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The Swedish Construction Federation's response to the consultation on Simplification of administrative burden in environmental legislation

The Swedish Construction Federation is an industry and employer organisation for construction, civil engineering and specialised companies. We represent 4 000 member companies.

We will not be able to finance our social model nor reach environmental goals without focusing our efforts into increasing productivity to drive growth. We therefore support the Commission's ambitious task of screening environmental laws to identify areas with significant potential of improving the regulatory environment so that business can flourish, while preserving the objectives of EU environmental legislation.

The European economy is facing several major challenges. Geopolitical tensions, strategic dependencies, climate change, labour shortages, to name a few. Each of these present tangible challenges for the construction and civil engineering sector.

Achieving the green transition requires investment in industry, which in turn demands competence, which presupposes good living conditions and quality of life. This entails creating conditions which enable housing, roads, social infrastructure as well as space for a rich cultural life. We will only achieve the green transition if all dimensions of building a society are fulfilled.

However, EU-environmental legislation with growing regulatory requirements is hindering regional development and industrial establishment as well as affecting the Construction sector's ability to contribute to crises preparedness. The legislation is outdated and needs to better balance different societal interests and needs. It is not sufficient to merely strive for "simpler rules" to encourage entrepreneurship or "harmonised rules" to avoid fragmented markets within the Union; it is also necessary to address contradictory requirements and objectives amongst existing legislation.

The effects of each legislation must be seen in a wider context and their combined effects investigated. This is pivotal in order to reap the full benefits of public investment and stimulate private investment.

In this context, we would like to draw the attention to the simplification proposals from the Government Offices of Sweden sent to the Commission in June 2025. The Swedish Construction Federation supports the proposals and agrees that the referenced legislation and environmental impact assessments have a significant effect on the competitiveness in the construction sector. (regeringen.se/contentassets/04cfa7f8cfe844d0bd855f232cbf9ebb/forenklingssatgarder/)

Permitting processes

In practice, the environmental legislation leads to a significant number of investigations before building- and construction projects are set to start. The administrative burden is one of the main factors behind lengthy times for permitting in the detailed development plan process. Between 2020 and 2023, an estimated 25,000 building process investigations were carried out in Sweden, at a cost for developers and municipalities of approximately SEK 2.5 billion (~ 227 000 Euro). The growing number of investigations has been described as an ‘investigation inflation,’ where requirements for more and increasingly detailed analyses delay processes and drive up costs. There are several examples where the effects of environmental legislation delay building processes with one year. In Sweden, the time for permitting (including zoning) consequently increase, now reaching 4.8 years from the initiation of the detailed development plan to the building permit approval. ([Nationellt Ledtidsindex 2025](#)).

Land Access – Nature Restoration, Soil Monitoring, Taxonomy etc.

Access to land is a problem today. The regulations on land access set out by the EU must become flexible enough to be better tailored to national specificities. Over the years, several directives and regulations have put a legal limitation on access to land. *The Nature Restoration Regulation* (NRR) obliges Member States to halt the decline of urban green space and tree canopy cover by 2030, and to increase these figures from 2031 onwards (article 8). In Sweden, only 3 percentage of the land is built. 68 percentage of the land is forest land, 7 percentage is agricultural land ([Marken i Sverige](#)). The purpose of the NRR and the means to reach those does not match the actual circumstances in Sweden. We urge for the regulation to be revised and simplified as for the Swedish case, it has extensive negative consequences to many sectors, including urban development. *The Soil Monitoring Law* sets out land mitigation principles stating that in case of land the main principals are avoidance, reduction and compensation. The taxonomy also adds further constraints in realising new building projects on land defined as forest, seemingly without consideration to

existing zoning plans. This combined with the one-out-all-out principle, aggravates the issue.

Water – Water framework etc.

Water is an essential resource to construction processes and materials. Robust water and sewage infrastructure is equally critical for urban development. However, the Water Framework Directive often fails to reconcile local and national interests. Many construction companies in Sweden have observed a growing complexity in regulatory requirements concerning stormwater, flood risk, and drinking water. Additionally, the permitting processes for building- and construction (including zoning) has become more complex due to regulation on water management. The “one-out-all-out” principle can obscure progress by allowing a single parameter to determine overall water quality, despite advancements in treatment and recycling. Similarly, the strict interpretation of the “non-deterioration” rule may hinder permitting. The Drinking Water Directive has introduced higher standards for water quality, leakage reductions, transparency, as well as new provisions for approved products and materials that come into contact with drinking water. Additionally, the focus on water efficiency can in some cases drive up the need to use chemicals use or create conflicts between workplace health and safety objectives. Water efficiency should only be a prioritised issue in areas facing water scarcity, and not an absolute goal leading to higher operational costs.

Habitats and Birds Directives

The Habitats Directive has a significant influence on building and construction projects, particularly in the planning and permitting phase. Projects must demonstrate compliance with conservation objectives, often requiring detailed environmental assessments and mitigation strategies. These requirements result in extended time for permitting (including zoning), increased costs, and, in some cases, project redesign or cancellation. The number of legislations, combined with existing environmental legislation has resulted in a shortage of buildable land throughout Sweden. For example, the Birds Directive applies even if the project is motivated by imperative reasons of overriding public interests (IROPI) (compare Article 9.1 in the Birds Directive with Article 16.1 in the Habitats Directive). This means that if a project conflicts with certain provisions in the Birds Directive there is no opportunity to make a derogation, and a permit cannot be issued. An appropriate solution would be to amend the Birds Directive so that derogations can be made for projects that are considered as IROPI, as they can under the Habitats Directive.

Access to building materials (primary, secondary and waste)

The access to building materials is essential to the sector. This includes primary and secondary materials as well as end-of-waste. The construction sector

accounts for around 50 percent of all extracted materials within the EU, and for approximately 55 percent of global material demand. ([Byggmaterialindustrierna-Rapport-cirkular-ekonomi-jan-2025.pdf](#)) The construction sector in Sweden is facing a critical shortage of essential raw materials, both primary and secondary.

For example, the demand for aggregates in the Nordic countries are expected to increase up to three billion tonnes more than today, to meet the existing legislation and goals on climate and growth. There are sufficient natural resources, but extraction is limited by permitting processes and low level of recycling. The number of active quarries has decreased by 39 percent over just a decade in Sweden. ([ncc_rapport_materialforsorjning_a4_eng_korr5.pdf](#)). This threatens the sector's ability to contribute to crises preparedness, meet the needs for strategic infrastructure such as transport systems and housing demands, increase competition and contribute to the climate target set by the union. We need to limit the use of primary raw material and increase circularity. Waste management is a springboard for circularity. The construction sector is asking for an end-of-waste legislation easy to apply in order to make a circular business model to work.

EUDR

The regulation obliges every actor in complex supply chains to fulfil extensive traceability and due diligence requirements. Of relevance to the construction industry is the expanded reporting obligation for wood and wood products (e.g. furniture, assembled or prefabricated buildings, joinery, plywood, veneered panels, particleboard, OSB, HDF/MDF, timber, etc.). A building is composed of several of these products. The cost of implementing new routines, systems, and competencies to meet the requirements for due diligence, traceability, and data collection—for a company with approximately 100 employees—would amount to EUR 200,000–250,000, or roughly 0.5% of the company's annual turnover.

Construction costs are already high due to long lead times in the detailed planning process, resulting in high land prices, as well as elevated material costs. These factors make it more difficult for construction companies to compete in a market that increasingly demands substantial equity and the ability to bear financial risk.

The current design of the EUDR represents a serious threat to the competitiveness of Swedish industry and poses a major challenge for our member companies. We recommend that these obligations should rest solely with the operator who first places the product on the EU market. Such an adjustment would reduce unnecessary duplication for downstream operators while fully safeguarding the legislation's environmental objectives.

Actions forward

The Swedish Construction Federation urges the Commission to:

- Provide an immediate review of the above-mentioned EU regulatory frameworks that affects the possibilities of building a sustainable and resilient society. The housing sector needs removal barriers hindering long-term sustainable housing construction. Maintain a holistic view when creating or reviewing legislation, in order to deal with the complexities of competing interests, geographic differences and technical development and the constant progress towards sustainable construction processes.
- Ensure that the Soil Health Law acknowledges geographic and geological differences, hence gives Member States enough flexibility to ensure sustainable land use, instead of hindering construction on land that is not artificial.
- Revise the Nature Restoration Regulation to be better tailored to consider national specificities and provide Member States with greater flexibility in their spatial planning decisions.
- Revise the Habitats Directive and Water Framework Directive to better balance local interest to those of global climate interest.
- Revise the EU Taxonomy, and notably the Do No Significant Harm (DNSH) criteria relating to the Construction of New Buildings.
- Widen the scope of the Critical Raw Material act to assure that the construction sectors need for material is not at risk. Incentivize the further recovery and recycling of secondary and raw materials.
- Limiting the right for late appeal in the Aarhus convention. Allow minor procedural errors to be remedied without remanding the case.