## ENERGY EFFICIENCY GOALS IN EU AND LITHUANIA

<table>
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<tr>
<th></th>
<th>EU-28</th>
<th>LT</th>
<th>EU-?</th>
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<tbody>
<tr>
<td></td>
<td>• Strategic EU goal</td>
<td>• Strategic LT goal</td>
<td>• 177 billion /YEAR FOR EU ENERGY AND CLIMATE CHANGE GOALS</td>
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<tr>
<td></td>
<td>• 18 billion EUR</td>
<td>• 847 million EUR</td>
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ENERGY EFFICIENCY SECTOR IN LITHUANIA

LONG-TERM STRATEGIC GOAL:
EFFICIENT USE OF ENERGY RESOURCES AND ENERGY

• to increase energy supply security
• To decrease greenhouse gas and other pollutant emissions
• Transition to a recourse-efficient economy

ENERGY EFFICIENCY DIRECTIVE 2012/27/EU:

THE CUMULATIVE AMOUNT OF 11.67 TWH OF ENERGY WILL BE SAVED BY 2020
IMPLEMENTATION MEASURES OF EE DIRECTIVE

- **Public buildings**: 0.4 TWh
- **Transport**: 2.7 TWh
- **Multi-apartment buildings**: 2.67 TWh
- **Industry**: 1 TWh
- **Education for energy users**: 2.44 TWh
- **Agreements with energy companies**: 3 TWh
2014-2020 ESIF FUNDS INVESTMENTS IN EE IN EU-28

Total planned allocations per Member State from the ERDF and the CF as of January 2017
RESIDENTIAL BUILDING STOCK IN LT

Population - 3 million and declining

More than 38,000 multi-apartment blocks (24,000 needs to be refurbished)

More than 800,000 apartments

66 % of population lives in multi-apartment buildings built before 1993

97% privately owned, only 3% municipal rental stock

The age structure of buildings:

26 % built before 1960

65 % built between 1960 – 1990

9 % built after 1990

• For Jessica - constructed before 1993

• 65 % of multi-apartment blocks are served by district heating systems

• Average energy savings for a single building are estimated to be circa 50-80%
HOW TO DO MORE WITH LESS?
HOW TO ACHIEVE MORE RESULTS WITH LIMITED RESOURCES?

POSITIVE SOLUTION – FINANCIAL INSTRUMENTS!

- Continuity
- Re-use
- Attraction of private investments
- Multiplication of investments
FIRST STEPS TOWARDS FI – ALREADY IN 2008

2007-2013 – first experience setting up JESSICA for EE, JEREMIE for SMEs

7% OF TOTAL OP RECOURSES INVESTED TO FI

<table>
<thead>
<tr>
<th>ESIF financial period</th>
<th>ESI funds, MEUR</th>
<th>FI financing, MEUR</th>
<th>Private investments attracted, MEUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007–2013</td>
<td>6 777,5</td>
<td>280 (SMEs)</td>
<td>430 (SMEs)</td>
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<tr>
<td></td>
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<td>173 (EE)</td>
<td>80 (EE)</td>
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RESULTS IN 2007-2013

Renovation of residential housing (EE):
• **1046** multi-apartment buildings renovated
• EE in buildings increased by **65 %**, 

SME financing (ERDF):
• **3886** Loans/portfolio guarantees granted to SMEs
• **3089** individual guarantees granted to SMEs
• **100** venture capital investments made

SME financing (ESF):
• **1266** soft loans granted to micro and small enterprises, natural persons, business start-ups and social enterprises developing business

LEVERAGE achieved:
• more than **460 MEUR** of private resources into SMEs and **80 MEUR** into EE
CHALLENGES IN 2007-2013

- **Slow start of FIs** - raising public awareness, changing mentality, subsidies vs loans, challenge to shift thinking from “grants” to “revolving investments”;

- **Challenge to “go first”** – must be brave and optimistic

- **Assurance of on-going political support** – thorough work with politicians presenting

- **Lack of legal assurance** – complicated and detailed EC requirements -> complicated national procedures -> non-attractive and lengthy way for final recipient to feel the benefit – NEED TO SIMPLIFY THE RULES!

- **Demand outweighing supply** (for multi-apartments) – if you boost, you need to start coordinating

- **Reluctance of FIs to perform new administrative functions** related to ESIF

- **Low number of revenue-generating projects** in other sectors – hard to establish FIs in some sectors

- **Need for national reforms** – respective strategic changes need to be done before the potential FIs could practically work in other sectors
AIMS IN 2014-2020

- Continuation of FIs
- Expansion to **new sectors**
- Enhanced cooperation with national and international partners
- Promotion of NPBs and investment platforms by using EFSI

**10 % OF TOTAL OP RECURSES DEDICATED TO FI**
# FINANCIAL INSTRUMENTS FOR EE IN 2014-2020

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>FINANCIAL GAP (ex-ante), MEUR</th>
<th>ESI funds, MEUR</th>
<th>Leverage, MEUR</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>INVESTED</td>
<td>FORESEEN</td>
<td>ATTRACTED</td>
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<tr>
<td>Residential housing</td>
<td>1.357</td>
<td>324</td>
<td>-</td>
</tr>
<tr>
<td>Public infrastructure (EE in public buildings+street lighting+other)</td>
<td>&gt; 700</td>
<td>102</td>
<td>70</td>
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<tr>
<td>TOTAL</td>
<td>~ 2.057</td>
<td>426</td>
<td>70</td>
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### Energy Efficiency in Multi-Apartment Buildings

**Multi apartment modernization fund**
- 74 + 50 MEUR (EBRD) + 68 MEUR GREEN BONDS (VIPA)

**JESSICA II FoF**
- 150 + 130 MEUR Leverage Fund (LF)
- 90 + 10 + 500 MEUR (EIB)

**Loans for the modernization of multi apartment buildings to increase EE**
- 292 loans signed (97 MEUR)
- EE increased in 7743 households

**Loans and guarantees for the modernization of multi apartment buildings to increase EE**
- 1015 loans signed (264 MEUR)
- EE increased in 18832 households

**EE Financial Instruments in 2014-2020 – State of Play**

**EE Investment Platform**
- 100 MEUR (VIPA)

**EFSI for LF**
- 500 MEUR (EIB)

**Energy Efficiency Financial Instruments**

- 1.357 MEUR (market gap for modernization of multi apartment buildings)
EE FINANCIAL INSTRUMENTS IN 2014-2020 – STATE OF PLAY

ENERGY EFFICIENCY IN PUBLIC BUILDINGS
167.9 + 95.1 MEUR (market gap for Central govern. and public buildings + street lightening)

- **Energy Efficiency Fund**
  79.6 + 19 MEUR (VIPA)
  - Loans (direct and ESCOs) for renovation of central government buildings and guarantees for loans granted by commercial banks for street lighting modernization projects

- **Municipality owned buildings Fund**
  17.3 + 20 MEUR (VIPA)
  - Loans for renovation of municipal buildings

- **Energy Efficiency Fund**
  - 3 loans signed
  - 4 guarantee confirmation letters issued
  - Public procurement for ESCO projects – on-going

- **Municipality owned buildings Fund**
  - Selection of FIs completed on 18 May 2018
ACHIEVED RESULTS

Energy and CO2 savings

Multi-apartment buildings

Renovated till now – 2431 595 GWh and 138 000 t CO2

Renovating – 530 130 GWh and 30 000 t CO2

Planning to renovate – 1500 367 GWh and 85 000 t CO2

Public buildings

Renovated till now – 942 188 GWh and 43 500 t CO2

Planning to renovate – 300 60 GWh and 10 400 t CO2
WHAT’S NEXT?

LESS

Complexity
Focus in-house
Funds
Process-orientation
Regulation

MORE

Faster response to changes
Focus on global challenges
Efficiency
Result-orientation
Trust
THANK YOU!