

WP 5 Financing

Working group 1: Public buildings

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Summary

1. Focus of the working group:

The focus of the discussion was the different possibilities in Poland, Lithuania, Latvia and Estonia to finance the energy efficient refurbishment of public buildings (e.g. offices, schools).

2. General conclusions of the working group:

- There is only a little number of public buildings in those target areas which were represented in the working group. Hence, the refurbishment of public buildings is not a major focus of the work in the target areas.
- In all countries (PL, LT, LV, EE) are available national funding schemes for the energy efficient refurbishment of public buildings. In LT and LV the major financial source to carry out refurbishment activities are economic stimulation plans. In PL exist two funds (thermo refurbishment programme / national fund for environmental protection and water management) to finance energy efficient refurbishment. However, the equipment with new financial means for 2010 has not been clarified neither for the stimulations plans nor the funds in PL. Due to the impact of the current financial crisis on the budget situation of the governments in the Baltic region in LT, LV and PL there will be available in 2010 the remaining financial means from 2009 only.
- Due to the expected lack of national financial means in 2010 there is the tendency in all countries to try to use more the European structural funds to finance the refurbishment of public buildings. However, in the current situation the municipalities are facing as well certain difficulties to raise their co-financing share to use the European structural funds.

- In general the financial schemes to finance the construction or refurbishment of public infrastructure lack an appropriate mechanism to guarantee the maintenance of the buildings.
- Within the governmental institutions the general awareness about the importance of energy efficiency is very weak.
Furthermore, there is no strong current legal base that obliges to carry out energy efficiency measures.
Hence, the motivation of local governments is very low to spend the tight resources on energy efficient refurbishment.
The participants of the working group suggested the introduction of energy certificates and awareness campaigns to foster the implementation of energy efficiency measures in public buildings.

3. Additional specific information about the countries:

3.1. Public buildings in the target area:

Target area		Public buildings
Pianseczno (PL)		1 community centre (supposed to be torn down)
Rakvere (EE)		No public buildings
Siauliai (LT)	area 1	4 schools, 2 kindergartens, 1 library
	area 2	1 kindergarten
Jelgava (LV)		The whole city is target area

3.2. Estonia:

Among others in EE there is an emphasis on the involvement of the private sector into activities regarding public buildings → public private partnership.

3.3. Lithuania:

In the context of the current global recession, has an economic recovery program or strategy been launched by the national government in the last 12 months? If so, what coverage, attention, actions are envisaged with a view to greening the national economy, with a focus on employment, as a way of emerging from the present downturn? If there is a wide range of issues, please focus on the main issues.

In order to minimise affects of the recession on the national economy, on 25 February 2009 the Government of the Republic of Lithuania (Lietuvos Respublikos Vyriausybė, [LRV](#)) approved the Economy Stimulation Plan aimed at alleviating business conditions and enhancing business borrowing opportunities, creating conditions to maintain jobs and in this way reducing social tension among the local population. The Economy Stimulation Plan consists of five main action trends (programmes):

- Expansion of business crediting opportunities;
- Extension of energy efficiency of buildings;
- Accelerated use of the EU structural assistance;
- Improvement of business environment;

- Promotion of export and investment.

The second trend (programme) - extension of energy efficiency of buildings - could be attributed to the actions aimed at 'greening the national economy, with a focus on employment'. The construction sector is among the sectors most affected by the current economic recession in Lithuania. On the other hand, in Lithuania there are many buildings of old construction which are very uneconomical. As a result, imported energy resources are used very inefficiently resulting in high heating bills for residents.

Therefore, the LRV has chosen one of the priority national projects - extension of energy efficiency of buildings. Implementation of this project is anticipated to bring money to the market through the construction sector in the form of wages and investment. At the same time, this will make Lithuania less dependant on imported energy resources.

To this effect, the LRV intends to implement actions in order to insulate public buildings and modernise multi-apartment houses. With this programme the LRV seeks to make works and funds accessible by as many as possible construction companies and all regions of Lithuania. Within the framework of the project:

- The LRV and municipalities of Lithuania intend to implement a programme of insulation of public buildings valued at LTL 0.8 billion, with particular focus on the renovation of schools, hospitals, kindergartens and foster homes. The government will seek to make all the funds available for the construction sector in 2009-2010.
- In addition, the LRV will seek to implement at a rapid pace a multi-apartment house modernisation program worth 1 billion litas, which will substantially increase energy efficiency of multi-apartment houses. The LRV intends to assign up to LTL 0.2 billion for the modernisation of multi-apartment houses from the programmes supported by the EU structural funds. After coming into force of relevant decisions of the European Commission, the LRV, on its part, will take all decisions regarding the re-allocation of 4 per cent support (amounting to LTL 0.5 billion) from the European Regional Development Fund for the renovation of buildings. In addition, the LRV will use LTL 0.3 billion loan of the European Investment Bank to cover the Government's share of co-funding. Efforts will be taken to make these funds available for the construction sector in 2009-2010, too.

Source: <http://www.eurofound.europa.eu/eiro/studies/tn0908019s/lt0908019q.htm>

You are here: [Eurofound](#) > [EIROnline](#) > [Comparative Information](#) > [Greening the European Economy: responses and initiatives by Member States and Social Partners](#) > Lithuania

3.4 Latvia:

In Jelgava the whole city is target area

The main focus regarding public buildings is the renovation of the heat supply system.

For the renovation of the heat supply system of public buildings it is possible to obtain a government grant that covers up to 85% of the costs (for social housing it is possible to receive up to 75% of the costs).

The Ministry of economy provides some financial means for the refurbishment of public buildings if this is done in an integrated approach.

3.5. Poland:

Thermal Refurbishment Fund: up to 20% (last year 25%) grant for energy saving measures. Refinancing for 2010 not assured.

National Fund for Environmental Protection and Water Management: Possibility to finance the thermo modernization of public buildings; Up to 100% financing in case of state units; Up to 50% financing for remaining beneficiaries. Due to the financial crisis refinancing for 2010 not assured.

Global Environment Facility (GEF): Plan to set up until the end of 2009 a special credit line carried out by commercial banks to promote energy efficiency and reduction of CO₂.

There is a special programme to support the poorest rural municipalities and districts in the construction of infrastructure. Up to 90% cover of the investment cost.

For more information please see attached PowerPoint presentation "Financing Energy Efficiency Investments in Polish Public Buildings", Bank Gospodarstwa Krajowego