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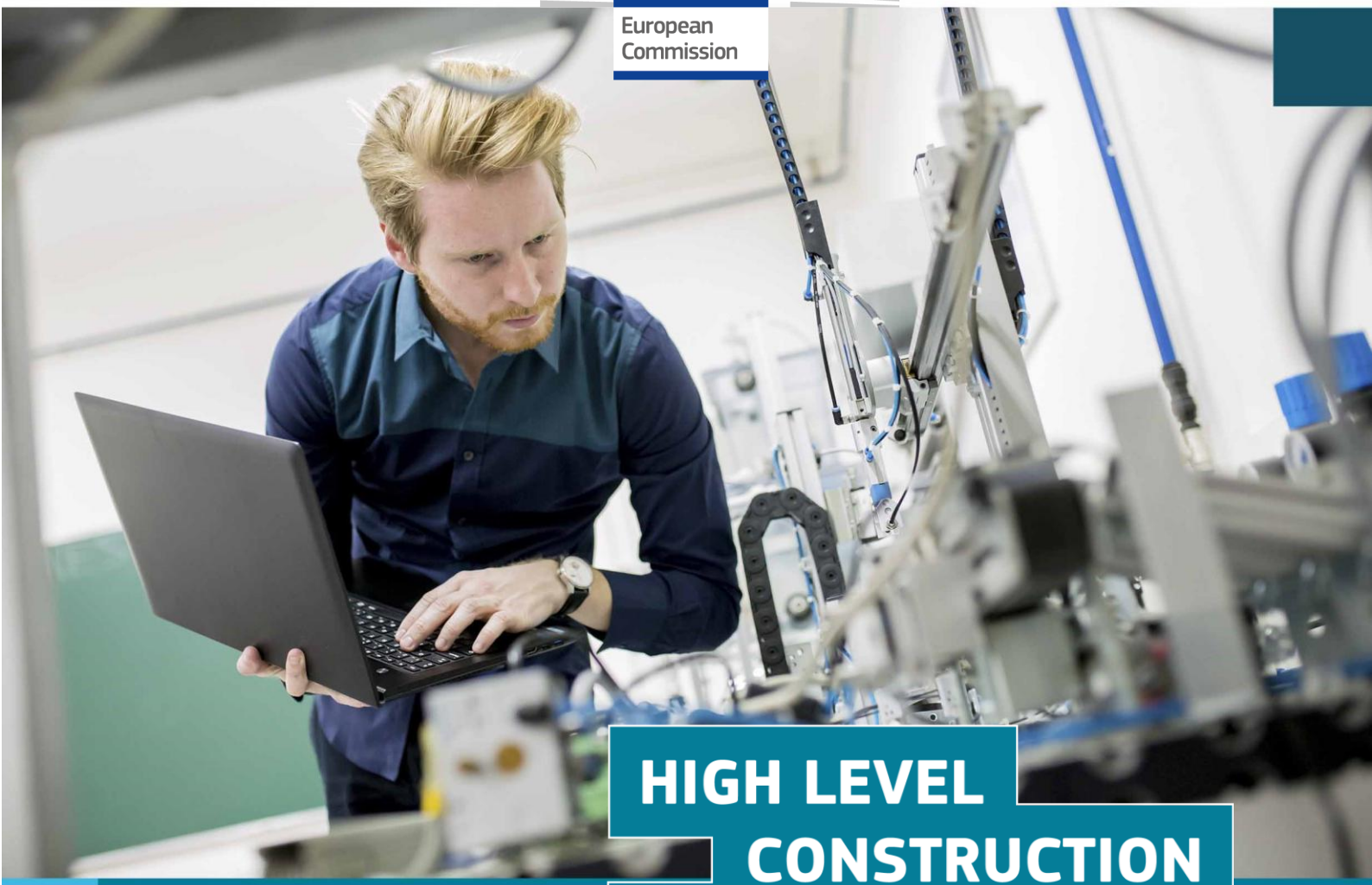

HIGH LEVEL CONSTRUCTION FORUM

Meeting report

Fifth annual plenary meeting of the High Level Construction Forum

Technical Secretariat of the HLCF / 25 March 2025

DG GROW

Contents

General overview

On the 25th of March 2025, the High Level Construction Forum (HLCF) organised its fifth annual meeting to debate strategic challenges facing construction and how to address them in the future, as well as reflect on the new actions HLCF members have committed to carry out, in line with the Transition Pathway and the priorities of the new European Commission. The full-day meeting consisted of three parts:

- Part 1: Towards a competitive, sustainable and productive construction ecosystem.
- Part 2: Joining forces to modernise in construction
- Part 3: Making it happen - EU priorities for construction: interactive workshop

The following key messages were raised during the meeting:

Construction ranks as the 2nd largest ecosystem in the EU by employees and 3rd by turnover. It is strongly embedded in Europe's local and national economies, providing major employment opportunities, key to addressing today's housing crisis, and essential in living up to our decarbonisation ambitions. The Forum provided a unique opportunity to position the construction ecosystem in the rapidly evolving context. It has been challenged by high inflation and persistent skills shortages, limiting its real output volumes as of late. Nevertheless, the ecosystem is quite robust and less vulnerable than others to trade disruptions. A strong call was made to reconcile sustainability with affordability.

The recently published Competitiveness Compass - with its focus on innovation, decarbonisation and addressing vulnerabilities provides overarching principles for action. The Forum concluded that productivity remains a key challenge for the construction ecosystem and provided an excellent space to explore its various drivers and levers. To enhance its competitiveness, it is important to work towards solutions, such as:

- Promote simplification: legislation, standardisation and harmonisation;
- Foster the Single Market: more than ever, there is momentum for continuing these long-standing policy efforts, especially for services;
- Address the skills gaps: provide quality jobs and draw in new groups to the labour market (e.g. women);
- Use digitalisation as a lever for raising productivity: e.g. by supporting the uptake of openBIM by all actors in the value chain, including SMEs;
- Modernise public procurement legislation: by drawing more focus on award criteria beyond price, such as green, innovation, and social aspects;
- Drive forward the circular economy: use the existing building stock and enable the reuse and recycling of materials, and make actors in the value chain collaborate;
- Offsite construction and industrialisation: both for new build and renovations.

The Forum also took stock of its ongoing efforts within the framework of the Transition Pathway for the Construction Ecosystem, with already 83 commitments made and being implemented.

In the afternoon, participants deepened discussions on three specific topics:

1. The session on accelerating building permits focused on advancing (1) digitalisation, (2) simplification & harmonisation, and (3) capacity building. Digitalisation and Simplification & harmonisation, voted the highest priority topics, included considerations on the use of open data formats, national digital platforms for permitting, and the simplification of zoning and planning rules. Capacity building, though less emphasised, focused on sharing best practices and training. Challenges highlighted were the complexity of permitting systems and the need

for interoperability, alongside EU actions to promote trusted data sharing and flexibility in local solutions.

2. The discussion in the session on improving the market for secondary materials focused on advancing (1) market development and demand creation; (2) regulatory frameworks & standards, and (3) digitalisation & data transparency. Market development and demand creation, as well as regulatory frameworks and standards, were voted the highest priority topics, including considerations on public procurement as a market driver, the revision of national building codes, the enforcement of the EU Landfill Directive and end-of-waste criteria.

3. During the session on facilitating cross-border construction and installation services, priorities expressed by participants included addressing barriers such as varying liability and insurance requirements, the recognition of qualifications, and linguistic challenges. The importance of harmonising certification schemes and health and safety standards was underlined, as well as the need for a consistent and simplified legislative framework that promotes cross-border service provision whilst ensuring compliance with local regulations.

130 attendees were present in person at the meeting. In addition, over 105 attendees joined virtually.

The recording of the meeting can be found here.

Part 1: Towards a competitive, sustainable and productive construction ecosystem

Welcome by DG GROW

Ms Barbara Bonvissuto, Director, DG GROW H, European Commission, opened the meeting by welcoming the industry, Member States, and all other actors of the construction ecosystem. She stressed the importance of competitiveness as a key priority for the new Commission, referencing the Draghi report[1], the Competitiveness Compass[2] and the Clean Industrial Deal[3] as foundational documents to support competitiveness, economic resilience and decarbonisation. In addition, she noted the role of the construction ecosystem in facilitating the supply of affordable and sustainable housing. She reminded the audience of challenges the construction ecosystem is currently facing, including the stagnation of productivity, skill shortages, high costs and the industry's environmental footprint. She ended her introductory speech by stressing two cross-cutting domains – digitalisation and the implementation of the Construction Products Regulation – as well as five pillars as key areas for prioritising action:

1. Securing access to both primary and secondary raw materials.
2. Creation of lead markets and the scale-up of industrialised and off-site construction.
3. Acceleration and digitalisation of permitting procedures to speed up construction, reduce costs and investment uncertainties.
4. Secure access to finance to derisk the rollout of innovative products and methods.
5. Ensure access to skills and talent, including how to facilitate the provision of construction services across the single market.

Keynote speech

Mr Matthew Baldwin, Head of Housing Taskforce, DG ENER, European Commission, introduced the Commission's new Task Force, which works with the Commissioner for Energy and Housing, Dan Jørgensen[4], to create policies aimed at tackling the escalating housing crisis. Mr Baldwin highlighted several major challenges affecting the housing market across the EU. He noted a sustained rise in housing prices over the past decade, which has led to a shortage of affordable housing, making it increasingly difficult for many to live in the cities where they work. There has been a recent drop in real investment in dwellings, a sharp decline in building permits since the onset of COVID, whilst a significant share of housing in major European cities remains vacant or underutilised.

All in all, the housing crisis is primarily a supply and demand problem, exacerbated by policy and market issues, which have impacted competitiveness. Building on this, the Commission provides ongoing support through social housing programmes[5] and cohesion funds[6], which are now being extended to help middle-income groups struggling to find affordable housing. The **Commission's** role is to support housing policy, of which the main competence lies with Member States,

[1] The future of European competitiveness: Report by Mario Draghi (September 2024)
[2] Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions: A Competitiveness Compass for the EU - COM (2025) 30 final.
[3] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation - COM(2025) 85 final.
[4] Mission Letter: Dan Jørgensen, Commissioner for Energy and Housing (December 2024)
[5] EESC - Social housing in the EU - decent, sustainable and affordable
[6] European Commission (2025) – Press release: A modernised cohesion policy to boost the EU's strategic priorities Cohesion Policy

particularly with regions and cities. A blend of policy adjustments, financial initiatives, and the adoption of best practices was suggested as potential solutions.

Looking forward, Mr Baldwin highlighted key upcoming initiatives: a call for evidence for the European Affordable Housing Plan[7] and the potential development of a European Strategy for Housing Construction[8]. These efforts aim to streamline regulations and promote innovative construction techniques to enhance the sector's competitiveness and sustainability.

The construction industry in **today's context**

Ms Katharina KNAPTON-VIERLICH, Head of Unit for Construction Policy, DG GROW H.1, European Commission, as moderator of the day, first explored both in-person and online participants' views on common priorities through an interactive Slido poll. The results suggest that participants consider focusing on simplification and the single market as a key priority, along with renovation, digitalisation, sustainability, and many others (see Figure 1).

Figure 1: Slido poll results ***– "As a group, what priorities should we have in this Commission mandate to support the European construction ecosystem"?***

Economic forces shaping the construction ecosystem

Mr Román ARJONA, Chief Economist, DG GROW A.1, European Commission, presented a comprehensive overview of the economic trends in the construction industry, starting with an update on economic confidence, which has experienced an overall decrease since 2023, driven by the lack of demand, However, confidence remained stable over 2024. Building on this, Mr Arjona conveyed an optimistic view of the near future, since overall construction companies tend to consider the Green Transition as an opportunity rather than a risk (see Figure 2). In addition, the share of companies expressing optimism towards the Green Transition is higher than in services and manufacturing.

[7] For more context, please check here.
[8] This potential strategy will be part of the broader Affordable Housing Plan, as announced in the Energy & Housing's Commissioner's Mission Letter

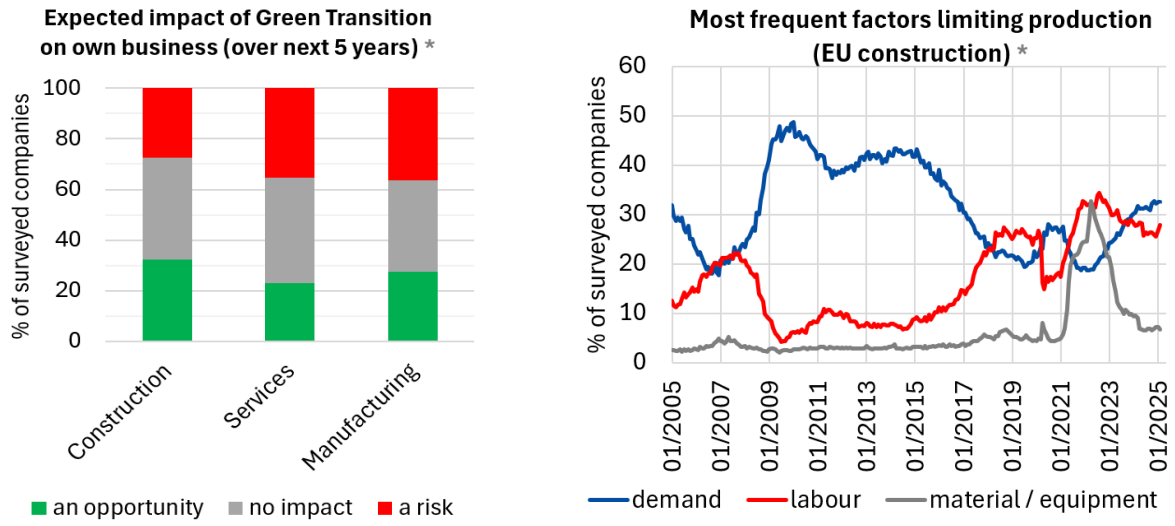

Figure 22: Industry perspectives on the green transition (left) & Limitations to productivity - most frequent factor (right). ***Source: EIBIS survey: "Thinking about your company, what impact do you expect this transition*** *to stricter climate standards and regulations will have on your company over the next years?"*

Regarding trade disruptions, Mr Arjona reported that the electronic industry and high-tech firms appear to be more affected than other industries, particularly when compared to basic manufacturing and construction. According to their analyses, firms operating in the construction ecosystem and importing into the EU most frequently cited access to raw materials and logistics disruptions as key trade obstacles. Concerning solutions, he noted that the main strategies for addressing trade tensions are increasing inventory levels and diversifying import sources. He also described the construction ecosystem as highly optimistic about intra-EU trade, with firms expecting both an increase in exports and greater export diversification within the EU. Regarding potential supply chain disruptions, he noted that products such as aluminium bars and rods are among the most at risk. Overall, construction products appear to be more exposed to trade vulnerabilities than those in China, but less so than in the United States.

With respect to ecosystem barriers, Mr Arjona described the lack of demand as the most significant limiting factor, while shortages of materials and equipment have decreased (see Figure 3). Also, labour shortages have multiplied in almost all Member States over the past 20 years, particularly in Greece, Germany and the Netherlands (see Figure 3). Another issue particularly important for the construction ecosystem is energy costs, which are a rising concern for most EU Member States. According to Mr Arjona, more than 50% of companies perceive energy costs as a major impediment to investments.

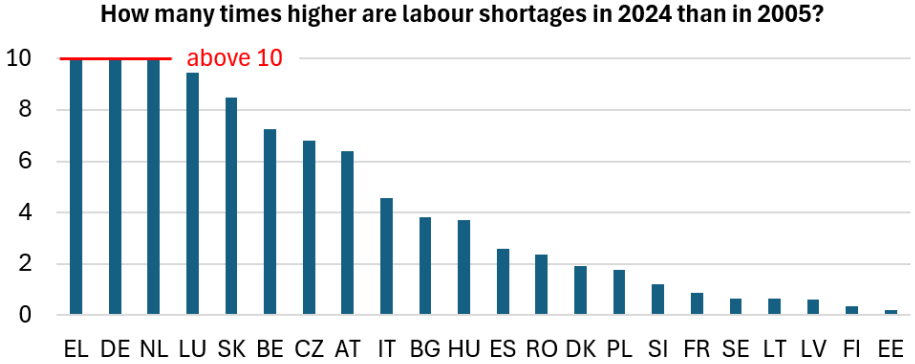

Figure 3: Labour shortage increases ***between 2005 and 2024. Source: EU BCS survey: "What main factors are*** *currently limiting your building activity?*

Mr Arjona ended his presentation with a brief overview of regional vulnerabilities. He reported that the construction industry is declining significantly only in a few Member States, e.g., in Sweden, Estonia, Latvia, Slovakia, and Luxembourg. Regarding Sweden, the construction output is shrinking, which might be related to the high share of variable-rate mortgages. He explained that the Swedish decline consequently impacts the Baltic states, where Swedish banks are important players in the mortgage market (see Figure 4).

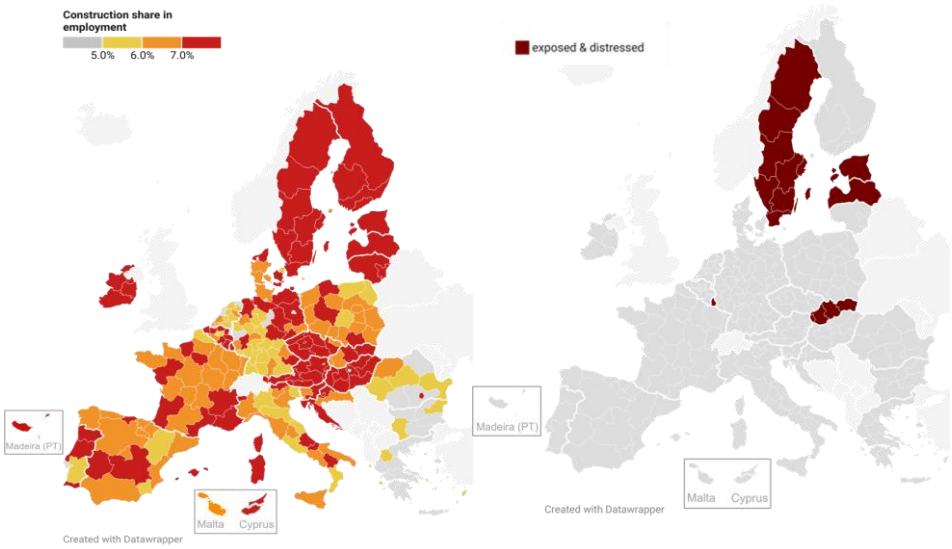

Figure 4: Regions with high employment share (left) and regions with high employment share & located in MS with declining sector (right)

Construction 2050 Alliance manifesto

Mr Clive Pinnington, Managing Director, European Panel Federation, Construction 2050 Alliance, introduced the Construction 2025 Alliance[9]. Established in 2020, this network is a voluntary alliance which aims to raise the level of recognition of the construction industry. Since the construction ecosystem has become the second biggest industrial ecosystem by number of employees, Mr Pinnington considered this first iteration of the Alliance to be achieved. Building on this work, he presented the Alliance's new manifesto[10].

The Alliance now consists of more than 50 voluntary organisations within the construction industry, ranging from product manufacturers to engineering companies. Its manifesto was simplified after the new Commission took office and now consists of eight pages focusing on key priorities for 2024-2029, such as sustainability, circularity, competitiveness and affordability, skills development, and digitalisation.

Mr Pinnington also emphasised the importance of knowledge exchange. Next to the HLCF, past events like the Antwerp Declaration for a European Industrial Deal[11] have shown the strong potential and interest of major high-level summits. He stressed that the next iteration and the upcoming goal of the construction industry should be to aim higher and make use of the resources provided. With a GDP contribution of 10% in Europe, he was optimistic about the opportunities and possibilities to gather many major companies.

[9] Construction 2050 Alliance – European Alliance of construction & built environment stakeholders speaking with a single voice
[10] Construction 2050 Alliance (2025) – Manifesto 2025: an open request to the EU Institutions
[11] The Antwerp Declaration for a European Industrial Deal

Mr Pinnington concluded that the Construction 2025 Alliance can function as a vehicle to foster further exchange and co-create practical solutions and initiatives to strengthen the industry, which can be successfully achieved with the support of the public sector.

Industry Perspectives

Philip Crampton, Vice-President, European Construction Industry Federation (FIEC), Construction 2050 Alliance, described the state of play of the ecosystem both from FIEC's and the Construction 2050 Alliance's perspective. He noted that policymakers have recognised that legislative changes alone are not sufficient. A clear understanding has emerged that industrial competitiveness is essential for the EU to maintain its role in the global economy.

The current focus is now on defence and security, whilst the EU is still to meet its 2050 decarbonisation targets and deliver on its sustainability goals. In this context, the central role of the construction ecosystem (including that of an enabler) must be clearly and consistently recognised. Thereto, the appointment of a dedicated Energy & Housing Commissioner and the first omnibus package[12] – aimed at simplifying existing sustainability-related legislation – are important steps in the right direction.

A second important initiative is the announced evaluation of the public procurement directives as one of the new Commission's priorities[13]. Key measures will be expanding the use of digital tools, improving the application of award criteria related to environmental quality, and shifting away from a lowest-price approach, encouraging alternative proposals, and enhancing the industry's attractiveness by enforcing measures against fraud.

As a third topic, the implementation of the Transition Pathway for Construction[14] was mentioned, published in March 2023, as the main outcome of the HLCF. The document is considered a strategic guide to support the green and digital transition, which also addresses workforce challenges by promoting skills development. Synergies are to be obtained between the Transition Pathway, the Pact for Skills in Construction[15] and the Blueprint projects[16] as key initiatives driving worker training and upskilling.

Finally, the reconstruction of Ukraine as both a major challenge and a significant opportunity should not be overlooked. The EU construction ecosystem needs to be prepared, given the potential impact on prices, costs, competition, and supply chains across Member States, along with the strong demand for EU expertise throughout the reconstruction process.

Reactions from HLCF members

Participants raised the following discussion points: (1) key simplification measures, (2) decarbonisation and market stability and (3) the interpretation of data showing the stability of the construction industry.

Regarding (1) key simplification measures, Mr Crampton emphasised the importance of distinguishing between simplification and deregulation. A need exists for streamlined regulations that reflect the industry's structure and enable effective implementation without compromising competitiveness. Mr Pinnington also stressed the need to push for simplification of procedures, which could help attract more people to work in the industry.

In response to (2), aligning the stability of the construction industry with the need to stimulate markets for low-carbon products, Mr Arjona referred to the EU Competitiveness Compass and its three pillars. One of these pillars is innovation, which, he noted, has undergone a

[12] Commission proposes to cut red tape and simplify business environment - European Commission
[13] Public procurement directives – evaluation
[14] European Commission (2023) – Transition pathway for Construction
[15] Pact for Skills in Construction – FIEC
[16] Home - Construction Blueprint

shift towards more complex forms, hindering the diffusion of innovation across distribution firms. He added that decarbonisation efforts extend beyond clean technologies to also address energy-intensive industries. In this context, lead markets can serve as examples of how to drive progress. He considered reducing vulnerability as a third key element, highlighting the EU's potential challenges in maintaining open strategic autonomy amid growing global trade fragmentation.

Regarding (3), the interpretation of data showing stability in the construction sector and how to factor in price changes, Mr Crampton noted that such changes are contractual and procurement-related issues. He stressed the critical importance of incorporating proper price adjustment mechanisms in public contracts, especially given the disruptions caused by the COVID-19 pandemic and the war in Ukraine, which severely impacted fixed-price contracts. He called for the modernisation of public procurement systems. Mr Pinnington added that the construction industry is only considered partly stable, and significant improvements are needed. Mr Arjona clarified that his reference to stability was based on reported confidence levels among firms in the ecosystem. However, he acknowledged that several barriers continue to constrain production, including rising energy prices, weak demand, labour shortages, and limited access to skills. Within this context, construction cannot be described as truly stable.

Part 2: Joining forces to modernise construction

Turning the High Level Construction Forum into action

Mr Roman HORVATH and Pablo GUTIERREZ VELAYOS, Policy Officers at DG GROW H.1, European Commission, responsible for the co-implementation and monitoring of the Transition Pathway for Construction provided the audience with an overview of the actions taken over the past year at the EU level to implement the recommendations of the Transition Pathway. The presented actions cover the six building blocks: competitiveness; skills and talent; enabling framework; research, innovation, technology; funding; and a fair and safe built environment.

Please refer to the presentation slides here for more details on the specific actions.

Member States' actions

Estonia: Accelerating building permits

Christopher-Robin Raitviir, Head of Digital Construction, City of Tallinn, presented **Estonia's progress** in digital building permitting through their PDF-based and BIM-based approaches. He started by focusing on the background problem, highlighting the risk of information loss if we do not consider synchronised digital workflows. These workflows should begin at the urban planning level and extend through various stages of the building life cycle, including zoning, building permits, and usage permits (see Figure 5). These are all mandatory processes and often serve as transitional phases between different stages of the life cycle. He therefore emphasised the public sector's responsibility in creating an environment that enables secure and reliable data exchange.

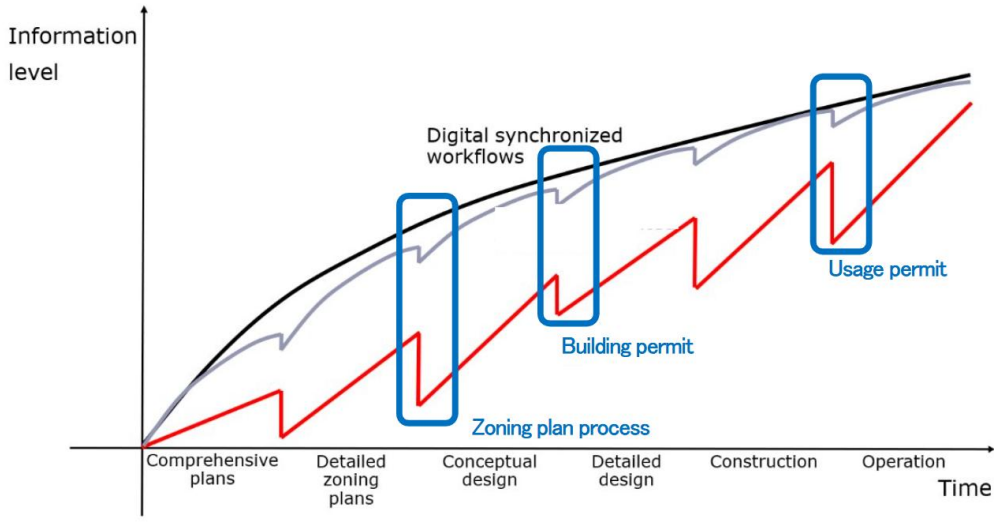

Figure 5: Public sector actions to be considered to avoid information loss

Building on this, Mr Raitviir explained that Estonia facilitates these processes through the e-construction platform[17]. He described the e-construction platform as enabling the secure exchange of complete and accurate, standardised data between all stakeholders throughout the building life cycle. Accordingly, the public sector acts as a central provider of data from databases and digital twins.

Among the services offered through the e-construction platform, he highlighted the building registry, which functions both as a building logbook and a procedural environment. In addition, Mr Raitviir underlined the importance of having a interoperable software solution – not only at national and regional levels, but also across the EU. He questioned the need for multiple systems if the

[17] Republic of Estonia – State Shared Service Centre (*in Estonian*): e-construction

requirements of all actors involved are essentially the same. Therefore, he suggested developing one common core system, complemented by additional systems where needed.

He reported that the first version of the digital building permit registry was launched in 2016 and operated until 2022. On average, it took 33 days to receive a building permit. In comparison, prior to digitalisation, the process in Tallinn could take up to 100 days. Since there was still room for improvement, a new version of the registry was introduced in 2022, reducing the average processing time from 33 to 26 days. In Tallinn, the improvement was even more significant – processing time was reduced from 100 days to 46. In this context, Mr Raitviir emphasised that digitalisation alone is not sufficient – improving underlying processes is equally important.

In addition, he highlighted Estonia's efforts to implement BIM-based building permitting processes since 2019[18]. The main advantages of these approaches are transparency, speed, quality, and simplicity. To make the system accessible for applicants, the software was developed with user-friendliness in mind aiming to reduce potential application risks, e.g. by means of automatised checks, which can be run by the applicant before the official submission to remove potential shortcomings before the official submission.

Finally, Mr Raitviir stressed that successful implementation is only possible through collaboration between the public and private sectors. He also pointed out the importance of avoiding siloed approaches at the international level and promoting information exchange. At the EU level, this can be supported through the EU BIM Task Group network of public sector representatives.

France: Supporting the market for secondary materials

Anaïs Terbeche, Project Manager, Building & Environment, SEDDRe, discussed how France is addressing the circular economy within construction through two main tools: Extended Producer Responsibility (EPR) and the Product, Equipment, Material and Waste (PEMD) diagnosis. She noted that, overall, France generates approximately 46 million tonnes of construction waste per year, of which 80% originates from demolition activities and 20% from disposal sites and distributors.

Ms Terbeche first introduced the French national PEMD diagnosis[19], which is a mandatory audit for demolition or significant renovation of buildings (over 1,000 m² or involving hazardous substances), aimed at promoting reuse and recovery of construction materials. Project owners are legally required to conduct this diagnosis before urban planning or works authorisations and submit a final report within 90 days after the works. The process must be carried out by qualified professionals and reported via the CSTB-managed PEMD digital platform using official CERFA forms[20]. Its objectives are to support the circular economy by identifying reusable elements, prioritising their reuse over recycling or disposal, and improving traceability of materials.

In parallel with the PEMD, France is also implementing a national EPR scheme. According to Ms Terbeche, the main goals of EPR are to reduce pressure on natural resources, increase recycling rates, eliminate landfill use, assign responsibility to producers for their products' end-of-life, and encourage eco-design. She described the EPR system as a complex framework involving various stakeholders, including government and public authorities, manufacturers, eco-organisations, job-site actors, waste operators, and recyclers.

[18] BIM-based Building Permit Process - e-ehitus
[19] See : Le diagnostic « produits, équipements, matériaux et déchets » (PEMD) | Ministères Aménagement du territoire Transition écologique
[20] For more information (*in French*): Plateforme PEMD : Produits, Équipements, Matériaux et Déchets

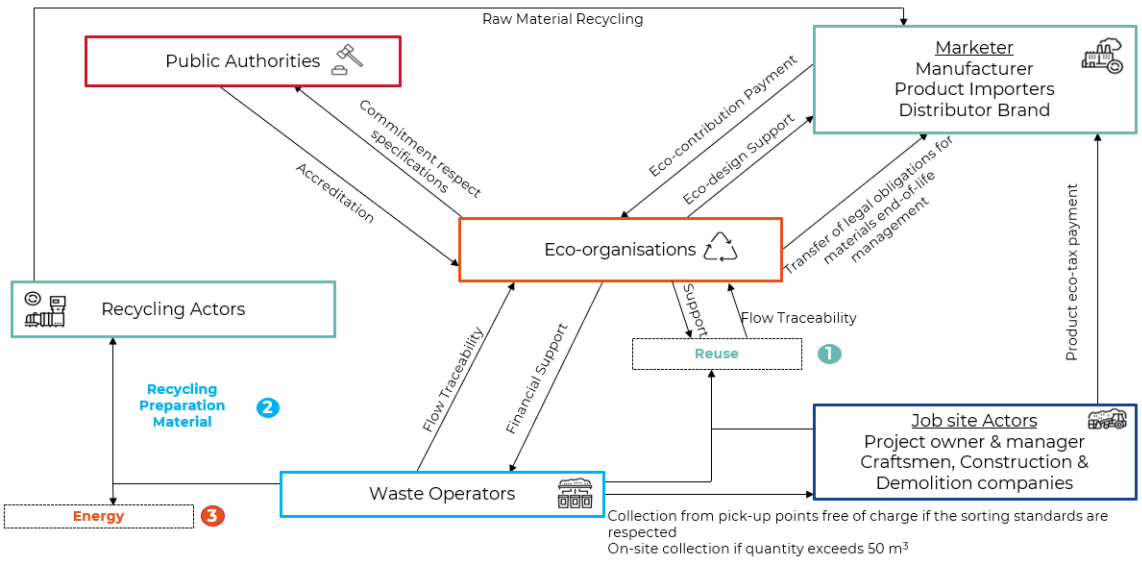

Figure 6: Overview of actors and procedures of the French EPR scheme

The starting point of the EPR system is the manufacturer, who is legally responsible for managing the end-of-life of the products they place on the market. To fulfil this obligation, manufacturers delegate responsibility to accredited eco-organisations, which are approved by public authorities under certain conditions – such as meeting targets for collection, reuse, and recycling. Manufacturers finance these organisations through an eco-tax (see Figure 6).

Ms Terbeche ended her presentation by strongly recommending a step-by-step approach for implementing EPR, rather than applying it to all materials simultaneously. She emphasised that waste managers play a central role in the process, as they are directly responsible for material recycling.

Panel discussion: where next for European construction?

The panel discussion started with short introductory statements on the state of play and next steps for the ecosystem from different perspectives (workers, contractors and product manufacturers), followed by a discussion with the audience and Member State speakers.

Slavica Uzelac, Policy Officer, European Federation of Building and Woodworkers, representing construction workers[21], highlighted the multiple challenges currently facing the construction ecosystem, with a particular focus on labour shortages. She linked these shortages to the difficult working conditions in the sector but also to the underrepresentation of women in the industry and suggested ways to attract more women in the future. For instance, increased automation and digitalisation may make construction work less physically demanding – potentially appealing to a broader workforce. She also noted that wages in construction are generally below national averages, which further deters new entrants. Additional barriers she cited include climate change impacts, such as heat stress, and the sector's poor public image. The bad reputation of the sector arises because of criminal practices such as exploitation of workers in long and complex subcontracting chains. As possible solutions, Ms Uzelac proposed social conditionalities and limits on subcontracting in public procurement and to better enforce enforcement of social rights.

Further, she highlighted the problems of a highly fragmented sector, with a huge number of small and even micro-companies which are often bogus self-employed. This from of fragmentation might slow down the green transformation and adaptation. She attributes this to the fact that large scale investments in innovation, new technologies and research as well as investments in training and education of people might be difficult to realised considering the time targets. To master the challenges of the transformation, she suggested investing in and strengthening paritarian

[21] European Federation of Building and Woodworkers

organisations which provide training and education, She concluded that the ecosystem must become more attractive also by changing its business models, both to bring in workers and to retain them.

Philip van Nieuwenhuizen, President, European Builders Confederation, Construction 2050 Alliance, representing contractors[22], emphasised that 94% of construction companies are micro-enterprises with fewer than 10 employees. The sector relies heavily on skilled labour, primarily provided by SMEs, and this need will persist despite ongoing digitalisation. Mr van Nieuwenhuizen pointed out that businesses often struggle with the administrative burden caused by frequent regulatory changes. He called for a stable and consistent regulatory framework to support long-term planning, investment and innovation. He also stressed the importance of simplifying procedures. While the EBC continues to engage with policymakers, he urged the sector to receive greater political focus, given its foundational role in society.

Cédric De Meeûs, President Construction Products Europe, Construction 2050 Alliance, representing product manufacturers[23], underlined the strategic significance of the construction industry, with over €1.7 trillion in investments, 18 million direct jobs, and **11% of the EU's GDP**. He identified competitiveness as the top priority and advocated revisiting the EU roadmap for a sustainable built environment – to better address challenges such as decarbonised and affordable energy, permitting, financing and loans. He also highlighted the need to reconcile sustainability with affordability – a balance he believes can be achieved through whole life cycle performance as a unifying metric for the entire value chain.

The interventions were followed by a discussion with participants, which raised the following topics: (1) fragmentation in the construction ecosystem, (2) the impact of digitalisation on the workforce, (3) shifting from craftsmanship to productivity, and (4) combining national strategies for circularity and reuse.

Regarding (1) fragmentation in the ecosystem, Ms Uzelac called for the advocacy of direct jobs and more structured employment. She emphasised that people working for larger construction companies are more likely to gain access to training opportunities. Mr van Nieuwenhuizen added that a stable regulatory framework is needed to support scaling-up. Mr De Meeûs also described fragmentation as an inherent issue in the ecosystem, which could be addressed through tools such as harmonised building codes.

Concerning (2) the impact of digitalisation on the workforce, Mr De Meeûs and Ms Terbeche stressed the need for new forms of cooperation on construction sites, alongside targeted training to equip workers with the right skills. Mr Raitviir agreed that additional skills will be necessary, but also underlined that workers should not be underestimated in their ability to adapt to new environments.

With respect to (3) shifting from craftsmanship to productivity, Mr van Nieuwenhuizen pointed to offsite construction as a key solution. He referred to various building types, especially the existing building stock, where he sees significant potential in underused real estate to speed up housing delivery.

As for (4) combining national strategies for circularity and reuse, Mr Raitviir referred to the Estonian building registry, which should be enriched with additional data to improve stakeholder access and allow better assessment of circularity. Ms Terbeche explained how the French ecotax is adjusted according to a material's recyclability. She also noted that manufacturers benefit from financial incentives if they adopt ecodesign or reduce their carbon footprint.

[22] Representing construction SMEs & craft trades in Europe - EBC ConstructionEBC Construction
[23] Construction Products Europe – Let's build an efficient Europe

Part 3: Making it happen - EU priorities for construction: interactive workshop

Breakout session 1: Accelerating building permitting

Mr Pablo GUTIERREZ VELAYOS opened the breakout session on accelerating building permitting by introducing the concept of the session before he summarised the three main priority areas for the topic: 1) Digitalisation, 2) Simplification & harmonisation, and 3) Capacity building. Participants were first invited to share their priorities for each of these three areas. From this initial gathering of ideas, there were certain priorities that came up more often.

On the topic of (1) digitalisation, the use of open data formats was raised repeatedly, combined with the need for trust to enable successful data sharing as well as to enable different levels of information need and access for different actors (e.g. investors, developers, contractors, etc.). Participants also raised the need for transparency and tracking in the permitting process, comparing it to the tracking of a package in delivery. The need for national digital platforms such as the e-construction platform in Estonia was also raised to enable proper submission and management of permits, as well as to allow moving from a PDF-based and email approach to a proper digitised process linked to GIS and BIM data.

Regarding (2) simplification and harmonisation, topics emerged around zoning, planning and land use rules, which require simplification or need to enable more flexibility by, for example, providing acceleration areas for housing construction in zones with fewer constraints. Generally, the topic of experimentation and simplified (fast-track) procedures for different types of projects (e.g. simpler projects, small-scale renovations, conversion of buildings) was raised. Another topic was the possibility of capping permitting times as well as allowing certain technical and planning reviews to be done in advance of the permitting process. Finally, a review of the impact of Environmental Impact Assessments on the duration of permitting was proposed.

The topic of (3) capacity building received the least attention, likely as it is where most action is happening at the EU and national level. Here, participants raised topics such as the identification and sharing of good practices, developing guidelines and checklists for authorities, providing funding to simplify and improve or digitise processes, and providing training opportunities.

Following the initial collection of priorities, *Mr GUTIERREZ-VELAYOS* asked participants about their experiences with the main challenges regarding building permitting:

- The topic of complexity of the permitting system was raised by participants from Norway, Sweden and the Netherlands who highlighted the difficulty in standardising mandatory information due to the involvement of many actors and opinions, for example, in simplifying regulations clause by clause to enable machine readability. This requires a systemic change and is further complicated by difficulties integrating building permits with GIS into comprehensive digital processes where all can work together.
- Municipal Zone Planning was raised as an issue by a housing representative in Sweden, highlighting that permitting is less of an issue, but that they struggle more with very specific requirements in zoning, which do not match with construction products, creating later difficulties to get a building permit.
- Another issue raised was access to knowledge and tools, as many municipalities lack digital tools to manage building permits or access to skilled urban planners and engineers.
- The number of different formats for permits accepted by provinces and municipalities, as well as interoperability issues due to different levels of information provided, pose another challenge. This is specifically the case for federally organised countries, whereas a German participant highlighted the challenge of having 16 different building codes in Germany and the need for comprehensive digital processes where everyone can work together, as currently many municipalities still rely on printed applications.

- A final issue raised was the appealing phase in the permitting process, which can halt the entire process even when there are no legal grounds. Linked to this, while imposing shorter deadlines for approvals can help accelerate permitting, this often does not work if the starting point of the deadline is unclear.

The discussion shifted then to best practices in Member States. Participants were eager to share a few, among them was a model in Sweden where Architects can compete for ideas before municipal zone plans are drawn up. In terms of digitalisation, the suggestion from Estonia was to start small in digitising permitting procedures and step-by-step scale up. Another one raised by a participant from Norway was the idea to use models in zone planning to avoid discrepancies between text and actual construction. This suggestion was complemented by a participant from Estonia, suggesting to combine requirements in the model using IFC to standardise information and automate checking. Another best practice shared was the Finnish Interoperability Platform, which provides tools for defining interoperable data content.

Finally, participants were invited by the European Commission to highlight specific EU actions:

- The promotion of knowledge sharing was raised as something the EU is already doing and should continue doing. This should be done by making best practices from frontrunner countries easily accessible, developing case studies and funding pilot projects, but also by going beyond reports and enabling exchange programs for professionals to learn directly from each other.
- Enabling more experimentation and allowing for more flexibility for different solutions at the local level was also mentioned.
- A review of zoning and Environmental Impact Assessments was suggested to assess how these are affecting the duration of building permits in different Member States.
- While the use of overarching public interest is more and more used for energy infrastructure and net-zero manufacturing to speed up permitting, as an idea, it was also raised to extend it to housing to enable faster housing construction.
- Finally, participants raised the needed support for trusted data sharing by implementing construction data spaces, supporting open formats, and supporting the digitalisation of the entire value chain in the construction industry.

Breakout session 2: Improving the market for secondary materials

Ms Kveta KABATNIKOVA, Seconded National Expert, European Commission, opened the breakout session on improving the market for secondary materials by briefly introducing the relevant EU policy and regulatory framework. She paid particular emphasis to the upcoming Circular Economy Act[24], which will address EU-wide end-of-waste criteria, pre-demolition audits, digitalised demolition permits, extended producer responsibility and public procurement, given their potential to improve market conditions for secondary materials. Building on this, she invited participants to share their priorities across the following three topics: (1) market development & demand creation; (2) regulatory frameworks & standards; and (3) digitalisation & data transparency.

Participants were first invited to share their priorities for each of these three areas. From this initial gathering of ideas, there were certain priorities that came up more often.

On the topic of (1) market development and demand creation, the following priorities were raised by participants: public procurement as a market driver, zero emissions and electrification, and development of cross-border markets.

[24] The preparation of the Circular Economy Act, planned for Q4 2026, will be supported by a future Clean Industrial Dialogue on Circularity to identify areas where further efforts are needed.

- On the role of public procurement as a market driver, the discussion stressed that public procurement, supported by the Construction Products Regulation (CPR), helps boost demand for secondary materials. For example, using green public procurement for products like flat glass includes low CO_2 emissions and encourages considering the full lifecycle of products.
- Regarding the link with zero emission buildings and electrification, the discussion stressed the need to use more electrification to aim for zero emissions by using more electrification and introducing an emissions trading system for materials. This would make using primary raw materials more expensive compared to secondary materials.
- Concerning cross-border markets, participants noted that there is a strong need for consistent rules across countries like France, the Netherlands, and Belgium to smooth out the market for secondary materials. At the moment there is different national legislation hindering the transport of the waste across borders and thus limiting the recycling and reuse.

With respect to (2) regulatory frameworks & standards, the following priorities were raised by participants: revision of building codes, waste management, end of waste criteria, targets, standardisation, environmental product declarations and broader harmonisation efforts.

- On the revision of building codes, the discussions noted that there is a need to amend national building codes to avoid limiting the use of recycled materials.
- For waste management, it was highlighted that the main issue is not the quality of waste collected, but rather the quantity, with challenges also arising from long-lasting products that contain now undesirable additives. Additionally, participants noted that the REACH regulation can pose a barrier to managing these materials[25]. Building on the topic of waste, the need for a strong push to more rigorously enforce the landfill directive was stressed[26].
- Concerning end-of-waste criteria, its role was emphasised as crucial for reintroducing materials into the production cycle and promoting circularity. In addition, more regulation was discussed for the end-of-life stage of products, particularly with materials like excavated soil, which is viewed differently across countries, as some regard it as a secondary raw material and others as a by-product.
- With respect to targets and standardisation, there were calls for setting ambitious recycling targets, some participants preferred the mandatory recycled content at the product level, some would welcome such requirement per building projects. . Harmonised standards should not prevent from using recycled contents in the product. Present standards often prefer primary materials over secondary ones, such as cement, which can hinder the flow of technology and materials. In addition, the concept of dynamic standards was brought up to facilitate continuous improvement on the ground. For example, while standards currently permit up to 35% recycled concrete, there are instances where projects use 100% recycled materials, demonstrating the potential when project owners are forward-thinking.
- With respect to broader harmonisation efforts, the discussion noted that the need for harmonisation is not only within European standards (like those from CEN), but also between different Directorates-General of the EU. This complexity can be challenging for value chain actors, especially SMEs, to navigate. Tools such as Level(s)[27], the EU taxonomy[28], and eco-design regulations[29] are being evaluated for their relevance to construction products, considering factors beyond CO2, like biogenic materials and stored carbon accounting.

[25] Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency https://environment.ec.europa.eu/topics/chemicals/reach-regulation_en

[26] Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste

[27] See: Level(s) - European Commission

[28] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

[29] Regulation (EU) 2024/1781 of the European Parliament and of the Council of 13 June 2024 establishing a framework for the setting of ecodesign requirements for sustainable products, amending Directive (EU) 2020/1828 and Regulation (EU) 2023/1542 and repealing Directive 2009/125/EC

- Concerning environmental product declarations (EPDs), participants explained that there is a noticeable lack of EPDs for reused products, with ongoing work to revise standards to accommodate EPDs that declare the environmental impact of reused products. Participants supported the life cycle assessment approach for product and information allowing further calculations at the building level.

Regarding (3) digitalisation & data transparency, the following priorities were raised: digital passports, traceability, blockchain technology, automation and digital marketplaces.

- With respect to digital passports and traceability, the idea of a digital passport was brought up to improve the traceability of materials that can be or have been recycled. This is well aligned with the use of BIM and digital twins of the buildings and it would make it easier to manage and document material flows throughout their lifecycle. In addition, participants that digitalisation aids in tracking what a building will yield at its end of life, which is closely linked to the building's design. This ensures that materials are accounted for and potentially planned for reuse.
- Regarding blockchain technology and automation, blockchain was mentioned by participants, as potentially beneficial for retaining information across the value chain. . However, it was pointed out that local markets often lack the mass or scale needed for effective blockchain implementation, suggesting that this should be addressed at the EU level to ensure broad and effective deployment. Building on this, the role of automation in making processes like waste sorting more cost-effective was discussed, as automation can streamline operations and reduce the costs associated with recycling processes.
- Participant supported the development of digital marketplaces, where the information on the resources available after deconstruction of the building would be shared and this would allow to match the supply and demand and better separation at the source (together with pre-demolition resource assessment). The EU market is still at an early stage in developing similar digital marketplaces for secondary materials. Participants highlighted the need to strengthen EU-level efforts aimed at fostering digital marketplaces, emphasising the need for transparency with partners within these marketplaces to build trust and streamline operations.

Breakout session 3: Facilitating cross-border services

Mr Roman HORVATH, Ms Margot REBONDY and *Mr Helge KLEINWEGE* opened the facilitating cross-border services breakout session by inviting participants to share their experience and future priorities for the integration of the construction services in Single Market around three key focus areas: (1) main barriers to the provision of construction and installation services across borders; (2) the impact of voluntary certification schemes; and (3) health and safety requirements.

Participants were invited to share their knowledge and proposals for each of these three areas. From this initial gathering of ideas, there were certain priorities that came up more often.

During the breakout session on cross-border construction and installation services, stakeholders identified several barriers to the provision of construction and installation services across Member States.

- One recurring obstacle mentioned was the issue of liability and insurance. Stakeholders highlighted that liability regimes and insurance requirements are specific to each Member State, leading to limited cross-border recognition. As a result, professionals often find themselves double-insuring to meet the requirements of different countries.
- Another significant barrier discussed was difficulties with the recognition of qualifications and skills. Stakeholders pointed out that the varying realities and standards across Member States make it challenging to harmonise skills and qualifications requirements. Although the automatic recognition of architects' qualifications under the Professional Qualifications

Directive[30] was identified as a well-functioning mechanism, this system does not extend to other regulated professions in the construction sector, such as engineers. Obligations to register with national authorities to provide services was cited as a barrier.

- Linguistic barriers and market knowledge were also noted as impediments to cross-border services. Stakeholders emphasised that language differences, including technical vocabulary, can pose significant challenges, particularly in understanding detailed technical language used in public procurement. Furthermore, the lack of market knowledge in different Member States can hinder the effective provision of construction and installation services across borders.
- Stakeholders discussed the impact of legislation and regulation on cross-border services. National and regional legislation, such as building regulations and local requirements, can vary significantly across Member States, necessitating solid knowledge of these regulations. Participants also noted that while minimum harmonisation of health and safety was established at EU level, diverse requirements are imposed across Member States, creating complexity for compliance with these rules especially for SMEs.
- Participants discussed voluntary certification schemes, stressing that they are often linked to underlying products. Stakeholders emphasised the need for harmonising certification methodologies and increasing recognition across Member States. They highlighted the importance of aligning technological infrastructure, regulatory frameworks, and supply chain operations are aligned to support effective system integration. In addition, it was noted that larger manufacturers often provide training on their products for installation and maintenance service providers to address implementation challenges. They discussed the lack of harmonised rules for heavy machinery operation across different countries.

While these barriers were acknowledged by participants, a number of good practices and solutions were mentioned.

- Participants highlighted the existing framework and best practices from architects. The automatic recognition of professional qualifications for architects on the basis of harmonised minimum training conditions successfully lifted the barrier of qualification requirements. It was also reported that partnerships between insurers established in several Member States made cross-border insurance available for professionals.
- They emphasised the importance of transparency in qualifications, including the potential development of an open database and discussed the potential of extending or promoting vocational education and training under 'Erasmus+' to enhance cross-border collaboration.
- The concept of a digital information passport in France was mentioned as a tool to improve the understanding of qualifications and skills and facilitate the mobility of professionals.
- Stakeholders highlighted the importance of supporting of existing and new sectoral innovation clusters and emphasised the significance of demand and financing, considering cost differentiation.
- Participants highlighted the widespread use of social identity cards and the need for developing the interoperability of such cards between Member States, enabling the exchange of company information across borders.
- The significant role of social partners was also highlighted, particularly the work of paritarian funds). Paritarian funds are funded by social partners, and provide services like paid leave, pension schemes, social protection, certifications, and training, varying by country. They also manage social ID cards and foster collaboration between employees and

[30] Directive 2005/36/EC of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualifications

employers. These social partners operate in France, Spain, Germany, and other countries, with a successful mutual recognition of funds across borders.

- The need for a harmonised framework for certifications and better mutual recognition was underlined.
- Finally, participants proposed improving the administrative cooperation at regional level.

Closing remarks from the European Commission

Ms Katharina KNAPTON-VIERLICH, Head of Unit for Construction Policy, DG GROW H.1, European Commission, closed the session by reflecting on key points discussed in the sessions. She particularly highlighted standardisation, harmonisation, single market, collaboration, sustainability, digitalisation and productivity as areas where the Forum can act jointly to strengthen the construction ecosystem. In addition, the areas below were identified as a key take away by in-person participants through the interactive Slido poll (see Figure 7).

Figure 7: Word cloud results of Slido poll - Key takeaways of the event

In closing, Ms Knapton-Vierlich thanked all participants for their contributions and underlined once more the importance of further engagement and collaboration to make Europe an active actor in moving the construction ecosystem forward.

Annex – List of participating organisations

#SustainablePublicAffairs	Chamber of Commerce and Industry of Slovenia - CCIS
3M	Circle Economy
Acumen Public Affairs	City of Lahti
AECycle	City of Tallinn
AEICE Cluster of efficient HABITAT	Climate Action Network (CAN) Europe
AFNOR	Cobaty International
Aggregates Europe - UEPG	Cobuilder International
Agora Industry	Confederación Nacional de la Construcción (CNC)
AICVF	Confederation of Danish Industry
Aidimme Instituto tecnológico	Conference of construction and housing ministers of the Federal States in Germany
AIMPLAS- Technological Research Center	Confindustria Assoimmobiliare
ANCE	Connectra continental (SPRL)
ArcelorMittal	Construction Products Association
Architects Council of Europe	Construction Products Europe
Arelac Europe	Construction Products Norway
ARGE	Construction Sector Development Agency
ART-ER	Covenant of Mayors EU
Arup Deutschland GmbH	Danish Industry
ASSA ABLOY EMEIA	Danish Technological Institute
Association of the Austrian Wood Industries	Department of Enterprise, Trade and Employment
Associazione Nazionale Costruttori Edili Toscana	Department of Housing, Local Government and Heritage, Ireland
ATIC	Deutsche Bauchemie e.V.
Bayerischer Industrieverband Baustoffe, Steine und Erden e. V.	Deutsche Säge- und Holzindustrie Bundesverband e.V.
BEAM CUBE	Deutsches Institut für Bautechnik
Bellona Europa	DGA Group
Bentley Systems	Digital and Information Agency
BIBM	DIN e.V. (German Institute for Standardization)
Bimtech Building Smart Romania	EBRD
BioBased Panels Consultancy	ECCE European Council of Civil Engineers
Bloxhub	Ecocem Global
Bouygues Europe	ecoLocked GmbH
Boverket	Ecorys
BPIE	ECTP
Build Europe	EIC
Building information foundation RTS sr	Energy managers association
Buildwise	Environmental Coalition on Standards (ECOS)
Bundesverband Baustoffe - Steine und Erden e.V.	EOTA
Carbon Neutral Cities Alliance	EPPA
CEMBUREAU	ESTP
CEMBUREAU, the European Cement Association	Etex
Cemex Innovation Holding AG	EU BIM Task Group
Centraal Register Techniek	EU_BUILD UP
CEPE	Eurac Research
Cerame-Unie	EURIC ECDB branch
CERTIF	Eurogypsum
European Environmental Bureau	EUROGYPSUM

European Aluminium	FIEC
European Asphalt Pavement Association (EAPA)	Finnish Association of Construction Product Industries
European Association for Construction Repair, reinforcement and Protection, ACRP	Finnish Property Owners Rakli
European Association for Panels and Profiles	FORTERA EUROPE
European Builders Confederation	FUNDACIÓN LABORAL DE LA CONSTRUCCIÓN
European Calcium Silicate Produces Association	Fundación TECNALIA Research & Innovation
European Clusters Allianec	Future Insight
European Commission, CINEA	Galician Agency for Forest-based Industry
European Commission, CLIMA	GdW Bundesverband deutscher Wohnungs- und Immobilienunternehmen
European Commission, ENER	German Economic Institute (IW)
European Commission, FISMA	German Property Federation (ZIA)
European Commission, GROW	German Sustainable Building Council (DGNB)
European Commission, Joint Research Centre	Glass for Europe
European Commission, OIB	Grupo Casais
European Commission, Task Force for Housing	GS1
European Commission, GROW	Guidehouse Germany GmbH
European Construction and sustainable built Technology Platform (ECTP)	Hauptverband der Deutschen Bauindustrie
European Contruction Technology Platform	Heidelberg Materials
European Council of Civil Engineers	HEXABIM
European Council of Engineers Chambers	Holcim
European Environment Agency EEA	Housing Europe
European Environmental Bureau	ICLEI European Secretariat
European Federation for Construction Chemicals (EFCC)	Idea Consult
European Federation of Building and Woodworkers	ILNAS - Market Surveillance Authority
European Federation of Engineering Consultancy Associations (EFCA)	Instytut Techniki Budowlanej
European Floorcoverings Association	Integrated Environmental Solutions Ltd
European Insulation Manufacturers Association - EURIMA	Interdisciplinary Research Centre for Technology, Work and Culture
European Investment Bank	International Union of Property Owners
European Panel Federation	ISHCCO
European Parliamentary Research Service (EPRS)	ITeC
European Parquet Federation	JRC Sevilla
European Recycling Industries' Confederation (EuRIC)	Kingspan Group
European Singleply Waterproofing Association	Kingspan Group
European Trade Association of PVC Window System Suppliers	Knauf Gips KG
Faculty for the Built Environment, University of Malta	Laboratório Nacional de Engenharia Civil
Federal Ministry for Housing, Urban Development and Building	LEITAT Technological Center
Federal Public Service of Health & Environment	Luxembourg Institute of Science and Technology
Fédération Française du Bâtiment	METALS FOR BUILDINGS
FEICA - Association of the European Adhesive & Sealant Industry	Metsä Group
FERVER	Ministerie van Volkshuisvesting en Ruimtelijke Ordening
Ministry of Economic Development and Technology	Ministry of Economic Development and Technology
Ministry of Environment of the Republic of Lithuania	Spanish Cement Association (Oficemen)

Ministry of Industry and Trade of the Czech Republic	Swedish Construction Federation
Ministry of the Environment, Finland	Swedish National Board of Housing, Building and Planning
Ministry of Rural Affairs and Infrastructure, Government offices of Sweden	Syndicat Entreprise Démolition Dépollution Recyclage (SEDDRe)
National Standards Authority of Ireland (NSAI)	Technical University of applied sciences Rosenheim
Nazarbayev University, SEDS	Technology Enabled Construction - TEC Cluster
NeoCem	TEPPFA
Nordic Sustainable Construction	TNO
Norwegian Building Authority	Tractebel Engineering NV
One Team srl	Turkish Precast Association
Panhellenic Association of Engineers Contractors of Public Works	Uned
Pantheon Performance Foundation	Universidad de La Laguna
PBF Group	Università degli Studi di Brescia
PDM Holdings Ltd	Université Libre de Bruxelles
Permanent Representation of Germany to the EU	University of Bologna
Pia Stoll Konsult AB	University of Brescia
Plastics Europe	University of Derby
Primekss	Universidad de La Laguna
PU Europe	Università degli Studi di Brescia
Public Housing Sweden	Université Libre de Bruxelles
PwC	University of Bologna
Rakennusteollisuus RT	University of Brescia
Recticel Insulation	University of Derby
Representation of region Vysocina, Czechia	University of Oxford
Republic of Austria - Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology	University of Zagreb Faculty of Architecture
Reynaers Aluminium	Urząd Marszałkowski Województwa Śląskiego
RINA	Valencia Institute of Building
Royal Bouwend Nederland	VELUX A/S
SEC Newgate EU	Vertretung des Landes Nordrhein-Westfalen bei der EU
Siemens	VITO
Signify	Vivienda y Suelo de Euskadi, S.A.
Sika	VTT
SINTEF	Vysocina Region
SJSC State Real Estate, EU BIM Task Group	Wienerberger AG
Skanska Group	World Green Building Council
South East Technological University	Zentralverband Deutsches Baugewerbe (ZDB)
Spanish Association for Standardization	

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