

“From the left, EBC Vice President Patrick Liébus; MEP Elisabeth Morin-Chartier; EBC President José Antonio Calvo Delgado; EBC Past President Andrea Marconi – Batimat, Paris November 2013”
A fundamental element of the continuous efforts from EBC to become a recognised European sectoral social partner is the Eurofound study to assess the representativeness of the European sectoral social partners in construction. Since its kick-off in January 2013, Eurofound has advanced and reached an important preliminary step with the presentation of a draft report in March 2014.

EBC is satisfied with the preliminary report as it confirms EBC’s view that no association can rightfully claim to be the only EU-level representative of construction employers. Indeed, social dialogue in construction at national level is very diverse and multi-faceted, with EBC members representing a specific and fundamental part of construction sector’s employers, small and medium-sized enterprises.

The aim of the study conducted by Eurofound at the request of DG Employment of the European Commission is to provide information to assess the existing sectoral social dialogue, identify the relevant national actors in social dialogue and show their relation to European level sectoral representatives. This exercise comes in a timely manner and under strong pressure to assess the levels of representativeness of the European sectoral social partners in the construction sector, within the goal of reasserting the relevance and efficiency of the Social Dialogue in general.

Within the framework of this study and in the presence of all the stakeholders involved, EBC will prove the benefits of an open, participative and truly representative European social dialogue. Indeed, the process must be carried on effectively, transparently and cooperatively by all partners in order for Eurofound to present its final report of the study before the end of 2014, as expected.

_EBC Past-President and representative in the European Social Dialogue Committee for Construction_ Andrea Marconi
EU 2030 STRATEGY FOR CLIMATE AND ENERGY POLICIES LACKS AMBITION

On 22nd January 2014, the European Commission unveiled its 2030 Strategy for Climate and Energy Policies. The framework presented by the European Commission proposed energy and climate objectives to be met by 2030 in order to drive the continued progress towards a low-carbon economy. This communication is intended to replace the “EU 2020 Package”, which focuses on reducing greenhouse gas (GHG) emissions by 20%, producing 20% of energy from renewable sources and reducing energy consumption by 20% by 2020.

WHAT ARE THE NEW OBJECTIVES?

• 40% cut in greenhouse gas emissions (compared to 1990 levels)
• Achieve at least a 27% share of renewable energy consumption
• Energy efficiency to play a vital role, but no specific target at this point

EBC OPINION

EBC is very disappointed by this strategy. The Commission’s decision to set NO target on energy efficiency is a missed opportunity. By sticking to renewables and greenhouse gases, the Strategy lacks coherence and ambition. It is like a table standing on two legs.

Energy efficiency is scarcely mentioned in the Strategy. It is exclusively referred to in connection with the GHG emissions’ target, whereas it should be seen as a standalone goal.

Increasing energy efficiency should be seen as one of the EU climate and energy policy’s cornerstones. Rather, this is a target that is actually highly profitable for the EU economy.

For example, buildings represent 40% of the energy demand in the EU and have huge cost-effective energy savings potential. If unlocked, this could help the EU to simultaneously meet its economic, energy security and environmental objectives.

In attempts to limit the criticisms formulated by several stakeholders, including the construction sector, the Commission has declared that there will be a separate debate when the Energy Efficiency Directive will be reviewed. This could start in late 2014, depending on the analysis of the national energy efficiency action plans, expected by 30th April 2014. EBC is disappointed by the implied delay. For EBC, the Commission should have learned the lesson from the 2020 framework: energy efficiency was the only non-binding objective and will be the only unreached target.

EUROPEAN PARLIAMENT REPORT

This Communication will be debated at the highest level, in particular in the European Council and European Parliament. In an effort to shape the debate from the start, the European Parliament already adopted a report in plenary on 5th February 2014. The report calls for the reinstatement of energy efficiency at the centre of the strategy and adds ambition to the framework in general. Although the Delvaux/Szymanski report is not legally binding, it calls for 3 binding targets: GHG emissions, renewables and energy efficiency.
In July 2013, DG Environment of the European Commission finally published its public consultation on sustainable buildings, after a delay of more than a year. The 53-page long consultation was ill-conceived, it proposed only multiple choice questions and was exclusively available in English. Many of the questions led to numerous different answers depending on the country - given the wide variety of country-specific situations - and on the product.

**EBC letter to the EU Commission**
EBC and its member associations therefore decided not to reply to the consultation. Instead, EBC addressed a letter to the European Commission explaining the reason for this decision. However, EBC also briefly outlined its opinion on the most important points of the consultation in the letter.

**Environmental Product Declarations**
EBC was notably surprised that the questions focusing on the environmental declaration of construction products (EPDs) did not take into account the work done by the CEN TC 350 “Sustainability of construction works”. Moreover, with the entry into force of the Construction Products Regulation in July 2013, affixing the CE marking has become mandatory in order to place products on the market. To this end, a Declaration of Performance has to be drawn up, proving compliance with the Basic Works Requirement 7 on “Sustainable use of natural resources”.

Therefore and once more EBC explained SMEs’ main concern of duplication of initiatives arising from different Directorate Generals of the European Commission and the subsequent increase of administrative burdens for craftsmen and SMEs of the construction sector. Regarding the questions focusing on a label for environmental buildings, it seems inconceivable to EBC to have one label for all the buildings in Europe.

**Green Public Procurement**
Finally, if Green Public Procurement (GPP) is to be a success and not a tool for big players to discard smaller competitors, it is essential that GPP does not add red tape and bureaucracy. As often mentioned, EBC remains strongly opposed to mandatory Green Public Procurement because such an obligation would inevitably keep small construction companies away from this market.

**Setback for the initiative**
From the initial target date of 2013, this initiative has taken severe delay also because of strong criticisms from stakeholders. In spring 2014, DG Environment still aimed at a quick publication of the Sustainable Buildings Communication, but with the European Commission expiring its mandate in October, delays may accumulate even further.
WASTE LEGISLATION: NEW EUROPEAN TARGETS PROBLEMATIC FOR CONSTRUCTION

The European Commission has launched a comprehensive review, running from June until September 2013, of key targets within European waste management legislation. This may lead to the reinforcement of existing targets or to the introduction of new targets. At the same time, the review will look into possible overlaps and, if necessary, identify options to simplify legislation.

EBC replied to this consultation. Concerning the Commission proposal as regards sorting waste at construction and demolition sites, EBC suggests distinguishing between renovation and construction works. Indeed, in renovation projects, on-site sorting is very complicated due to the lack of space and contaminated materials.

Moreover, EBC asks for disposal sites to be easily accessible and highlights that construction craftsmen and SMEs need to be absolutely sure about recycled or reused products before using them. Finally, EBC draws attention to the lack of data on the current recycling situation and to its impact on construction SMEs, which makes it very problematic to plan further targets.
Ecodesign and Energy Labelling Must Fit SMEs’ Needs

EBC, jointly with UEAPME, reacted to the Ecofys study’s first findings regarding the evaluation of the Energy Labelling Directive and some aspects of the Ecodesign Directive. The study was published in February 2014. EBC remarks that SMEs face higher burdens and costs than larger market players to comply with energy labelling and ecodesign requirements.

For some products - such as windows - there is the actual risk of different regulations’ overlap, which may originate the need to obtain several certificates and labels for the same product but through different ways. EBC also suggests to focus on compliance assistance instead of market surveillance on the conformity to legislation. Indeed, very often SMEs are not involved in the regulatory process and they lack the technical expertise as well as the financial resources to introduce the necessary changes in the manufacturing process.

Sustainable Buildings Policies on the Ground:
BPIE - EBC Joint Event

During the 2013 European Sustainable Energy Week, EBC and BPIE (Buildings Performance Institute Europe) organised a seminar to discuss national implementation of the European legislation on sustainable and energy efficient buildings.

EBC Secretary General Riccardo Viaggi and Chris Carr - from EBC member FMB - reminded participants that renovation rates, albeit improving, are still low all over the EU. Furthermore, administrative simplification is essential to avoid an over complex regulatory framework and overlapping legislation. Awareness-raising at all levels of society as well as stable, predictable and long-term incentive schemes came up as key issues.

European regulations on buildings’ energy performance are progressing, but more coordination between the EU level and national & local levels is needed. Now the biggest challenge is in the Member States’ hands, because the European Union only creates the framework and improves market conditions.
Standardisation is the main access to the Internal Market for most products, services and production processes that must demonstrate their compliance with European legislation through the CE marking. However, not only do many stakeholders find it extremely complex to take part in the standardisation system, but they are also very often not even aware of the great importance standards have for their trade and daily activities.

Therefore, at the end of 2012, the European Institutions adopted Regulation 1025/2012 to reorganise overall rules regarding the European standardisation process to encourage an appropriate representation of all relevant stakeholders, including SMEs.

As a consequence, the European Commission committed to financially and politically supporting the establishment of key stakeholders associations lacking representation in the standardisation system.

The creation of SBS
Consequently, in May 2013, the Commission published a call for proposal aimed at granting European funds to such an association. The call was eventually won by a consortium created by EBC (the European Builders Confederation) and UEAPME (the European Association of Crafts and SMEs).

Small Business Standards (SBS) was therefore created in October 2013 to meet the European Union’s aspiration to make the standardisation system as inclusive, transparent and open as possible, by strengthening the participation of “weak” stakeholders such as SMEs.
Small Business Standards (SBS) was established as an international non-profit association under Belgian law. The SBS team is made up of UEAPME and EBC staff members, and an SBS project manager, who coordinates the association’s work. SBS has 21 members that are national and European sectoral and inter-professional associations representing SMEs all over Europe. The membership is thus open to all associations matching these criteria.

The SBS goal is to represent and defend SME interests in the standardisation process at European and international level. Moreover, it aims at raising SME awareness about the benefits of standards and at encouraging them to get involved in the standardisation process.

To reach these goals, SBS has appointed over 30 experts to take part in the work of CEN-CENELEC, ETSI and ISO Technical Committees so as to directly contribute to the creation of standards. The experts, coordinated by SBS, monitor that standards are SME-friendly and therefore promote a better adaptation of standards to fit SME needs.

SBS through its members, also puts forward SME point of views in all relevant Fora, Working Groups and platforms shaping the standardisation system. Finally, SBS consults and keeps its members informed about Internal Market policies related to standardisation issues affecting SMEs.

CONSTRUCTION IN SMALL BUSINESS STANDARDS

Construction is one of the most affected sectors in the standard-making process. Currently 450 harmonised standards and 1500 test method standards are related to construction products. Small Business Standards is therefore very active in this field. It seats on the Standing Committee on Construction, which was set up by the Construction Products Regulation and has been invited to join the CEN Construction Task Force. The European Builders Confederation (EBC) is the SBS coordinator for the construction sector.
At its 2012 General Assembly, which was held in Spa, Belgium, WorldSkills Europe approved EBC’s membership. As the organiser of the largest European skills competition, this organisation is a natural relevant partner for EBC’s involvement in the up-skilling of the construction working population, also by improving the image of the sector. Indeed, the main mission of WorldSkills Europe is to raise awareness about the importance of trade and manual works striving for excellence of young people. EBC Board of Directors will meet within the framework of EuroSkills 2014, which will be held in Lille in October 2014.

EBC - PARTNER OF THE EU-OSHA BILBAO CAMPAIGNS

For several years EBC has been a partner of the biennial campaigns run by the EU-OSHA, the Bilbao based European Agency for Safety and Health at Work. Living up to the commitment to improve Health and Safety, EBC has decided to devote time and actions to the partnership of these campaigns, also involving its members and always keeping them up-to-date with regards to Health & Safety issues.

EUROPEAN SOCIAL DIALOGUE COMMITTEE FOR CONSTRUCTION

The European Social Dialogue Committee for construction was created in 1999 by FIEC (European Construction Industry Federation) and EFBWW (European Federation of Building and Wood Workers). In 2007 EBC was integrated as an observer within the employers’ delegation for this committee. The EBC Board of Directors mandated Andrea Marconi (ANAEPA, Italy) and Riccardo Viaggi (EBC Secretary General) to represent EBC at the committee meetings.

sme safety

In November 2012, European small and medium-sized manufacturers of personal protective equipment constituted the SME Safety organisation. Its mission is to safeguard such manufacturers in the area of international standardisation. The specific reason of the creation of this organisation comes from the proposal to adopt ISO standards on Respiratory Protective Devices (RPD) at the European level, which would have a potentially negative impact on manufacturers and – indirectly – users. Therefore, EBC became an associate member of SME Safety to represent the users of these devices.

CEN TECHNICAL COMMITTEE ON DOORS AND WINDOWS

EBC is the mandated expert of Small Business Standards (SBS) in the CEN Technical Committee 33 on doors and windows. Considering the vast majority of SMEs producing windows in Europe, the work of EBC mainly consists in defending SMEs interests in the drafting process of technical standards.

STANDING COMMITTEE ON CONSTRUCTION

Since 2004 EBC has held the status of observer in the Standing Committee on Construction. This Committee has been created by the Construction Products Directive (89/106/CEE) with the task of examining any issue related to the implementation of the directive. The Committee is chaired by the Head of the Construction Unit (DG Enterprise and Industry) and is formed by representatives of the Member States.

EBC CHAIRS THE UEAPME CONSTRUCTION FORUM

As of 2008, EBC – represented by Daan Stuit (from AFNL, the Netherlands) – has been chairing the UEAPME Construction Forum, a sectoral committee within UEAPME. The Forum meets twice a year (usually in April and October) with a full agenda to present and discuss the most important policy developments regarding construction craftsmen and SMEs. Several European sectoral associations and national horizontal associations from UEAPME members take part in the Forum which adopts joint positions, replies to consultations and carries out joint activities. With the creation of SBS, the UEAPME Construction Forum will also become a platform to debate the latest developments in the standard making system and to inform the members of SBS activities.

At its 2012 General Assembly, which was held in Spa, Belgium, WorldSkills Europe approved EBC’s membership. As the organiser of the largest European skills competition, this organisation is a natural relevant partner for EBC’s involvement in the up-skilling of the construction working population, also by improving the image of the sector. Indeed, the main mission of WorldSkills Europe is to raise awareness about the importance of trade and manual works striving for excellence of young people. EBC Board of Directors will meet within the framework of EuroSkills 2014, which will be held in Lille in October 2014.