



Experience of Lithuania Using Financial Instruments with European Regional Development Fund (JESSICA)

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Outline



- Basic financial instruments used in the previous period
- Regulation, legal requirements
- Structure, financial mechanism, participants
- Actual results



JESSICA in Lithuania used for investments in energy efficiency (refurbishment):

- multi apartment buildings
- high and professional education buildings (student dormitories)

Basic financial instrument – soft loans

Soft loans for multi-apartment and high and professional education buildings (student dormitories) refurbishment

According Multi-Apartment Buildings Refurbishment Soft Loans Description projects are funded by which are implemented:

- Municipalities Multi-Apartment Buildings Energy Efficiency Programs
 - Program for the Refurbishment of Multi-Apartment Buildings
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- High and professional education schools expected to get up to 20 million euro **soft loans** for student dormitories refurbishment
 - Central Project Management Agency and Public Investment Development Agency provide and administrate **soft loans** for high and professional education buildings refurbishment

Regulation



- The **Law on the State support** for the acquisition or rent of housing and for the modernization of multi family buildings of the Republic of Lithuania
- **Program for the refurbishment (modernisation) of multi-apartment buildings**
- **The Rules of State support** for the refurbishment (modernization) of multi-apartment buildings
- The Description of the **procedure for the preparation of modernisation projects** for multi family buildings
- The description of the **procedure for payment of credit and interest** taken for the renovation (modernization) of multi family buildings for low income families

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- State support for implemented energy efficiency measures (basic support)
 - State support through Climate Change Program (implementing additional requirements)
 - State support by other means
 - Owners share



JESSICA holding fund

The contribution committed into the JESSICA Holding Fund consists of:

- European Regional Development fund (EUR 127 mln)
- National funding (EUR 100 mln)

Financial funding in use

- Soft loans for a participants of multi apartment buildings and high and professional education buildings refurbishment
- States contribution loan rebate share

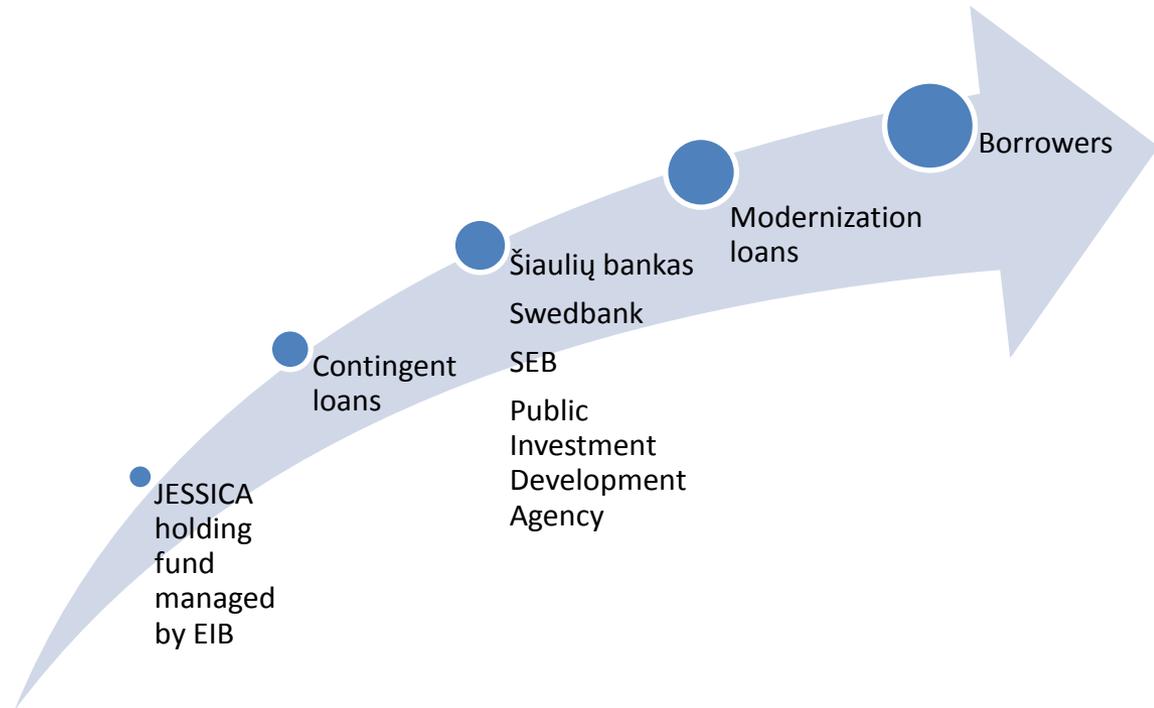
Financial mechanism

Projects

Eligible energy efficiency projects

Borrowers

Individual owners of apartments in multi-apartment buildings/ high and professional education schools



Financing conditions



Multi-apartment buildings

- Fixed 3 proc interest rate for entire period
- Soft loan up to 20 years
- Project implementation period 2 years
- 15% loan rebate for where minimum energy efficiency level is met (class “D” level, 20% reduction)
- Additional 25% grant from CCP (40% reduction)
- <http://atnaujinkbusta.lt/renovations>

High and professional education schools buildings

- Refurbish high and professional education schools dormitories build until 1993
- Ensure that heating energy consumption would be less than 20 proc. comparing before refurbishment
- Ensure not less than D energy performance class
- Dormitories which owns state and run by high education and professional schools
- Possibility to reduce loan up to 15 percent
- Soft loan form JESSICA holding fund (basic EE measures)
- EIB loan (additional EE measures)

Financial mechanism participants



- Apartment owners
- Central Project Management Agency
- Public Investment Development Agency
- Housing administration companies
- European Investment Bank
- Municipalities
- Commercial banks – Šiaulių bankas, Swedbank, SEB
- Engineering consultant companies
- Contractors
- Etc.

From the beginning of JESSICA (from 2009) until September 2014

- Finished and implemented projects – 86
- Heating energy savings – 19.8 GWh
- Amount of the projects – 16.9 mln EUR

Year	Finished and implemented projects	Heating energy savings , GWh	Amount of the projects, mln EUR
2011	2	0.6	0.5
2012	16	4.2	2.6
2013	28	6.4	5.1
2014.09	40	8.5	8.7

Actual results

- Importance of renovation fund
- Basic financial instruments supplemented/ additional measures
- State support at national level
- Functional participants network
- Reduction of borrowers share 40/60
- Additional compensating measures
- Simplicity and accessibility
- Renovation process goes forward

In the city of Plungė refurbished multi apartment building which renovation was funded by Šiaulių bankas under JESSICA initiative





**Thank you for your
attention**

