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**Reply of Lithuania on Housing Financing Policies and Programmes**

The Government of the Republic of Lithuania has approved the National Housing Strategy on 21 January, 2004. One of the goal of this document is to ensure efficient use, maintenance, renovation and modernization of the existing housing, efficient energy use.

With the view of accelerating the insulation of multi-apartment houses and the modernisation of their energy systems, the Programme for the Modernisation of Multi-apartment Houses approved by Resolution No 1213 of the Government of the Republic of Lithuania on 23 September 2004. It is being revised, envisaging additional financial and other measures aimed at encouraging apartment owners to renovate multi-apartment houses and involving low-income population in the implementation of such projects.

The main attention was focused on the implementation of the energy efficiency measures. For the majority of multi-apartment buildings heating systems are renovated and/or modernised, roof structures are renovated and insulated, windows and doors are renovated or replaced. Wall joint defects of panel residential buildings are removed and thermal resistance of walls of these buildings are improved. The costs in relation to heat energy and fuel ratio per unit of useful residential floor space will be reduced by at least 30%.

**The Program for Modernization of Multi-apartment Buildings**

The main task of the Program mentioned above was to provide support to home owners of multifamily buildings with implementation of energy efficiency measures. Program started at the end of 2005.

As participants of the Program were the Apartments owners, Housing and Urban Development Agency (HUDA, Programm administrator), Municipalities, Commercial banks, Housing loans insurance company, Housing administration companies, Engineering consultant companies (preparing Energy audits and Investment proposals), Contractors, etc. Therefore, Lithuanian Government negotiated the establishment of the JESSICA Holding Fund to offer an attractive financing scheme to rapid the modernization process.

In 2010, a financing mechanism (JESSICA) was developed, by which state support will comprise about 30% of the rehabilitation project value from 2011 onwards: 100 % support for technical documentation preparation and expenses for supervision of construction works if D class (according to Energy Performance Certification classification) will be achieved; 15 % support for energy efficiency measures implementation if D class (according to Energy Performance Certificate classification) will be achieved; 100 % support for low income families.

Lithuania is one of the first countries in the European Union which uses the initiative of JESSICA for the improvement of energy efficiency in multi- apartment buildings. Originally the Fund size was projected at EUR 227 million (EUR 127 m from ERDF, as well as EUR 100 million of Lithuanian National budget). The overall aim of the JESSICA Holding Fund is to contribute to increased energy efficiency in housing sector by means of offering long term loan financing at preferential terms and conditions. JESSICA loan (maturity up to 20 years at fixed annual interest rate of 3 percent) is offered to the owners of apartments or other premises in a multi-apartment building, provided they commit themselves to implement energy efficiency measures and other measures set forth in the Investment Plan which would result in (i) achieving at least 20 percent of energy savings as compared to the baseline and (ii) meeting at least the energy efficiency Class D requirements. If these targets are met, the beneficiaries qualify for a “bonus” – an interest subsidy which equals to 15 per cent of loan principal. At the end 2011 the Lithuanian Parliament introduced an additional time-limited incentive to compensate additional 15 per cent of investment cost, provided the overall calculated energy savings reach at least 30 per cent as compared to the baseline. This additional grant will be financed from the Special Climate Change Programme if 40 percent of savings will be achieved. As a result, both the Parliament and the Government expect a significant additional demand for modernisation loans under the JESSICA programme in 2012.

Detailed official information, texts and tools are available on the national websites: [www.am.lt;](http://www.am.lt/) [www.spsc.lt;](http://www.spsc.lt/) [www.ukmin.lt](http://www.ukmin.lt/); www.bkagentura.lt