

# COVENANT OF COMPANIES FOR CLIMATE AND ENERGY

Overview of Support Schemes LITHUANIA



#### INTRODUCTION

#### Context

The European Climate Law sets an ambitious emission reduction target of 55% by 2030 and the objective of becoming climate-neutral by 2050. Achieving these new 2030 energy and climate targets will require an ever more integrated approach to energy transition. It is thus essential to invite companies, in particular the less resourced SMEs, to join the energy and climate efforts of cities in order to develop mutually beneficial public-private partnerships at local level<sup>1</sup>.

#### Aim of the Covenant of Companies

The European Covenant of Companies for Climate and Energy (EU CCCE) is a European Commission initiative to encourage and support companies to step up their contribution to a clean energy transition, energy savings and related climate objectives as set out in the European Green Deal. The initiative aims to provide practical, step-by-step guidelines and technical assistance to European companies to help them take concrete actions resulting in the decarbonisation of their businesses. The initiative is currently in a pilot phase for two years where concepts will be developed and tested to establish a strong foundation for the Covenant of Companies.

#### Overview of support schemes

With these documents the EU CCCE provides an overview of the European and national support schemes for energy efficiency and renewable energy, national financing tools for clean energy research and innovation projects, as well as available capacity building support for companies.

For the second phase of the project the Consortium has opted to create detailed overviews by narrowing the study down to eight focus countries: Belgium, Bulgaria, France, Ireland, Lithuania, Romania, Spain and Sweden. This document presents an overview of the financial support schemes in Lithuania, the financing tools for research and innovation and available capacity building materials (non-financial support), at the national and European level. It further offers insights in the national context within which the support is provided.

#### Disclaimer

This document gives an overview of the available support schemes as of July 2022. It serves to give a general overview of existing material at the national level at this date. Although the Consortium has put considerable effort in collating the material presented, it cannot guarantee that the overviews are fully comprehensive and up-to-date.

<sup>&</sup>lt;sup>1</sup>Tender specification setting up and operating the Secretariat for the EU Corporate Covenant Initiative, p.6.

## **HIGHLIGHTS**

- Lithuania aims for a 45% increase in the share of renewables by 2030.
- The National energy and climate action plan includes the forecast that final energy consumption will decrease 9% by 2030.
- Support schemes for renewable energy and energy efficiency are mainly managed by the Environmental Projects Management Agency (Aplinkos projektu valdymo agentura).
- There is a special regulation for prosumers to produce and use renewable energy in the solar plants located outside their living area (offsite generation).
- R&D projects are funded by the Lithuanian Energy Agency.
- At the moment there are no state funds for R&D projects on energy efficiency or renewable energy available.



A selection of financial and non-financial support schemes available to Lithuanian companies as of June 2023 for clean energy projects and R&D&I in clean energy.

				Lithua	ınia										
SUPPORT SCHEMES	GENER	AL INFORM	ATION		ENEF	RGY SOLUT	IONS COV	ERED			COSTS COVERED				
Selected Support Schemes	Scope	Category	Technology Readiness Levels (TRL)	Renewable energy utilisation	Energy efficient buildings	Energy Efficiency in processes and operations	Sustainable mobility	Circularity	Non-specific	Consulttancy fee	Capital investments	Wages/labour costs	Other operational costs	Specific for SMEs	
Renewable energy															
Use of renewable energy sources (solar, geothermal, biofuels) to replace fossil fuels for the needs of the state, municipalities, traditional religious communities, religious communities or centres, NGOs	FIN	GRANT		¥							•	¥			
Electricity storage installations for the needs of the State, municipalities, traditional religious communities, religious communities or centres	FIN	GRANT		V							V	V			
Renewable energy deployment in industrial companies participating in the European Union Emissions Trading Scheme	FIN	GRANT		<b>&gt;</b>		~					<b>&gt;</b>		~		
Financial incentives for activities/actions of non- governmental organisations in climate policy-making and public awareness-raising on climate change	FIN	GRANT		~	~	~	~	~	~	~		~			
Use of renewable energy sources (solar, wind) for the electricity needs of the state, municipalities, traditional religious communities, religious communities or centres	FIN	GRANT		~							~				
Financial incentives for activities/actions of non- governmental organisations in climate policy-making and public awareness-raising on climate change	FIN	GRANT		V	V	~	<b>~</b>	V	V	V		V			
Financial incentives for activities/actions of non- governmental organisations in climate policy-making and public awareness-raising on climate change	FIN	GRANT		V	V	~	<b>~</b>	V	~	V		V			
Investment support for the installation of solar power plants on land	FIN	LOAN		~										~	
Loans for solar power plants	FIN	LOAN		<b>V</b>											

LEGEND Scope FIN - Financial support scheme R&I - Research & Innovation financing tool Category TAX - Tax benefit or incentive FUND - Fund GUAR- Guarantee GRANT - Grant LOAN - Loan

A selection of financial and non-financial support schemes available to Lithuanian companies as of June 2023 for clean energy projects and R&D&I in clean energy.

	Lithuania													
SUPPORT SCHEMES	GENER	AL INFORM	IATION		ENEF	RGY SOLUT	IONS COV	ERED			COSTS	OVERED		STATUS
Selected Support Schemes	Scope	Category	Technology Readiness Levels (TRL)	Renewable energy utilisation	Energy efficient buildings	Energy Efficiency in processes and operations	Sustainable mobility	Circularity	Non-specific	Consulttancy fee	Capital investments	Wages/labour costs	Other operational costs	Specific for SMEs
Energy efficiency														
Modernisation Fund compensation payments for the renovation of municipal public buildings	FIN	GRANT		V	V					~	<b>/</b>	~	~	
Promoting the modernisation of multi-apartment buildings and municipal public buildings	FIN	GRANT		V	~					~		~	~	
Renovating public buildings in national government to improve energy efficiency	FIN	GRANT		V	~					~	~	~	~	
Deployment of energy-efficient production technologies in industrial enterprises participating in the European Union Emissions Trading Scheme	FIN	GRANT			~	~					~		~	
Energy efficiency implementation by private legal entities based on energy audit reports	FIN	GRANT			~	~					~			
Loans for energy efficiency projects	FIN	LOAN			~									
Loans for modernising public buildings	FIN	LOAN			~									
Sustainable mobility														
Encouraging the net purchase of EVs by legal entities (and natural persons who will use an EV for their economic activities)	FIN	GRANT		~							~			
Installation of private charging bays for electric vehicles	FIN	GRANT		~							~			

LEGEND Scope FIN - Financial support scheme R&I - Research & Innovation financing tool Category TAX - Tax benefit or incentive FUND - Fund GUAR- Guarantee GRANT - Grant LOAN - Loan

Capacity building material available to Lithuanian companies as of June 2023 for their clean energy transition.

Lithuania													
CAPACITIY BUILDING MATERIAL	TYPE	SCOPE											
Selected Capacity Building Material	Type of support	General information and examples	Emission inventory	Energy perfor- mance base line	Monitoring & reporting	Energy Audit	Clean energy plan or strategy	Implementation support	Networking	Specific for SMEs			
Guidelines for energy savings	DOC	<b>&gt;</b>											
My CO2	TOOL	~	~		~			~					
Energy Saving Helpline	HD	~						<b>V</b>					
Energy saving tips section	TOOL	<b>V</b>						<b>V</b>					

LEGEND

Form of support

DOC - Guidance document EXP - Expert guidance / consultancy TRAIN - Course, training, workshop PLAT - Platform or portal HD - Helpdesk TOOL - Tool (web-based, template or other) OTH - Other

# OVERVIEW OF MAIN SUPPORT SCHEMES AT EU-LEVEL

Selection of financial and non-financial support schemes available to European companies as of July 2022 for clean energy projects and R&D&I in clean energy.

								EU								
IAIN LANDING PAGE	https	s://ec.	europ	a.eu/i	info/f	undin	g-ten	ders/	oppor	tuniti	ies/po	ortal/s	scree	n/hon	ne	
pport schemes	GENER	AL INFORM	ATION			ENERGY S	OLUTIONS	COVERED							COST COVERED	STATUS
lected Support Schemes	Scope	Category	TRL levels	Renewable energy utilisation	Energy efficient buildings	Energy storage	Sustainable mobility	infrastructure and smart grids	Circularity	Non-specific	Consultancy fee	Capital investments	Wages/labour cost	Other operational costs	Description	Specific for SMEs
rizon Europe - Relevant Missions																
aptation to Climate Change										<b>&gt;</b>	<b>,</b>	<b>&gt;</b>	<b>&gt;</b>	<b>~</b>	Operational costs are only covered when they can be attributed as direct costs. Indirect costs may sometimes fall under the grant, but will depend on the grant agreement for a specific project. See also: https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga_en.pdf%95896789622num%22%3A92962C9622gen%22963A0%27D%2C%7B%22name%22%3A%22XYZ%22%7D%2C59%2C722%2C0%5D	
mate Neutral and Smart Cities										~	~	~	~	~	Annotated Grant Agreement - EU Grants - Art.6.1	
rizon Europe - Programme Innovative Europe		FUND &														
Pathfinder	R&I	GRANT	1-4			~					~	<b>V</b>	~	~	Annotated Grant Agreement - EU Grants - Art.6.2	
Transition	R&I	FUND & GRANT	4 - 5/6	<b>V</b>				<b>V</b>	~		~	~	~	~	Annotated Grant Agreement - EU Grants - Art.6.2	
Accelerator	R&I	FUND & GRANT	5/6 - 9		~			~			~	V	~	V	Annotated Grant Agreement - EU Grants - Art.6.2	~
NEA																
F Energy: Energy Infrastructure: Projects of Common Interest	FIN	GRANT						~			~	<b>V</b>	~	~	Annotated Grant Agreement - EU Grants - Art.6.2	
F Energy: Energy Infrastructure: Cross-border renewable energy project	s			~							V	~	~	~	Annotated Grant Agreement - EU Grants - Art.6.2	
E Clean Energy Transition	FIN	GRANT		V	~			V			V	V	~	~	https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021- 2027/life/wp-call/2021-2024/call-fiche life-2022-cet en.pdf	
E Circular economy	FIN	GRANT							_			<u></u>	<i>J</i>	~	https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021- 2027/life/wp-call/2021-2024/call-fiche_life-2022-sap-env_en.pdf	
E Climate Change Mitigation and Adaptation	FIN	GRANT											~	~	https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-	
novation Fund	R&I	GRANT		- 1	•		•		•		•	-	•		2027/life/wp-call/2021-2024/call-fiche_life-2022-sap-clima_en.pdf https://cinea.ec.europa.eu/system/files/2022-02/lF_flyer-2021%20.pdf	
F and EIB	RQI	GRANT		~		~		~				~			https://cirea.ec.europa.eu/system/nies/2022-02/ir_ityer-20219020.pur	
vest EU	FIN/R&I	FUND		~	~	~	~		~						The financing will typically take place through financial intermediaries that take equity participations, convertible loans and other equity-type financing. These intermediaries would typically be independent commercially-run fund managers that select companies with adequate return prospects, driven by a commercial logic when selecting companies in which to invest or provide other forms of financing. The InvestEU intervention will done on commercial terms and crowd in private investors.	V

# OVERVIEW OF MAIN SUPPORT SCHEMES AT EU-LEVEL

Capacity building material available to European companies as of July 2022 for their clean energy transition

		E	J							
CAPACITIY BUILDING MATERIAL	TYPE				SC	OPE				STATUS
Selected Capacity Building Material	Type of support	General information and examples	Emissions inventory	Energy performance baseline	Monitoring & reporting	Energy audit	Clean energy plan or strategy	Implementation support	Networking	Specific for SMEs
LIFE close-to-market projects	PLAT	~					~		<b>V</b>	
EIC Business Accelaration Services	PLAT	~			~				~	
Invest EU - Advisory hub	EXP						¥	<b>&gt;</b>	<b>&gt;</b>	
Innovation Fund	EXP						V	<b>Y</b>	~	

LEGEND FO

Form of support

DOC - Guidance document

EXP - Expert guidance / consultancy TRAIN - Course, training, workshop

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OTH - Other

#### NATIONAL SUPPORT SCHEMES FOR CLEAN ENERGY PROJECTS

#### Renewable energy utilisation

Support schemes for renewable energy and energy efficiency are mainly managed by the Environmental Projects Management Agency (Aplinkos projektų valdymo agentūra). The main landing page for finding support is on the agency's **website**.

Public organisations and NGOs are eligible to apply for a grant for **investments in renewable energy sources** (as of August 2022) and **electric storage devices** (as of September 2022). Applicants can apply for up to a year, or until the allocated funds are exhausted. The scheme is financed through the **Climate Change Programme** administered by the Ministry of Environment.

Industrial companies **participating in the EU emissions trading system** can obtain a grant for investments in renewable energy resources. Capital costs for the purchase and installation of technologies as well as equipment and facilities are covered. The grant is financed through the **Modernisation Fund.** 

Specifically for SMEs, the Lithuanian Energy Agency provides a loan for the **installation of solar power plants up to 500 kW**. The entire project budget is EUR 67 million and is financed through the Economic Revitalisation and Resilience Enhancement and the state budget of the Republic of Lithuania.

Finally, the Public Investment Development Agency (VIPA) also provides loans for investments in renewables. Calls are currently suspended but will be updated on the website.

# Energy efficiency in buildings and in industry

The NECP has set a target to increase the energy efficiency by at least 32.2% by 2030. To that end, the Environmental Projects Management Agency (Aplinkos projektų valdymo agentūra) has several schemes for energy efficiency. For instance, manufacturing companies can obtain a grant for investing in technology to improve energy efficiency of **equipment and facilities of production processes**. Companies that are not manufacturing companies, and who do not participate in the EU Emissions Trading Scheme, can also obtain a grant for implementing **the measures indicated in their energy audit report**. After the implementation of the project, the minimum energy savings cannot be less than 20 MWh/year.

Additionally, the Public Investment Development Agency (VIPA) also provides loans for investments in the implementation of various energy efficiency measures that reduce energy consumption in energy intensive industries. All private and public legal entities are eligible to apply. The loan is given up to 80% of the investment value, for a term up to 10 years, at an interest rate starting from 4%, excluding VAT.

#### NATIONAL SUPPORT SCHEMES FOR CLEAN ENERGY PROJECTS Continued

#### Sustainable mobility

In Lithuania, the road transport sector accounts for 95% of total GHG emissions from transport, 80% of which is accounted for by passenger cars.<sup>2</sup> The NECP specifies the targets set out in the National Development Plan. On sustainable mobility, the Plan aims to increase the use of renewable and alternative fuels in the transport sector and promote sustainable mobility.

Companies can obtain a grant for **purchasing electric vehicles**. The grant is financed through the Modernisation Fund and will run until December 2026 or until the funds are exhausted. The grant amounts to EUR 4,000 for each purchased new M1 and/or N1 class electric vehicle. Companies are not limited to the purchase of one vehicle.

Companies may also obtain a grant from the Lithuanian Energy Agency for the development of **EV charging stations** for the needs of their employees. The grant is financed through the and will run until March 2026 or until the funds are exhausted

## FINANCING TOOLS FOR RESEARCH AND INNOVATION

Funding specifically for research and innovation in Lithuania is limited. Central platforms such as the Public Investment Development Agency (VIPA) can be useful tools for finding financial support for clean energy research and innovation.

<sup>&</sup>lt;sup>2</sup>Government of Lithuania, Climate Action & Environment, National Energy and Climate Action Plan of the Republic of Lithuania for 2021-2030, Ljubljana, 2019, p.190.

### NATIONAL CAPACITY BUILDING MATERIAL

In addition to financial support, several capacity building materials are available for companies by the Lithuanian Energy Agency.

The agency has prepared **Energy Saving Guidelines** that include tips for improving energy efficiency. The agency has additionally developed a mobile app  $My CO_2$  that allows users to track their energy consumption, the share of renewable energy in the total energy consumption and the  $CO_2$  equivalent emissions. There is also a **helpdesk** available that serves as an energy saving consultation line. Finally, on the website of the agency, a **toolbox** is made available with energy saving tips.

# MAIN SOURCES OF INFORMATION ON SUPPORT SCHEMES

Title	Description page	Link
Support schemes of the Environmental Projects Management Agency	A professional institution administering projects in the environmental sector financed by European Union funds (ISPA, European Regional Development Funds, Cohesion Funds, LIFE+ programme) and the Republic of Lithuania.	https://www. apva.lt/veiklos- sritys/projektu- finansavimas/
Support schemes of the Lithuanian Energy Agency	A non-profit public legal person with limited civil liability, operating in the fields of state policy measures, energy and the efficient use of energy and energy resources, the implementation and monitoring of the National Energy Independence Strategy and the implementation of the state's programmes, carrying out the functions of a central organisation for the accumulation and management of petroleum products and petroleum reserves, carrying out the activities referred to in its Articles of Association, and publicly rendering the services in the above areas.	https://www.ena. lt/kvietimai-teikti- paraiskas/
Public Investment Development Agency (VIPA)	A state-owned National Promotional Institution (NPI) which provide loans, guarantees for repayable investments, implementation of similar measures for urban development optimisation of public infrastructure, and energy efficiency improvements. Our activities are financed by the European Union, national, and other financial assistance programs and financing sources.	https://www.vipa.lt/ tips/

# NATIONAL INDUSTRIAL AND ENERGY POLICY FRAMEWORKS AND MAIN STAKEHOLDERS

With its **National Energy and Climate Plan (NECP)** and the national energy and climate action plan 2021-2030 as an accompanying document for the NECP, Lithuania aims to increase energy efficiency targeting a reduction of 40% in final energy consumption (compared to 1990), increase energy efficiency by at least 32.2% and sets a 43% target for the share of renewables in gross final consumption by 2030.

The NECP was developed in parallel with the National Plan for Progress 2021-2030 **(NDP).** The purpose of the NDP is to identify both the main national objectives to be achieved over the next decade and the necessary changes to ensure progress in the social, economic, environmental and security spheres:

- Ensure good environmental quality and **sustainable use of natural resources** and mitigate Lithuania's impact on climate change, increasing resilience to its impacts;
- Increase the competitiveness of the energy sector;
- Interconnecting the Lithuanian electricity system with the electricity system
  of continental Europe to operate in tandem with one another;
- Ensure the adequacy of Lithuania's electricity market and electricity system and increase the share of domestic electricity generation;
- Reduce energy poverty:
- **Increase the use of renewable and alternative fuels** in the transport sector and promote sustainable encourage intermodal mobility;
- Increase the share of renewable energy in domestic energy production and gross final energy consumption;
- Increase the share of renewable and domestic energy sources in the energy sector; and
- Increase both energy efficiency in residential and public buildings and energy from sources in public buildings.

Following the NECP, there are several other policy frameworks, e.g. the **Long Term Renovation Strategy** with guidelines as to how to reach a climate-neutral building stock or the **National climate change management agenda**, which provides a vision as to what changes in the

Lithuanian economic, social and ecological ecosystem will be achieved by 2050.

# NATIONAL INDUSTRIAL AND ENERGY POLICY FRAMEWORKS AND MAIN STAKEHOLDERS

# National vs regional responsibilities

In Lithuania, energy policy responsibilities are shared between the national government and regional authorities. The national government is responsible for setting the overall energy policy direction and ensuring the security of energy supply, while the regional authorities are responsible for implementing energy policies at the local level and promoting renewable energy and energy efficiency measures in their regions.

#### **National Responsibilities:**

- National energy policy development and implementation.
- Development and implementation of legislation and regulations related to energy.
- Setting national energy targets and policies to ensure security of energy supply.
- Development and maintenance of the national energy infrastructure.
- · Management of the national energy market and energy pricing.

#### Regional Responsibilities:

- Regional energy policy development and implementation.
- Promotion of renewable energy and energy efficiency measures at the regional level.
- Implementation of national energy policies at the regional level.
- Development and implementation of regional energy plans and programmes.
- Management of the local energy market and energy pricing.

# NATIONAL INDUSTRIAL AND ENERGY POLICY FRAMEWORKS AND MAIN STAKEHOLDERS Continued

#### Institutions

The main ministries responsible for industrial and energy policy in Lithuania are the **Ministry of Environment and the Ministry of Energy**. The Ministry of Environment leads the strategy and coordinates the work of all subordinate authorities related to energy efficiency and renewable energy in residential buildings. The Ministry of Energy is responsible for energy policy and regulation as well as the development and application of RES in manufacturing and business buildings. Relevant decentral institutions and associations are:

- **Lithuanian Energy Agency (ENA)** is responsible for promoting renewable energy and efficiency in Lithuania.
- **Lithuanian Environmental Investment Fund (LEIF)**, which is a public institution responsible for financing environmental projects in Lithuania.

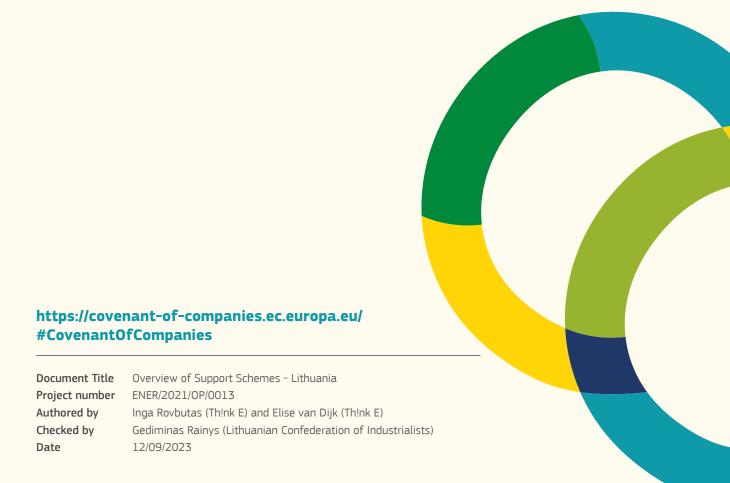
Other associations in the field of energy are:

- **Lithuanian District Heating Association** represents the district heating sector in Lithuania and promotes energy efficiency in this area.
- **Lithuanian Green Building Council** promotes green building practices in Lithuania, including energy-efficient building renovation.
- **National Association of Construction Contractors** provides information and services related to building renovation and construction in Lithuania.
- **Association of Energy Auditors and Managers** provides energy auditing services for buildings and promotes energy-efficient building renovation.
- **Lithuanian Association of Property Owners** represents the interests of property owners and provides information and support related to building renovation.
- **Lithuanian Association of Housing and Apartment Owners** represents the interests of apartment owners and provides information and support related to building renovation.
- **Lithuanian Builders Association** represents the interests of construction companies and provides information and support related to building renovation.
- **Lithuanian Biomass Energy Association** represents the biomass energy sector in Lithuania and promotes the use of biomass for energy production.
- **Lithuanian Wind Energy Association** represents the wind energy sector in Lithuania and promotes the development of wind power.
- **Lithuanian Renewable Energy Confederation** represents the renewable energy sector in Lithuania and advocates for policies that support the growth of renewable energy in the country.



# **INTERVIEW SOURCES**

• Gediminas Rainys (Lithuanian Confederation of Industrialists)



This document does not represent the point of view of the European Commission. The interpretations and opinions contained in it are solely those of the authors.

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Bulgaria ———————————————————————————————————														
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Renewable energy														
Bulgarian Development Bank (BDB)	FIN	LOAN		V							~	~	<b>V</b>	
Feed-in tarrif - Energy and water regulatory commission	FIN	ОТН		V							~			
RES Installation and Storage	FIN	GRANT		V							~		~	
Energy efficiency	Energy efficiency													
Bulgarian Development Bank (BDB)	FIN	LOAN			V	<b>V</b>					/ 🗸	~	~	
Energy Efficiency and Renewable Sources Fund	FIN	LOAN		V	V						~	~	~	
Investment Climate Program – Energy efficiency	FIN	LOAN			~	V					~	~	~	
Sustainable Mobility														
Investment Climate Program – Electric vehicles	FIN	LOAN					<b>&gt;</b>				V	~	V	
Research & Innovation														
Support for the transition to a circular economy in enterprises	R&I	GRANT						V			~		<b>V</b>	
Support for innovative SMEs awarded with the Seal of Excellence	R&I	GRANT							<b>&gt;</b>		~		<b>V</b>	
Program for public support for the development of industrial areas, parks and similar territories and for attracting investments ("AttractinvestBG")	R&I	GRANT		~	V	V					~		V	
Program Competitiveness and innovation in enterprises	R&I	GRANT						V	<b>&gt;</b>		~		<b>V</b>	<b>V</b>
Program Scientific research, innovation and digitization for intelligent transformation	R&I	GRANT							V		~		~	

LEGEND Scope FIN - Financial support scheme R&I - Research & Innovation financing tool FAX - Tax benefit or incentive FUND - Fund GUAR- Guarantee GRANT - Grant LOAN - Loan