

Topic: Fit for 55 Package

Brief description and main aims:

In July 2021, the European Commission published “Part I” of its “Fit for 55 package”. The package is a response to calls for greater action to ensure the achievement of the updated climate target of 55% reduction in emissions by 2030. This new climate target updated the 2015 Paris Climate Agreement targets, which set out the 20/20/20 goals, namely the reduction of carbon dioxide emissions by 20%, the increase of renewable energy's market share to 20% and a 20% increase in energy efficiency – all by 2030. The package contains 13 legislative proposals which mainly update – and in some cases extend - existing instruments, such as the Emissions Trading System, the Renewable Energy Directive II, the Energy Efficiency Directive, the Energy Taxation Directive, or the Alternative Fuels Infrastructure Directive. The Commission also put forward proposals for a “Social Climate Fund”. “Part II” of the package, including the proposal for a recast Energy Performance of Buildings Directive (EPBD), was published in December 2021.

Why FIEC is dealing with this topic:

The “Fit for 55” package has large potential for the construction industry. First, it is a business opportunity. The industry is an enabler for reaching the climate objectives by constructing sustainable infrastructure, such as charging infrastructure for vehicles, and by improving the performance of the building stock. Second, tackling different phases of the life cycle, the legislative proposals are an enabling framework for decarbonising construction works throughout their lifecycle.

At the same time, the transition to carbon neutrality will be particularly challenging due to the costs of low-carbon construction. Without effective financial incentives for clients and companies, the shift to more sustainable construction risks not being affordable and contributing to high levels of inflation at macroeconomic level. It is therefore essential to enable clients (public and private) to purchase greener construction through the massive roll-out of sustainable finance and sustainable public expenditure.

On 18 May, the European Commission published its “REPowerEU” package, including proposals to update the Renewable Energy Directive and increase the renewable target to 45% by 2030, and to update the recast Energy Efficiency Directive as a response to the Russian war in Ukraine.

FIEC expects the package to have a wide-ranging impact on the construction supply chain with the proposed pieces of legislation affecting the whole life cycle of construction works. Most of the proposals have now reached the stage of interinstitutional negotiations and will be adopted in the course of 2023.

Actions and key dates:

- 14/07/2021** – Fit for 55 package Part I published
- October 2021** – FIEC article in Construction Europe
- 15/12/2021** – Fit for 55 package Part II published
- 21/12/2021** – FIEC press release on recast EPBD proposal
- 20/01/2022** – FIEC position paper on Fit for 55 package
- 31/03/2022** – FIEC position paper on recast EPBD proposal
- 18/05/2022** – “REPowerEU” plan of the European Commission

