

Call for Action

to make the Circular Economy Act
an enabler for circular construction
to face the raw materials crisis



The Capital Region
of Denmark

We, Leaders from Cities and Regions in Europe,

Call on the EU to make circular construction a cornerstone of the upcoming Circular Economy Act and ensure European competitiveness, supply security and climate leadership.

The raw material crisis already affects Europe

Europe faces increasing concerns over competitiveness, security of supply, sustainability and raw material accessibility.

Cities and Regions experience this first-hand:

The construction sector **struggles with finding raw materials**, increasing transportation costs and emissions, large volumes of waste and rising raw material prices. This slows down growth and competitiveness while creating dependencies: some regions already import over 60% of construction materials, while 40% of all EU waste comes from construction and demolition.

This 'waste' represents **valuable materials, but they are downcycled and outpriced by artificially cheaper virgin materials**. Existing buildings are torn down instead of being deconstructed for reuse, surplus soil is discarded, concrete and bricks are crushed and used for backfilling. Virgin raw material prices do not reflect social conflicts, environmental degradation, emissions and land use dilemmas caused by their extraction.

However, **current market failures prevent a circular transition** since circular materials face higher costs through fragmented markets, low volumes, labour-intensive processes, lack of transparency, and regulatory barriers. Despite technical feasibility for 10-15% of building materials to be reused, the reuse of building materials remains near zero. **Without EU action, we will waste Europe's raw materials.**

The raw material crisis undermines these fundamental EU goals:

- **Economic competitiveness and growth**
- **Strategic autonomy and resilience**
- **Climate neutrality by 2050**

A historic opportunity: Circular construction as an answer to multiple crisis

The forthcoming EU Circular Economy Act (CEA) represents our chance to transform how Europe builds. It is key to recognise that this is **fundamental to European security of supply, competitiveness, and climate leadership, and not just about the environment.**

Cities and regions are ready to lead this transformation. We are piloting circular concrete programmes, demonstrating circular and biobased construction practices, and aim to reduce unsustainable primary raw material use by 2030.

The EU needs a strong European legal framework to make circular construction the norm and scale up circular solutions.

OUR CALL FOR EU ACTION

1. Focusing on reducing material and land consumption

The EU should **shift the focus from recycling and recovery to reuse and reduction.** Responding to the Council conclusions from June 2024, the CEA should establish legally binding material footprint reduction targets at the EU level. Sub-targets for specific categories should be developed. Just like materials, land is a finite resource. The CEA should be aligned with the EU soil strategy to contribute to the no net land take trajectory, by exploring sufficiency approaches and reducing virgin material needs through circular construction.

2. Creating market demand through public procurement

The EU should **introduce circularity criteria in public procurement to complement price criteria.** With 14% of the EU's GDP being spent annually through public procurement, it can create and shape markets. All public construction projects for buildings and infrastructure should, where technically feasible and supported by regional or local material availability, define targets for circularity – for example, minimum shares of recycled or reused materials. These targets should be adjusted and increased over time as availability and feasibility improve. Other circularity criteria such as for biobased materials, regenerative and sufficiency-oriented measures, durability, repairability as well as design flexibility for future

reuse, repurposing and refurbishment should be included.

The EU should **make preliminary market dialogues for large projects the norm**. By engaging potential bidders, contracting authorities can embed circular requirements that are ambitious yet achievable and therefore gradually promote the transition to a circular construction sector.

The EU should **encourage the procurement of pre-demolition and pre-renovation audits**. Public authorities can ensure that materials are reused for future construction through pre-renovation audits, or pre-demolition audits for buildings that cannot be renovated or retrofitted. The EU should establish the necessary foundations – such as definitions of technical requirements, standards, and guidelines to enable efficient implementation of such audits, without making the procedures longer or more bureaucratic.

The EU should **monitor the circular impact of construction projects**. To ensure that public procurement delivers best value-for-money, monitoring and reporting mechanisms need to be implemented at the local and national level. Metrics to assess the circular impact of large construction projects should be integrated into the EU Public Procurement Data Space (PPDS) to provide an EU-wide overview.

3. Revising and harmonising end-of-waste criteria

The EU should **revise and harmonise end-of-waste criteria and remove legal barriers to the use of and trade with secondary raw materials**. Construction waste, demolition waste and surplus soil should by default be classified as a resource and by-product, not waste. Furthermore, end-of-waste criteria should be harmonised in the EU to allow for economies of scale and transnational secondary raw material markets. This harmonisation should involve developing separate targets for non-hazardous construction and demolition waste according to the waste hierarchy (reuse, recycling, backfilling) alongside a common methodology for calculation.

4. Supporting the competitiveness of secondary and biobased raw materials

The EU should **accelerate, support and equip European digital marketplaces for secondary raw materials**. While secondary raw materials are starting to be collected, stored and treated for reuse, the construction sector faces market fragmentation, price distortions in raw materials, as well as limited data on

and access to secondary raw materials across Member States. The EU should accelerate and progress digital product passports for construction materials as well as donor-building platforms and support the creation of European marketplaces and databases for the construction sector to access existing and future secondary raw material volumes across borders.

The EU should **support the development of physical infrastructure**. The circular transition needs locations for storage and processing of growing secondary raw material streams to close, slow and narrow material loops. These locations should be interconnected through a sustainable infrastructure. Interregional circularity strategies should ensure that spatial needs, material availability, sustainability and employment, amongst others, are taken into account.

The EU should **promote and support development and use of biobased building materials**. Biobased materials contribute to sustainable and locally sourced construction. Biobased materials such as wood and biobased insulation materials can be grown in Europe, capture and store carbon during their growth, offer a healthier indoor climate and are safer for construction workers to install.

The EU should **prioritise product requirements and circularity standards**. Specifically, the EU should prioritise the development of product requirements for the most used building materials to increase legal clarity and cross-border trade of secondary construction materials. The EU should also fast-track the development of circularity standards to remove market entry barriers for innovation products and ensure that circular performance is consistently measured and transparently reported.

The EU should **support and accelerate education and re-skilling of the workforce needed to facilitate the circular transition of construction and housing**. We call for EU-backed re-skilling programmes and digital tools that boost productivity across the sector.

We already commit significant resources and innovative capacity to this transition. Cities and regions implement circular procurement, establish material hubs, and continue to innovate and demonstrate circular construction at scale. But we cannot succeed alone.

The EU needs a strong legal framework to make circular construction the norm. The Circular Economy Act must recognise construction's central role in European competitiveness, resource security and decarbonisation. Together, we can transform Europe's urgent raw material crisis into a circular economy success story, realising competitiveness and climate goals for Europe.

The transition to circular construction is inevitable given the finite nature of raw materials. The choice is to lead this transformation or be forced into it by an uncontrolled material crisis.

We choose to lead. We call on the European Union to join us.

Signatures

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