**The EU:s Green Deal helps upgrading the Swedish “Million Programme”**

*On 14 October 2020, the European Commission presented its renovation strategy as part of the EU:s Green Deal. The initiative will help reducing emissions, kickstarting the economy and creating more attractive residential areas, write Fredrick Federley (C), Member of the European Parliament, and Catharina Elmsäter-Svärd, CEO of Byggföretagen.*

The need for renovation in the Swedish property portfolio is substantial. In the so-called ‘Million Programme’ alone, 300,000 apartments urgently need renovation, with a further 500,000 in long term need of updating. The problem is not limited to the big cities; the need is pressing throughout the whole country.

According to a report produced by Byggföretagen and Installatörsföretagen, one in six apartments in municipally-owned properties, built between 1960-70, needs to be renovated. This is why we welcome the European Commission's strategy to remove obstacles to renovation. The goal is to achieve a gradual doubling of the current renovation rate, which could lead to some 35 million properties in Europe being refurbished by 2030.

In 2021, the EU will revise the Energy Efficiency Directive in buildings (EED) and the Energy Performance of Buildings Directive (EPBD). Changes which are likely to impose tougher energy efficiency requirements when undertaking renovation of buildings. This makes it ever clearer that we must enhance awareness of the importance of sustainable renovation among all actors, as well as establishing clear guidelines on how support for renovation is to be implemented.

Currently, the construction industry accounts for just over one-fifth of Sweden's total climate-change emissions. The European Green Deal is therefore a golden opportunity for a sustainable renewal of the “Million Programme”, with reduced energy use and climate impact. In addition, energy efficiency is a growing export market, and is one in which Swedish companies have a great deal to contribute when it comes to technology and methods.

The renovation wave will be implemented through support from extensive loans and grants mobilised through the EU budget and new recovery instrument NextGenerationEU. To realise the proposed increased ambition of the climate targets by 2030, the Commission estimates that an additional € 275 billion will need to be invested in renovations each year.

It is helpful that the Commission clearly states the importance of having energy-efficient and sustainable housing accessible to people with different income levels. The renovations required must not lead to that people are no longer able to live in their areas. When the funds are used in future, it is important to have clear criteria for their allocation and follow-up through measurable goals, together with nationally tailored incentives:

* The renovation wave should have an overarching focus, linking issues such as a healthy indoor environment, the efficient use of resources, circularity and life cycle aspects of the renovation wave. The phasing out of substances with a negative effect on health and the environment must be made widespread throughout the EU. When renovating, a proper inventory should be mandatory as a basis for planning measures.
* Competitive neutrality is crucial. The funds should not be used to distort subsidies, subsidise public sector activities or distort competition between private companies. The initiative must be implemented in such a way that it allows small- and medium-sized companies to compete on a fair basis.
* It is also important that the strategy contributes to increasing awareness of the benefits of renovating sustainably among all players in the value chain. The strategy should lead to lower long-term energy and maintenance costs for renovated buildings.

Additions to the Government's budget bill for energy efficiency improvements and renovations are important. Among other things, 900 million SEK will be added to the 2021 budget for energy efficiency and renovation of apartment buildings. However, in order to benefit from the EU's recovery fund, we would like the government to include the need for renovation within Sweden's recovery plan. Through these investments in renovations, we can create societal benefits for a long time to come.