

BY EMAIL

Ms Claudia Zelli
Clerk
Joint Oireachtas Committee on Environment & Climate Action
Leinster House
Dublin 2
D02 XR20

28th June 2024

Re. Circular Economy as it Relates to the Construction Sector

Dear Ms Zelli

Thank you for your invitation to address the Joint Oireachtas Committee on Environment and Climate Change on 2nd July 2024.

As requested please find attached a copy of the CIF's Opening Statement which I will deliver on behalf of the Federation.

As previously advised on June 5th, I will be attending with the CIF's ESG Policy Committee Chairman, Eamonn Stapleton and PJ Ryan, CIF's Head of ESG.

Kind regards.

Yours sincerely,



**HUBERT FITZPATRICK
DIRECTOR GENERAL**

**Joint Oireachtas Committee on Environment & Climate Action
Opening Remarks from Hubert Fitzpatrick, Director General,
Construction Industry Federation (CIF)**

**attending with
Eamonn Stapleton, Chair of ESG Committee & PJ Ryan, Head of ESG, CIF.**

Chairman, Deputies, and Senators, on behalf of the Construction Industry Federation (CIF), I would like to thank you for the opportunity to meet with the Committee and address this important issue, which could have a major influence on construction in the future.

What is the Circular Economy?

Ireland's Circular Economy and Miscellaneous Provisions Act 2022 defines a Circular Economy as a model where —

- production and distribution processes of goods, products and materials are designed to minimise the consumption of raw materials
- the delivery of services is designed to reduce the consumption of raw materials,
- goods, products and materials are kept in use for as long as possible
- the maximum economic value is extracted from goods, products, and materials
- goods, products and materials are recovered and regenerated at the end of their useful life.

Circular Economy concepts are nascent in construction compared to other sectors and to date, have focused on waste prevention and management.

Infrastructure Development

Ireland's economy and population are expanding, but there is a shortfall in infrastructure that will impede future growth and potentially hinder our progress towards a net zero economy. Ireland has not developed the same level of infrastructure as our European neighbours, who have established an impressive energy and transport system over the past century and are therefore better positioned to achieve their sustainability targets. The recent NCPC bulletin underscores this deficit – Ireland ranks 38th globally for basic infrastructure, including water infrastructure, the density of road and rail networks, and particularly energy infrastructure, which results in higher electricity costs for industrial companies.

However, it is important to recognise that building infrastructure requires substantial quantities of virgin aggregates. The European Aggregates Association indicates that up to 20% of the current aggregate demand could eventually be met with recycled materials. Additionally, much of Ireland's infrastructure is new, while some of our European neighbours have ageing infrastructure that can now be demolished, with the potential to recycle uncontaminated aggregates into new structures.

The industry is concerned that drawing conclusions about Ireland's rate of construction circularity – the circularity gap - overlooks the underdeveloped state of our basic infrastructure and may penalise future development and growth. Any transition to net zero must be a just one.

Construction and Demolition Waste (C&D) Statistics

According to EPA data for 2021, C&D waste forms the largest waste stream in Ireland, accounting for 51% or 9 million tonnes of the national total of 17.6 million tonnes. Notably, 85% of C&D waste (7.7 million tonnes) is soil and stone. Thus, waste data is dominated by soil and stone. Most C&D waste in Ireland was recovered by backfilling (85%), with 7% disposed of and 8% recycled.

National Decisions on Article 27 and Article 28

The industry has worked with the EPA to develop National Decisions on Article 27 By-products and Article 28 End-of-Waste for Recycled Aggregates. These decisions aim to improve circularity by promoting recovery and reuse over disposal. The National Greenfield soil and stone decision, anticipated soon, will delegate approval from the EPA to local authorities, streamlining the process and potentially allowing more brownfield material to be reused or recovered.

Challenges in the New Process

Local authorities need time to adapt to their new roles and must be properly trained and resourced. Finding lawful receiving sites for greenfield soil and stone is challenging. Soil Recovery Facilities may need to adjust their licensing regimes, which could be time-consuming. Timing is a major challenge, as materials can only be stockpiled on-site for six months. An IT application to match donor and receiving sites and developing local depots for temporary storage could help mitigate these challenges.

Non-Soil & Stone C&D Waste

Of the remaining 15% of C&D waste, 45% comes from concrete, brick, tile, and gypsum, with 27% being mixed C&D waste. Introducing the Waste Recovery Levy for mixed skips from September 1st is expected to increase the segregation of mixed waste skips and reduce waste sent for recovery by incineration or use as Solid Recoverable Fuel.

Circularity in the Concrete Industry

The industry plans to collaborate with state agencies to allow crushed concrete to be reused as a secondary cementitious material, reducing the need for original Portland cement (OPC). This practice, common in most European countries, would enhance circularity and reduce greenhouse gas emissions in the concrete industry.

Challenges in the Aggregates Sector

The aggregate sector struggles with circularity due to the heavy weight of aggregates, making transporting them over large distances cost-prohibitive. Additionally, the timing mismatch

between surplus material availability and local construction project needs necessitates storage space, which is often lacking. To improve circularity, we urge local authorities to provide storage

facilities and propose extending the permitted on-site storage time for soil and stone from 6 months to at least 24 months.

Measurement and Reporting

The EU's Corporate Sustainability Reporting Directive (CSRD) will drive sustainability reporting, including reporting on environmental topics like greenhouse gas emissions. The CIF has launched the CIF carbon calculator tool to help SME firms calculate their footprint and contribute to more robust data for Tier 1 contractors' Scope 3 emissions. This focus on measurement will increase awareness of embodied carbon emissions and uptake of products with Environmental Product Declarations (EPD).

Resource Use and the Circular Economy

As part of the CSRD, many CIF firms will need to report on resource use and the circular economy under the European Sustainable Reporting Standard E5, driving greater awareness and behavioural change in procurement.

Supply Chain Sustainability

Understanding and being aware of evolving regulatory requirements throughout the supply chain will be essential for the industry to advance cohesively. CIF are proud to be a founding partner of the Supply Chain Sustainability School, and we believe this free resource will assist firms of all sizes in embarking on their journey towards a more sustainable and circular future. Typically, 80% of contractors' greenhouse gas emissions are due to their subcontractors and suppliers.

Key Initiatives for Circular Economy in Construction

Integrating circularity adds complexity and uncertainty to construction projects. Contractors must align their bids with detailed client specifications. Resource and Waste Management Plans, material logistics, site layout, supply chain engagement, and on-site training are essential. The industry supports developing a Qualified Resource Manager qualification to champion resource efficiency.

Clients and design teams must make informed choices about construction methods, encouraging contractor innovation. Processing materials on-site is crucial for minimising the transportation of resources and waste. The permitting regime for mobile crushers on construction sites needs updating for flexibility to support circularity. A centralised online permitting system, standardised application procedure, clear guidance, and a tiered permitting approach are recommended.

Legislation and Standards

Primary legislation, regulations, and construction standards must work together to support the reuse or recycling of all construction and demolition waste, effectively minimising landfill disposal. Clients must plan for this during design and construction phases. This will foster a manufacturing ecosystem where all construction materials are reused or recycled. We caution against new legislative barriers, like the EU proposal to classify recycled aggregates as ‘substances’ under

REACH regulations, which would impede reuse. Circularity is a priority, and such regulations should be carefully considered. The industry welcomes the revision of the Construction Product Regulations to mandate the declaration of a product’s environmental characteristics, contributing to the development of harmonised technical product specifications.

Testing and Certification

Robust but balanced testing criteria for secondary construction products are needed, and we recommend developing a suitably resourced national testing centre for new innovative products.

Grants & Supports

Grants from Enterprise Ireland and Local Enterprise Offices should be accessible to the wider industry for sustainability initiatives and development of Sustainability Action Plans. Additionally, support should be available to provide extra training for local authority staff working on small-scale projects, enhancing the skills of engineering staff who manage and design these projects.

Review of Construction Works Management Framework

The Construction Works Management Framework should be updated to embed circularity, with additional support for the OGP. This includes whole life cycle costing, quality in contract awards, digitalisation, and green public procurement. Government policies should be harmonised across all agencies to speed up the approval and certification of new recycling processes. The insurance industry must align with the construction sector to support using construction by-products and innovative solutions, avoiding impacts on collateral warranties.

Government Support

We urge the government to support the construction circular economy by investing in a construction by-product recycling industry and developing digital waste-tracking tools. Construction waste is a valuable resource, and the industry is committed to becoming an integral part of the circular economy.

ENDS