



Study proposal: Market readiness of the EU taxonomy screening criteria for substantial contributions to the circular economy for construction and real estate activities

Background – Real estate is crucial for the successful transition to a resource-efficient circular economy, as it represents a large amount of global material consumption and is responsible for extensive waste streams. In order to reduce the risks of resource dependencies and to contribute to a circular European economy, buildings-related resource consumption and waste streams need to decrease. This can only be achieved by consistently integrating externalities (“risks”) into financial decision making.

The taxonomy – The EU is examining how to support this integration, and released a “Sustainable Finance Action Plan“ to mobilize finance for sustainable growth. One aspect of the 2018 action plan was to establish a clear and detailed EU classification system (the so-called “taxonomy”) for sustainable activities. In March 2022, the Sustainable Finance Platform, proposed taxonomy screening criteria for new buildings and renovated buildings that contribute to a circular economy.

The study – In order to transition the screening criteria of the proposal into a functioning system at the very core of a future-proof European economy, the study consortium – Green Building Council España (GBCe), Green Building Council Croatia (CGBC) the German Sustainable Building Council (DGNB), the Danish Green Building Council (DK-GBC) and the Austrian Sustainable Building Council (ÖGNI) and Climate Positive Europe Alliance (CPEA) – propose to carry out a study with the goal of “*Evaluation of the market-readiness of the proposed EU Taxonomy Screening Criteria for Circular Economy for construction and real estate activities*”. In 2020 and 2021, a first study on the market readiness of the proposed climate change mitigation criteria (see [here](#)) was conducted by CPEA. The new study will again be based on case studies. The study identifies effort and benefits of the implementation of related processes. Moreover, the study will provide invaluable insights regarding data quality and verification. The study will also provide a thorough mapping of documents to adequately and efficiently prove conformity with the proposed screening criteria.

The participants – For the practical application of the taxonomy criteria to buildings or projects, the expertise of sustainable building practitioners and respective organisations provide a valuable source of knowledge and skills. Specifically, the question whether organisations are prepared for working with the proposed taxonomy screening criteria, is creating uncertainty. We therefore invite financial institutions, property owners and investors to join this unique multi-stakeholder project, initiated by Europe’s most renowned Green Building Councils and CPEA.

Results & deliverables - The main deliverable of the project is a report, written by the GBCs, in collaboration with the advisory board. The study report will have a general section and individual sections per participant. The individual sections will include the results of “Taxonomy Criteria Checks“ of their selected buildings. A section in the final report will focus on recommendations addressed to the European Commission / Sustainable Finance Platform. This includes Feedback from real case studies to the Commission to better assess market readiness helps all stakeholders, regulators and private entities to avoid time-consuming and ineffective trials and corrections. In addition, minutes for all meetings (online format) will be provided. All content will be based on the Sustainable Finance Platform’s report from March 2022.

Study structure

- Phase 0: Initiation and preparation
 - Initiation of a multi-stakeholder study with participants and the partnering GBCs and CPEA (study consortium); first meeting with the participants
- Phase 1: Interviews
 - Individual interviews with study participants carried out by the study consortium. Topics: internal evaluation procedures, proposal of sample buildings and portfolios, analysis typification, data structure
 - Intermediate meeting with the study group
- Phase 2: Taxonomy criteria check
 - Knowledge sharing on taxonomy requirements for Circular Economy
 - Provision of a simple Excel spreadsheet based “Taxonomy Criteria Check” tool, including documentation templates for buildings, provided by the study consortium
 - Sampling data / documentation for selected case studies by the partners / participants
 - Verification of provided information of the documentation per building by the study consortium
- Phase 3: Summary of findings
 - Summarising results of discussions and tests by the study consortium and provision of a draft general report;
 - Provision of a final general report and individual results of case studies
- Phase 4: Communication
 - Final meeting (online) to discuss results; development of communication materials; targeted communication of results
 - Communication to the European Commission

Cost of participation:

- Participation in the study with one building: 3,000 €; cost for additional buildings on request

Project duration: April to December 2022

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