MODERNIZATION PROGRAM FOR MULTI APARTMENT BUILDINGS IN LITHUANIA
Modernisation Program for Multi-apartment buildings

Approved by the Government of Lithuania in 2004

The Programme aimed to increase energy efficiency in multi-apartment buildings built before 1993

Responsible authority: Ministry of Environment

Administering authority: Housing Energy Efficiency Agency

Projects: energy efficiency actions in common parts of multi-apartments residential buildings

Beneficiaries: owners of apartments in multi-apartment buildings

Goals: to renovate 500 multi-apartment buildings annually

Implementation 2004 – 2012. The program was implemented only on the initiative of homeowners 2013 – now: old model + through the municipalities, - the progress of the implementation of the program
Since 2013 the scope of the program has increased 5 times.
Funding conditions (1)

• 100% of costs for technical documentation, technical supervision of works and project implementation administration – State grant

• soft loans with fixed interest rate at 3% for the first 5 years through the financial institutions. Loan maturity up to 20 years

• no collateral is needed, credit against cash flow

• 30% subsidy of modernisation costs if energy savings 40% + class C
Institutional. Program participants

**NATIONAL:**
- Ministry of Environment, Ministry of Finance (Investment Committee)
- Housing Energy Efficiency Agency (BETA)
- Financial institutions
- Central Procurement Office (CPO)

**LOCAL:**
- Municipality (inefficient building selection, Program preparation, appointing Program administrator, supervision)
- Program/project administrator (appointed by Municipality)
- Engineers consultants (preparation of investment projects, support on procurement and supervision of works)
- Contractors
- Owners of apartments
Housing Energy Efficiency Agency

**Founder:** Ministry of Environment

*Providing administration of energy efficiency programs and projects*

**Agency:**

- providing support to the housing administrators and municipalities with project/programs preparation and implementation
- providing technical administration of the project implementation:
  - evaluation of the applications,
  - supervision of project implementation
  - monitoring
- administering State grants provided to the project implementers:
  - 100% *grant* for a project preparation, project administration and supervision of works
  - 30% grant for energy efficiency measures implementation
- preparing standard documents and other instruments needed for a Program implementation
- organizing capacity building programs, trainings and public information activities
- Etc.
Local Municipalities

- selecting most inefficient buildings, organizing preparation of energy audits and investment plans
- preparing energy efficiency Programs for selected buildings renovation, approving it in the City Council, appointing Program administrator (mainly legal body, controlled by municipality)
- appoints Program supervision committee (municipal administration)
- providing supervision on the projects implementation, new inefficient buildings selection, incorporating into Municipal Program, delegating new projects implementation to the appointed administrator, etc.

All municipalities participating. The Modernization Program for Multi-apartment buildings became a policy cornerstone
If do nothing – owners will continue to use energy in inefficient way and will pay high energy bills

If upgrade – communal expenses will be near the same. Owners of apartments will have more comfortable life

Investment principles  
Distribution of costs for consumers

Heating  
(average 150 - 210 kWh/m²)  
100%  
Before upgrading

Upgrading repayment  
(average 70 - 105 kWh/m²)  
50 - 40%  
50%  
After upgrading

Heating  
(average 80 – 85 kWh/m²)

SAVING  
(average 0-20 kWh/m²)  
0 - 10%
Implementation of financial models

Renovation loans may be provided to the following borrowers:

- **Apartment owners acting as borrowers**

- **Administrators acting as borrowers**
  
  This model should remain as possible alternative for financing renovation projects

- **Municipality entities acting as borrowers**
  
  Under this new model municipality defines potential of renovation by selecting multi-apartment buildings, which have lowest energy efficiency rates. Then municipality prepares energy efficiency programme. For the implementation of the program the municipality appoints programme administrator. In accordance with legal acts programme administrator may be:

  - administrator of multi-apartment buildings, which is included in the municipality programme; or
  - non-profit seeking institution established by municipality; or
  - entity controlled by municipality (for example – district heating company)
Low-income persons are not motivated to invest and reduce energy bills

On 16 May 2013, the Law on Social Assistance was amended stating that in case low-income persons refuse to participate in renovation they could lose from 50% to 100% of subsidies for their energy costs for a period of 3 years.

The Government in performing its social policy, compensates the majority of costs for heating and water to financially vulnerable population.

In implementing the programme for the renovation for financially vulnerable population entitled to compensation for heating, the state covers 100% of costs.
RESULTS OF THE PROGRAM

Completed projects
- Since 2013 completed 2460 projects
  - number of apartments - 73 thou.
  - investments 680 Mill. euro
  - energy savings 733 GWh
  - reduction of CO2 emission – 170,8 thou. tn

Under the completion
- Currently under the implementation 400 projects
  - number of apartments - 15 thou.
  - investments 160 Mill. euro

Prepared project
- Number of approved projects by HHs and BETA 1500
  - number of apartments 50 thou.
  - investments 640 Mill. Euro
V. Macernio str. 6, Plunge

Year of construction: **1970**
Number of apartment: **85**
Heated area: **3790 m²**

**Implemented**: central gas boiler, insulation of walls and roof, installed heat cost allocators,
Investment: **EUR 590,000**
Energy savings: **66%, Class C**
Vytauto str. 34, Prienai

Year of construction: **1973**
Number of apartment: **38**
Heated area: **1961 m²**

**Implemented:** central gas boiler, insulation of walls and roof, installed heat cost allocators,
Investment: **EUR 553,000**
Energy savings: **67%, Class C**
IMPACT TO THE COUNTRY ECONOMY

300 construction companies
Development of building construction sector (more than 300 contractors participating in the process)

14,000 new jobs
Job creation (by the renovation projects it is created about 14,000 new jobs, some of which are short term)

20-25%
Changes in the real estate market (prices for apartments in modernize buildings rise by 20-25%)
ACTUAL ENERGY SAVINGS: impact to the energy consumers, city, country (1)

- Energy savings (actual) 50 – 70%, in some buildings more than 70% (max. 87%) or avg. 72.2 kWh/m² annually

- Energy savings in 2,460 renovated buildings – 700 GWh/year, CO₂ emission reduced by 165 thou. tons per year

100% buildings implemented complex energy efficiency measures (insulation of walls, roofs, windows replacement, modernization of heating systems)
Avg. investment - EUR267,000 /building or EUR186 /m²
The priority direction of the future is energy efficiency improvement in the urban areas of the cities (1)

The aim of EE improvement in the urban areas of the cities is:

- complex renewal of the selected areas of the cities by increasing the energy efficiency of buildings (private and public) and related infrastructure
- improvement of the living environment by adapting it to the needs of various social groups
- addressing access and car parking issues
- green areas arrangements
In 2016, demonstration projects for increasing the energy efficiency of the urban areas started in three municipalities of Lithuania.

Currently, more than 50 percent of the country's municipalities are already implementing urban areas energy efficiency programs.
Example: urban area selected for energy efficiency improvement in Utena municipality
It’s not a site of new building construction – it’s modernization of Soviet type multi-apartment buildings by implementing of municipal urban area energy efficiency program (Svencionelai)