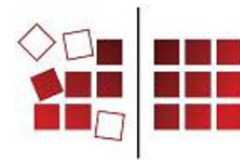


JESSICA IN LITHUANIA: **An Effort to Renovate Apartment** **Blocks**

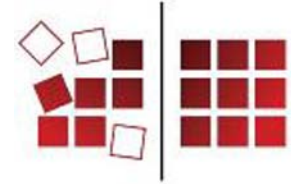
Lithuanian Ministry of Environment/Housing and Urban
Development Agency
JESSICA Networking Platform, Brussels, March 31, 2011



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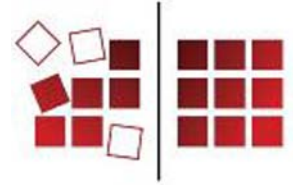
Why JESSICA?



- Attempts to launch modernisation of apartment blocks in early 90's were rejected
- World Bank Project in 1996-2004
- Subsidised renovation programme launched in 2006
- Programme ran out of money in late 2007
- Decision to launch a “win-win” scheme using JESSICA in early 2009



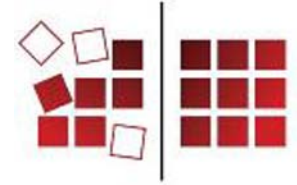
“Old” Renovation Financing model



- 50% of investment cost compensated
- Commercial banks participated in offering “own” contribution at market rates
- Borrowers were home-owner associations



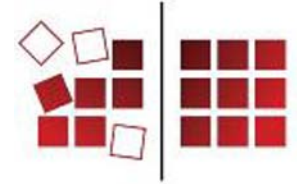
“New” Renovation Financing model



- Fixed interest rate at **3% p.a.**
- Maturity up to **20 years**
- **2 years** grace period (during construction)
- No collateral
- **15%** JESSICA loan **write-off** if certain energy efficiency level achieved (upon completion) 110-145 kWh/m² (Class “**D**”)
- **100% grant** for preparation of renovation documentation reimbursed (paid from national funds)
- **100% of reimbursement of installments** to low income families



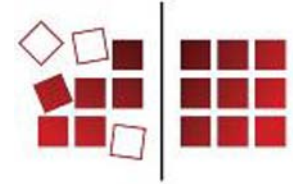
Eligible costs



- **Costs contributing to increase of energy efficiency:**
 - Replacement of windows
 - Replacement of doors
 - Insulation of ceilings/roofs
 - Insulation of walls
 - Installation of solar panels/wind mills
 - Replacement of energy related equipment
 - Replacement of elevators and electrical wiring in shared areas (stair wells, basements)...
 - Replacement of water supplying and draining pipes

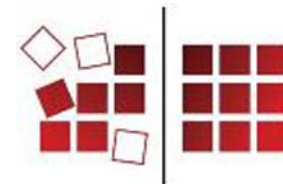


EIB Involvement



- Selected without any procurement procedure
- Contract negotiations pretty fast and smooth
- EIB does a lot of analytical and technical work
- Authorities hardly would have had enough human resources to accomplish all tasks
 - Review of the relevant legal acts: EU and national
 - Identification of the stumbling blocks
 - Prepare selection criteria for selection of UDFs
 - Selection of UDFs
 - Negotiation and signing agreements with UDFs

Achievements to Date (1)



Summary of Calls

Call name	Launch date	Volume (EUR mln)	Investment Priority
JHFL: call for expression of interest	13/11/09	54	Energy efficiency in housing sector
<hr/>			
JHFL: call for expression of interest no. 2	17.06/10	20	Energy efficiency in housing sector

To be launched:

JHFL: call for expression of interest no. 3		30	Energy efficiency in housing sector (student dormitories)
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Summary of UDFs selected

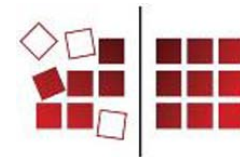
UDFs selected	Amount allocated (EUR mln)	Agreement signature date	Disbursement (first)	Amount (EUR mln)
AB Siauliu Bankas	6	31/05/2010	23/09/10	6
Swedbank AB	6	24/09/2010		
AB SEB Bankas	6	07/02/2011		
<hr/>				
AB Siauliu Bankas	15	29/11/2010	17/01/11	10

One UDF will be selected	30			
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Achievements to Date (2)

State of play 14 March 2011



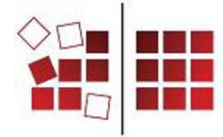
“New” Programme

- Agreements with **3 UDFs** signed
- **3 loans** with home-owner associations signed
- **71 home-owner associations** have decided to join the program
- **32 investment projects** have been vetted by HUDA
- **5 applications** under review by UDFs
- **28 technical projects** are in purchase phase

“Old” Programme

- **63 projects** approved by HUDA from the old modernisation programme
- **2 loans** with home-owner associations signed
- **5 applications** under review by UDF

Achievements to date (3)



EIB

- EIB has to date disbursed EUR 16 million to Šiaulių bankas, further EUR 12 million is to be disbursed to Swedbank and SEB during the spring of 2011

Šiaulių
bankas

- Nov 2010: Šiaulių bankas signed the first JESSICA loan agreement of nearly EUR 300,000 with the homeowners' association of multi-apartment buildings in Panevėžys
- Šiaulių has approved three other projects in Plungė and Pabiržė worth around EUR 500,000

Swed-
bank

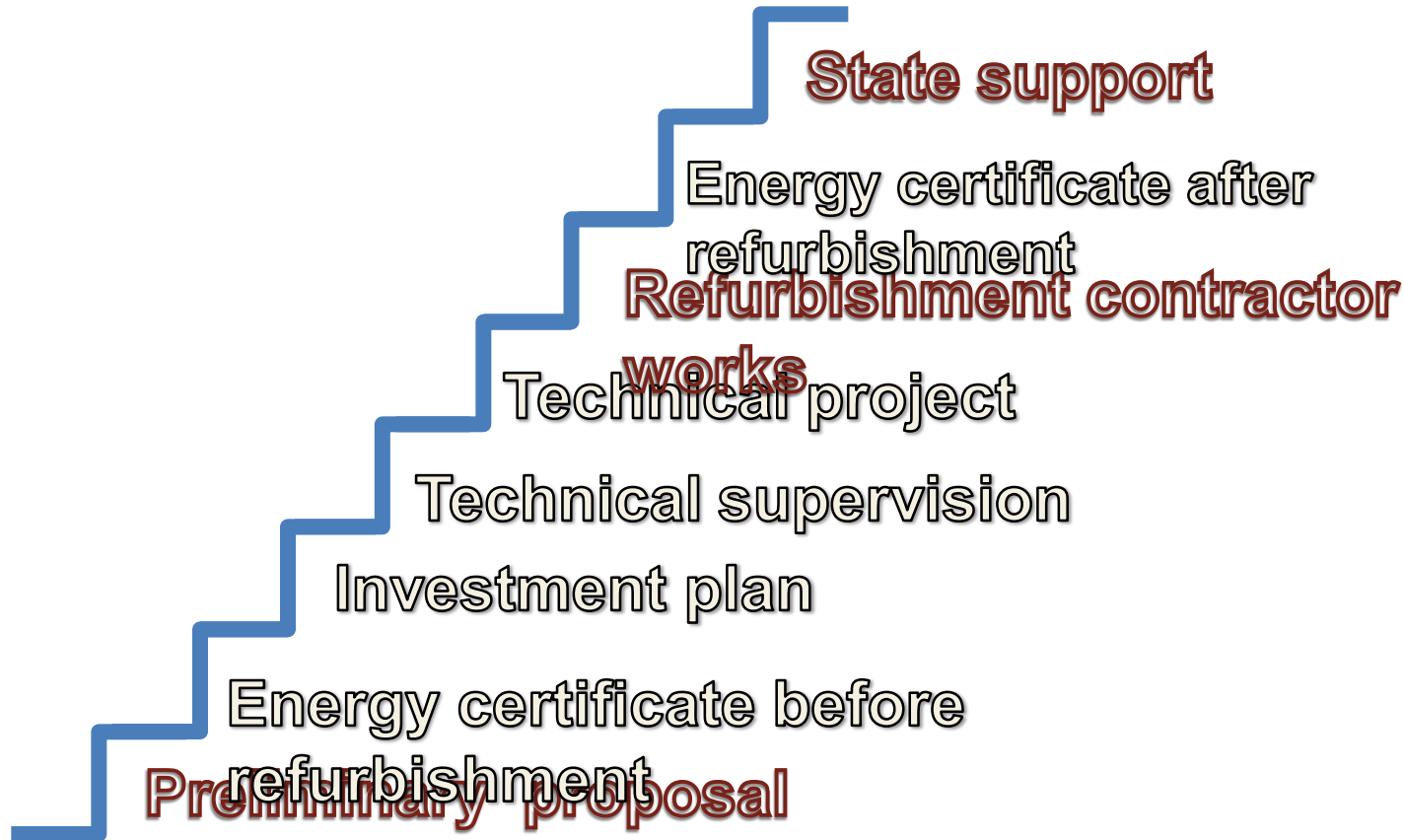
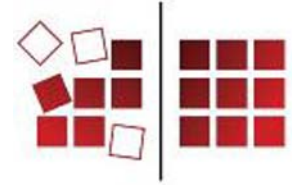
- In January 2011 Swedbank announced that it accepts applications for renovation loans



The multi-apartment building in Panevėžys

Conclusion: There is demand for JESSICA loans. More take-up of loans is expected when Swedbank and SEB, with larger bank networks than Šiaulių bankas, start offering JESSICA loans

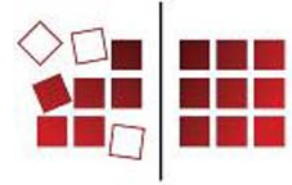
Main steps in modernisation project implementation





Role of HUDA in JESSICA

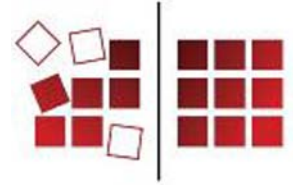
State of play 14 March 2011



- 14832 consultations for JESSICA support
- 134 seminars in municipalities
- 20 extended discussions with administration companies acting as the managers of the objects of common use
- Establishment of Quality Control Department
- Improving of Investment Plan and Technical Project control
- Executing/overseeing the public information campaign



Some additional figures



- Size of JESSICA fund – EUR 227,000,000
Number of eligible apartment blocks – 24,000
- Estimated cost to renovate one apartment block (60 apartments, each approx 50 m²)
– EUR 290,000
- After the modernization, one block should **save 125 MWh a year**

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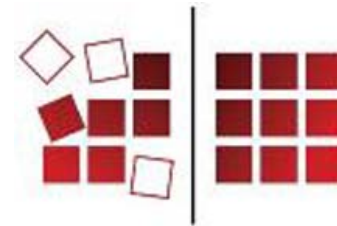
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