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Assessment of climate change policies in the context of the European Semester

Country Report: Lithuania

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The report provides an overview of current emission trends and progress towards targets as well as policy developments that took place over the period from February 2013 to November 2013.

Please feel free to provide any comments or suggestions to the authors through the contacts listed above.

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Short summary

Background: Lithuania is highly dependent on energy imports, mainly natural gas and oil, after the shut-down of the only nuclear power station. The promotion of renewable energy, especially renewable heat, and the construction of a new nuclear power plant are planned as part of the 2012 Energy Independence Strategy. The 2012 National Strategy on Climate Policy sets national climate targets and objectives for the short-, medium- and long-term. A number of measures are outlined in a recently published Action Plan. Policies are also in place addressing agriculture, waste and forestry.

Non-ETS emission reduction target: The Lithuanian 2020 target is a limitation in emissions growth to +15 % (compared to 2005 emissions). In actual fact, emissions declined by 1% between 2005 and 2011. According to the latest national projections submitted to the Commission and when existing measures are taken into account, the target is, however, expected to be missed by 8 percentage points: +23% in 2020 compared to 2005.

Key indicators 2011:

GHG emissions	LT	EU
ESD EU 2020 GHG target (comp. 2005)	+15%	
ESD GHG emissions in 2011 (comp.2005)	-1%	-9%
Total GHG emissions 2012 (comp.2005)	-6%	-12%
GHG emissions/capita (tCO_2eq)	7.1	9.0

→ **21% lower** per capita emissions than EU average

GHG emissions per sector	LT	EU
Energy/power industry sector	22%	33%
Transport	21%	20%
Industry (incl. industrial processes)	23%	20%
Agriculture (incl. forestry & fishery)	24%	12%
Residential & Commercial	6%	12%
Waste & others	5%	3%

→ **Agriculture**, Industry, **Energy/power industry** sector and **Transport** nearly on same level

Energy	LT	EU
EU 2020 RES target	+23%	
Primary energy consumption/capita (toe)	2.3	3.4
Energy intensity (kgoe/1000 €)	302	144
Energy to trade balance (% of GDP)	-7.8%	-3.2%

→ **31% lower** per capita consumption, **double** energy intensity and contribution of energy to trade balance more than double EU average.

Taxes	LT	EU
Share of environmental taxes (% of GDP)	1.7%	2.4%
Implicit tax rate on energy (€/toe)	71	184

→ **Lower** share of environmental taxes and **61% lower** implicit tax rate on energy than EU average.

Key policy development in 2013: An Inter-Institutional Action Plan came into effect, specifying implementation measures for achieving the objectives set out in the National Climate Strategy. Lithuania also took important steps to spur energy efficient renovations of residential buildings, and is currently drafting new policies on waste management. Furthermore, the support for solar power was reduced.

Key challenges: Energy efficiency in residential buildings remains a key challenge for Lithuania, despite recent policies to increase the modernisation rate. Especially in the wide-spread multi-family buildings the savings potential, e.g. for heat, is as high as 50%. Considering the large number of buildings that need to be modernised (around 11,000), the number of modernization projects supported under the new funding scheme is rather limited. Another challenge is the transport sector, which accounts for a high share of Lithuania's emissions but policy measures targeting it are limited. As one of very few countries in the EU, Lithuania levies neither a registration nor an ownership tax on non-commercial vehicles. Transport fuel taxes are amongst the lowest in the EU, and diesel is taxed at a strikingly lower rate than petrol, thus not reflecting CO_2 emission levels appropriately.

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1 Background on climate and energy policies

Climate change is an increasingly important topic in Lithuania's policy development. In 2013, Lithuania took further steps to address climate change. In May, an Inter-institutional Action Plan ([1]) came into effect. The document provides for concrete actions to implement policies and to achieve goals established in the National Strategy for Climate Change Management Policy (*Nacionalinė klimato kaitos valdymo politikos strategija*), which was adopted in November 2012 (Seimas 2012a).

In 2013, significant developments could be observed in Lithuania with regards to energy efficiency and renewable energy. By amending the existing housing law (Law on State Support for the Acquisition or Rent of Housing and for the Renovation of Multifamily Buildings of the Republic of Lithuania) ([2]) in the first half of 2013 greater authority has been provided to municipalities and a new financing model for renovation has been introduced, which accelerated Lithuania's modernisation process (Grynas 2013). In addition, multiple grants to projects resulting in improved energy efficiency in buildings have been announced by the Lithuanian Environmental Investment Fund (LEIF). ([3]) Also the main existing support scheme for renewable electricity - a feed-in tariff (FiT) has been amended several times during 2013. These changes negatively affected solar power development by restricting the funding for solar power facilities. In addition, the cap for financial support to electricity generated in biofuel power plants was reduced from 355 MW to 105 MW in July 2013 meaning that fewer projects than initially planned will be now supported by the state (see Chapter 4).

Waste management policies have been pushed forward by the Ministry of Environment (MoE) recently. The Ministry already prepared a legislative package to implement the waste management requirements of the European Union (MoE 2013a) and is currently drafting the National Waste Management Plan for 2014-2020 (*Valstybinis atliekų tvarkymo 2014-2020 metų planas*) to achieve that at least 50% of municipal waste is recycled and the amendments to the Law on Waste Management (*Atliekų tvarkymo įstatymas*) aimed at to encouraging individuals and businesses to sort the waste they produce (MoE 2013b; MoE 2013c).

In the field of transport, the Draft National Transport Development Programme (*Nacionalinė susisiekimo plėtros 2014–2022 metų programa*) is currently being developed by the Ministry of Transport and Communications. The Programme is due to be submitted to the government for its approval in late 2013 ([4]). The Ministry of Finance is considering to introduce the vehicle tax from 2015 onwards (Lrytas 2013c; Ekonomika 2013). Positive developments could be observed with regard to the improvement of public transport. In June 2013, a loan agreement was signed between European Investment Bank (EIB) and JSC "Lithuanian Railways" (AB „Lietuvos geležinkeliai“) concerning the

[1] Inter-institutional Action Plan, approved by Resolution No. 366 of the Government of the Republic of Lithuania, 23 April 2013.

[2] Law amending articles 13, 14 and 15 of the Law on the State Support for the Acquisition or Rent of Housing and for the Renovation (Modernization) of Multifamily Buildings of the Republic of Lithuania, 17 January 2013, No XII-149.

[3] Information on grants can be found on the LEIF website at www.laaif.lt

[4] Order No. 3-308 of the Minister for Transport and Communications, 28 May 2013.

renewal of old trains with more energy efficient diesel and electric trains (MfT 2013). Moreover, the Ministry of Environment announced that from the money received for GHG emission allowances traded in the EU ETS 93 environment-friendly buses will be purchased (MoE 2013d).

Finally, Lithuania has made a significant progress in connecting itself to European energy markets. In November 2013, the Lithuanian transmission grid operator Litgrid signed the last contract concerning the strategic project *LitPol Link* (Litgrid 2013d).

2 GHG projections

Background information

In 2011, Lithuania emitted 21.6 Mt CO_2eq (UNFCCC inventory 2011). Total emissions decreased by more than 50% between 1990 and 2011, driven mainly by the transition to a market economy in the 1990s and more recently by the global financial crisis. Energy supply, agriculture, and transport accounted for the highest emissions. However, emissions in all sectors dropped significantly (some by up to 60%) between 1990 and 2011. The collapse of production in the post Soviet era, accounts for Lithuania's sharp emissions decline in the early 1990s, as does the significant decline in agricultural activity. By 2011, emissions from energy use were still nearly 80% below 1990 levels. Emissions from industrial processes fell rapidly in the early 1990s, but started to increase steadily until the start of the global financial crisis. The sharp drop in industrial emissions between 2008 and 2010 has been offset by a 70% increase between 2010 and 2011 (UNFCCC inventory 2011, EEA 2012, UNFCCC 2012). From 2011 to 2012, GHG emissions are expected to increase further (EEA 2013b).

Progress on GHG target

There are two sets of targets to evaluate: 1) the Kyoto Protocol targets for the period 2008-12 (which has just ended) and 2) the 2020 targets for emissions not covered by the EU ETS.

Under the Kyoto-Protocol the emission reduction target for Lithuania for the period 2008-2012 has been set to minus 8 % based on 1990 for CO_2, CH_4 and N_2O and on 1995 for F-gases. An evaluation of the latest complete set of greenhouse gas data (for the year 2011; there is only preliminary data for 2012) shows that Lithuania's emissions have decreased on average by 56.3% compared to the Kyoto base year (EEA 2013a). Thus, Lithuania is expected to meet its Kyoto target through domestic emissions reductions directly.

By 2020, Lithuania can increase its emissions not covered by the EU ETS by 15% compared to 2005 according to the Effort Sharing Decision (ESD) ([5]). The latest data for 2012 suggests that Lithuania is on track at present to meet the Annual Emissions

[5] Decision No 406/2009/EC of the European Parliament and of the Council of 23 April 2009 on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020.

Allocation ([6]) for the year 2013. However, national projections (EEA 2013b) show that the country will fail to meet its 2020 target with existing measures by 8 percentage points if no additional measures are taken (see Table 1).

Table 1: GHG emission developments, ESD-targets and projections (in Mt CO_2eq)

						ESD target**		2020 Projections***	
	1990	2005	2010	2011	2012*	2013	2020	WEM	WAM
Total	48.8	23.3	21.1	21.6	22.0				
Non-ETS		16.2	14.7	16.0	16.3	16.7	14.9	16	14
(% from 2005)					1%	3%	15%	23%	10%
Energy supply	13.5	5.7	5.3	4.4					
(% share of total)	28%	24%	25%	21%					
Energy use (w/o transport)	11.5	2.6	2.6	2.6					
(% share of total)	24%	11%	12%	12%					
Transport	7.6	4.4	4.6	4.5					
(% share of total)	16%	19%	22%	21%					
Industrial processes	4.4	4.1	2.2	3.7					
(% share of total)	9%	18%	11%	17%					
Agriculture	10.3	5.1	5.0	5.0					
(% share of total)	21%	22%	24%	23%					

Source: UNFCCC inventories; EEA (2013b); Calculations provided by the EEA and own calculations.
** proxies for 2012 emissions summarised by EEA (2013b)*
*** The ESD target for 2013 and for 2020 refer to different scopes of the ETS: the 2013 target is compared with 2012 data and is therefore consistent with the scope of the ETS from 2008-2012; the 2020 target is compared to 2020 projections and is therefore consistent with the adjusted scope of the ETS from 2013-2020. 2005 non-ETS emissions for the scope of the ETS from 2013-2020 amounted to 13 Mt CO_2eq.*
**** Projections with existing measures (WEM) or with additional measures (WAM).*
Legend for colour coding: green = target is being (over)achieved; orange = not on track to meet the target
Total greenhouse gas emissions (GHG) and shares of GHG do not include emissions and removals from LULUCF (carbon sinks) and emissions from international aviation and international maritime transport.

National projections of GHG emissions up to 2020 need to be prepared by the Member States in accordance with the EU Monitoring Mechanism ([7]) every two years, and the latest submission was due in 2013. The projections need to be prepared reflecting a scenario that estimates total GHG emissions reductions in line with policies and measures that have already been implemented (with existing measures, WEM), and an additional scenario that reflects developments with measures and policies that are in the planning phase (with additional measures, WAM) may also be submitted.

In the following two tables, these measures have been summarised with a focus on national measures and those EU instruments expected to reduce emissions the most.

[6] Commission decision of 26 March 2013 on determining Member States' annual emission allocations for the period from 2013 to 2020 pursuant to Decision No 406/2009/EC of the European Parliament and of the Council. Online available at: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:090:0106:0110:EN:PDF

[7] Decision No 280/2004/EC of the European Parliament and of the Council of 11 February 2004 concerning a mechanism for monitoring Community greenhouse gas emissions and for implementing the Kyoto Protocol.

Please note that the table includes also measures that address GHG emissions covered under the ETS such as measures reducing emissions from electricity generation (e.g. feed-in tariffs). An update on the status of the policies and measures is included in order to assess the validity of the scenarios.

Table 2: Existing and additional measures as stated in the 2013 GHG projections

Existing Measures (only important national measures)		Status of policy in November 2013
Transport	Promoting the production and consumption of the biofuels	
	• National Strategy for Climate Change Management Policy	ongoing
	• Exemption from environmental pollution tax	ongoing
	• Law on Energy from Renewable Sources	ongoing
	• Excise tax relief	ongoing
	• Subsidy available for the production of dehydrated ethanol	ongoing
Other non-ETS sectors	Waste: Management of biodegradable and municipal waste (Reduction of biodegradable waste deposition in the landfills; Collection and recover of methane from all new and old landfills)	
	• Law on Waste Management	adopted
	• National Waste Management Strategic Plan (approved by Resolution No. 519 of 12.04.2002)	adopted
	Agriculture: Measures taken to reduce the loss of nutrients during agriculture activities	
	• Order No. D1-367/3D-342 of 14.07.2005 on environmental requirements for manure management	adopted
	• The Programme for minimization of water pollution caused by agriculture activities (approved by Order No. D1-490/3D-391 of 08.06.2012)	adopted
	LULUCF: Afforestation of low fertility soils: National Forest Sector Development Programme for 2012-2020	implementation until 2020

Source: Reporting of MS in accordance with Decision No 280/2004/EC about their GHG emission projections up to 2020, May 2013.

Additional Measures (only important national measures)		Status of policy in November 2013
Transport	Increasing the number of asphalt roads in the whole national road network. Increase number of travels with public transport, railways, bicycles etc. Develop the infrastructure for electric vehicles in cities. Implement the electrification projects of the main railway transport corridors	Planned as part of the "Implementation plan of the Strategy for National Climate Change Management Policy"
Other non-ETS sectors	More efficient management of manure management systems and reduction of nitrogen compounds during the agriculture activities	Planned as part of the Rural Development Programme 2014–2020

Source: Reporting of MS in accordance with Decision No 280/2004/EC about their GHG emission projections up to 2020, May 2013.

As of September 2013, all policies/measures contained in the WEM scenario are ongoing or adopted. The achievement of the 2020 target will however, require the effective

implementation also of the additional measures. This includes further action in the transport sector and in agriculture; implementation is planned to start in 2014.

3 Evaluation of National Reform Programme 2013 (NRP)

In April of each year, Member States are required to prepare their National Reform Programmes (NRPs), which outline the country's progress regarding the targets of the EU 2020 Strategy. The NRPs describe the country's national targets under the Strategy and contain a description of how the country intends to meet these targets. For climate change and energy, three headline targets exist: 1) the reduction of GHG emissions, 2) the increase of renewable energy generation, and 3) an increase in energy efficiency.

Lithuania's NRP indicates a number of policies and measures aimed at increasing the deployment of renewables and improving energy efficiency, mainly in multifamily and public buildings (through renovation). Measures are also foreseen in the transport sector, with for instance the modernisation of public transport systems and the development of railway transport infrastructure, among others. The reduction of energy use by private companies through voluntary agreements or EEOS, is also being drafted. Moreover, the NRP provides for waste and water management measures that were implemented in 2012 and lists additional measures planned for 2013, such as the development of a National Waste Prevention Programme (*Valstybinė atliekų prevencijos programa*).

The NRP gives very little attention to environmental taxes. The document indicates some plans for 2013, covering identification and/or introduction of new taxes promoting environmental protection, while adequately reducing non-environmental taxes. However, no specific fiscal measures are indicated. Moreover, no measures in the field of agriculture or land use, land-use change and forestry (LULUCF) are mentioned.

In the following table, the main policies and measures as outlined in the NRP of April 2013 ([8]) have been summarised, and their current status (implemented, amended, abolished, or expired) is given, with specifics on latest developments.

Table 3: Main policies and measures as outlined in the NRP, April 2013

National Strategy for Climate Change Management Policy	
Status as stated in the NRP	Approved on 6 November 2012
Status as per Nov 2013	Ongoing implementation of envisaged measures
Description of policy or measure	Sets out tasks and objectives for climate change mitigation and adaptation.

[8] All NRPs are available at: http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm

Inter-institutional activity Plan for the Implementation of the Aims and Objectives of the National Strategy for Climate Change Management Policy for 2013-2020	
Status as stated in the NRP	Draft prepared
Status as per Nov 2013	Came into effect in May 2013
Description of policy or measure	The Plan provides for economic, commercial, environmental, and other measures to achieve objectives set in the National Strategy for Climate Change Management Policy.

Special Programme for Climate Change (SPCC)	
Status as stated in the NRP	Implemented
Status as per Nov 2013	Ongoing
Description of policy or measure	The programme is aimed at implementing projects increasing energy efficiency in energy generation and consumption.

Law on Energy From Renewable Sources	
Status as stated in the NRP	Amended on 17 January 2013
Status as per Nov 2013	Amended on 30 May and 2 July, 2013
Description of policy or measure	The law sets the legal framework for renewable energy sources. Among other things, the amendments taking place in 2013 restricted permitting of solar power facilities applied for after July 2013. The aim of legal modifications was to avoid rising electricity prices (public interest protection) and to balance development of renewables.

Programme for the Renovation (Modernization) of Multi-apartment Buildings	
Status as stated in the NRP	Implemented
Status as per Nov 2013	Ongoing
Description of policy or measure	Between 2009 and 2012, 261 multi-apartment buildings were modernised. Currently, 358 multi-apartment buildings are being modernised. In March 2013, further 500 multi-apartment buildings were selected for modernisation. In July 2013, application process for buildings not being selected in March has been launched.

Renovation of Public Buildings (EU Structural Assistance for 2007–2013 (Operational Programme for Promotion of Cohesion))	
Status as stated in the NRP	Implemented
Status as per Nov 2013	Ongoing
Description of policy or measure	In 2012, funding was allocated to 62 projects. In total, 680 public buildings were renovated by the end of 2012. In July 2013, the Lithuanian Environmental Investment Fund launched application procedures for grants to improve energy efficiency in public buildings (overall 56 million LTL (approx. €16.2 million) to be offered).

Voluntary agreements with energy companies	
Status as stated in the NRP	Implemented
Status as per Nov 2013	Ongoing
Description of policy or measure	Nine voluntary agreements with energy companies have been signed so far.

The Energy Efficiency Obligation Scheme	
Status as stated in the NRP	Draft being developed
Status as per Nov 2013	Draft being developed
Description of policy or measure	The scheme shall implement the Directive 2012/27/EU on energy efficiency. Implementation would result in energy savings amounting to approx. 671 ktoe in 2020.

National Transport Development Programme	
Status as stated in the NRP	Draft prepared
Status as per Nov 2013	Draft due to be submitted to the government for its approval
Description of policy or measure	Implementation of the measures envisaged in the programme expected to reduce final energy consumption in the transport sector by 8% by 2020.

National research programme 'Future Energy'	
Status as stated in the NRP	Programme implementation period 2010-2014
Status as per Nov 2013	Ongoing
Description of policy or measure	The Programme is aimed at ensuring Lithuania's energy-related objectives.

4 Policy development

This section covers significant developments made in key policy areas between February and November 2013. It does not attempt to describe every instrument in the given thematic area.

Horizontal Measures

In May, an Inter-institutional Action Plan ([9]) came into effect, providing for concrete implementing policies to achieve the objectives of the National Strategy for Climate Change Management Policy. Mitigation measures aim to reduce greenhouse gas (GHG) emissions, develop a competitive low-carbon economy, deploy eco-innovative technologies, increase energy-efficient production and consumption, as well as streamline renewable energy across all economic sectors.

[9] Inter-institutional Action Plan, approved by Resolution No. 366 of the Government of the Republic of Lithuania, 23 April 2013.

Recently, a parliamentary working group has proposed amendments to the National Energy Independence Strategy (*Nacionalinė energetinės nepriklausomybės strategija*), which was renewed in June 2012 (Seimas 2012b). Proposals to amend the strategy emerged after the referendum on the construction of Visaginas Nuclear Power Plant (VNPP) in October 2012 as the majority of the population (63%) voted against renewed construction (MoEn 2013a; CEC 2012). In October 2012, the draft parliamentary resolution ([10]) was registered, effectively revising the national energy strategy so that electricity will be produced by combined heat and power (CHP) plants and from renewable energy sources (MoEn 2013a) rather than nuclear power as previously planned. In July 2013, Prime Minister Algirdas Butkevičius stated that a final decision on VNPP construction would be taken in autumn 2013 (Lrytas 2013a). However, the nuclear energy situation remains uncertain. During an interview on 17 October 2013, the Prime Minister indicated that in his view a second referendum on the construction of the VNPP is necessary, as the expected cost of the project has decreased. However, it is unclear if and when a new referendum would take place (Lrytas 2013b).

The achievement of national emissions targets might further be aggravated by the fact that due to inaccurate GHG emissions data, Lithuania was not allowed to sell GHG emission allowances to other countries in the European Union Emission Trading System (EU ETS) from the end of 2011 to October 2012. From the sold allowances Lithuania managed to gather only 80 million LTL (approx. €23 million) ([11]) instead of the planned 0.5 billion LTL (approx. €144 million) in 2012. Another factor contributing to decreased revenue was the low market price of ETS allowances. According to the Ministry of Environment, state revenue from sold allowances in 2013 may be 50% lower than projected (85 million LTL, approx. €24.5 million). Decreased revenues, administered through the Special Programme for Climate Change (SPCC), will negatively affect the financing of environmental projects (Delfi Žinios 2013a; National Audit Office 2012).

Environmental Taxation

The share of Lithuania's environmental tax revenues of total tax revenues was at 6.5% in 2011, ranking Lithuania 18th among MS. In comparison to the GDP, the proportion of these revenues is even lower and reaches a mere 1.71%, which is the second lowest value in the EU. Lithuania has no explicit carbon tax in place. The implicit tax rate on energy had a value of 71.2 € per tonne of oil equivalent (toe) in 2010. Lithuania's economy is also energy intensive and in 2010 it was ranked the 8th most energy intensive economy in the EU. Thus, despite the country's low implicit tax rate, the share of energy tax revenues in total tax revenues was comparatively high (Eurostat 2013a).

The Environmental Pollution Tax accounted for more than 90% of environmental tax revenues in 2010 (EuroStat 2012bc). The pollution tax is paid by polluters from various point and mobile sources, with point sources referring to economic and commercial activities and mobile sources to manufacturers and importers polluting the environment with product and/or packaging waste. The corresponding *Law on Pollution Tax* (*Mokesčio*

[10] Draft Resolution of the Lithuanian Parliament on the National Energy Independence Strategy, 23.10.2012, No. XIP-4939.

[11] All currency exchange rates in this country report are of 10.09.2013 (www.oanda.com)

už aplinkos teršimą įstatymas) ([12]), however, sets out extensive tax exemptions for different groups. For example, polluters in transport vehicles are exempt from paying the tax if they have installed exhaust gas neutralisation systems, or if the transport vehicle is used for agricultural activities (if income gained from such activities accounts for more than 50% of their total income), or if the vehicle uses biofuels that meet established standards. Tax exemptions are also applied to the emissions from point sources, with for instance, tax exemption for emissions from biofuels. The pollution tax for emissions from point sources is paid according to the actual quantity of emissions discharged into the atmosphere during the reporting period, while tax for emissions from mobile sources is paid according to the quantity of fuel used during the reporting period. The pollution tax on product and/or packaging waste is paid according to the quantity of taxable products and/or filled taxable packaging actually placed on the internal market during the reporting period (State Tax Inspectorate 2013). The multitude of exemptions has affected impact of the pollution tax on emission reductions, but simultaneously has become the main source of environmental tax revenues.

It is likely that a Vehicle Tax will be implemented, however, the Ministry of Finance stated that it would not be introduced before 2015 (Lrytas 2013c; Ekonomika 2013). It is important to note that the Draft Law on Vehicle Taxation (*Mokesčio už transporto priemones įstatymo projektas*) ([13]) was rejected in mid-2012 due to an unclear definition of the basis of the tax (for more details see section Transport).

Energy Efficiency

As mentioned above, Lithuania's economy exhibits high energy intensity, but this intensity has decreased 28% between 2005 and 2011. During the same time, overall energy consumption increased slightly by 2%. However, in the following year this trend reversed and Lithuania's energy consumption decreased by 1%. Compared to the EU average, where the reduction rate lies at 4%, Lithuania still needs to increase its efforts (Eurostat 2013a).

Overall, energy efficiency in the industrial sector increased by 40% between 2000 and 2010 with performance in energy intensive industries being especially noteworthy. Although energy efficiency in the household sector has improved by 6% as of 2010, progress is much slower since 2000 than in previous years (Odyssee 2012).

In 2013, the Lithuanian Parliament took important steps to facilitate energy efficiency renovations in multifamily buildings. By amending the existing housing law (*Law on State Support for the Acquisition or Rent of Housing and for the Renovation of Multifamily Buildings of the Republic of Lithuania*) ([14]), municipalities were given greater authority to approve efficiency upgrades as of March 2013. Furthermore, a new financing model has been introduced whereby loans for renovations are provided not only to the apartment owners but also to the administrators of multifamily buildings, public entities, and other persons responsible for projects and appointed by municipalities (Grynas 2013). From

[12] The Law on Pollution Tax of the Republic of Lithuania, 13 May 1999, No. VIII-1183.

[13] Resolution No. 691 of the Government of the Republic of Lithuania, 13 June 2012.

[14] Law amending articles 13, 14 and 15 of the Law on the State Support for the Acquisition or Rent of Housing and for the Renovation (Modernization) of Multifamily Buildings of the Republic of Lithuania, 17 January 2013, No XII-149.

June 2013 ([15]), funds for the modernization project (covering preparation, administration, and technical supervision) are provided for by the state and may be reimbursed either after the completion of the renovation process or by directly paying these costs. Finally, the amount of additional state support for energy efficiency measures from the SPCC was increased from 15% to 25%. Thus, those initiating renovation in 2013 will be eligible to receive state subsidy amounting to 40% of total modernization costs (15% from JESSICA and 25% from the SPCC) (Grynas 2013).

The above mentioned legal modifications accelerated Lithuania's modernisation process of multifamily buildings. By March 2013, the first selection phase took place with more than 1,000 energy-inefficient buildings earmarked for renovation, from which some 500 buildings have been selected (Grynas 2013). Overall 56 municipalities are participating in the first phase of renovation (MoE 2013e). Selected buildings included multifamily buildings requiring urgent modernization due to their great energy consumption for heating (Grynas 2013). In July 2013, the second phase of the renovation of multifamily houses was launched. Municipalities that had buildings that were rejected in the first selection phase were able to resubmit their applications (MoE 2013f).It is important to note that since the introduction of the Programme for Renovation of Multifamily Buildings in 2005, only 500 houses have been renovated across Lithuania (MoE 2013g). In consideration of the fact that 96% of multifamily buildings in Lithuania (more than 34,000 houses) were built before 1993 and most of them have a very poor level of energy efficiency (Ekonomika 2012), the progress of the programme is relatively limited in comparison to the stock of buildings in need of need urgent renovation. It becomes clear, therefore, that potential emissions reductions in the housing sector are significant and future efforts to implement incentives to streamline and accelerate renovation process are of great importance.

In addition, the Lithuanian Environmental Investment Fund (LEIF) announced multiple grants to projects resulting in improved energy efficiency in buildings ([16]):

- 2 million LTL (approx. €576.687) will be awarded to natural persons owning or managing single or two apartment home and willing to install renewable technologies in their homes in order to generate electricity for personal consumption purposes;
- 3.38 million LTL (approx. €974.601) is envisaged for the refurbishment of a single or two apartment home owned by natural persons, resulting in energy efficiency class C and reducing energy consumption costs by at least 20%;
- 40 million LTL (approx. €11.5 million) will be provided for the refurbishment of publicly owned buildings leading to a reduction of energy consumption costs and 16 million LTL (approx. €4.6 million) to support installation of biofuel boilers in public buildings;
- 45 million LTL (approx. €13 million) shall be awarded to projects installing up to 10 MW capacity biofuel boilers for district heating;

In October 2013, LEIF invited applications for grants to district heating suppliers and system owners financing installation of biofuel boilers up to 10 MW for district heating. 3

[15] Law amending and supplementing articles 2, 13 and 15 of the Law on the State Support for the Acquisition or Rent of Housing and for the Renovation (Modernization) of Multifamily Buildings of the Republic of Lithuania, 16 May 2013, No. XII-320.

[16] Information on grants can be found on the LEIF website at www.laaif.lt

million LTL (approx. €865,290) will be awarded to winning projects. The maximum amount granted to each project may not exceed 5 million LTL (approx. €1,442 million) or 50% of eligible project costs ([17]).

Some of the subsidies identified above for energy efficiency measures are limited by environmental performance criteria. For example, the environmental efficiency of the subsidy for the refurbishment of publicly owned buildings that results in a reduction of energy consumption costs may not be less than one reduced kilogram of CO2 equivalent per 1 LTL (approx. €0.29), while environmental efficiency of the subsidies for the installation of biofuel boilers in public buildings as well as for district heating shall be equal to or be greater than one reduced kilogram of CO2 equivalent per 0.5 LTL (approx. €0.14). The aim of the environmental performance criteria is to select and finance projects resulting in greater energy efficiency improvements and thus greater benefits to the environment.

Renewable Energy

Energy from renewable sources accounted for 20.3% of total energy consumption in 2011. Thus, Lithuania is in a good position to meet its 2020 target of 23% of total energy use from renewable energy technologies. In the electricity sector, the proportion of final consumption produced from renewable sources increased between 2005 and 2011 from 3.8% to 9% but remains relatively low (Eurostat 2013b).

In 2013, several significant modifications to the main existing measure for promoting renewable electricity generation - a feed-in tariff (FiT), took place in Lithuania. As the original FiT, or guaranteed pricing for renewably-produced electricity was viewed as too generous (Delfi Žinios 2012) ([18]), the Parliament passed several amendments to the existing *Law on Energy from Renewable Sources* (*Atsinaujinančių išteklių energetikos įstatymas*) ([19]) in January 2013, that resulted in restricted funding for solar power facilities. These amendments aimed to balance the development of renewables and avoid rising electricity costs. In addition, the National Control Commission for Prices and Energy (NCC) modified the tariff-setting methodology ([20]), by changing the definition of small power plants (reduced the total installed capacity from 30 kW to 10 kW), meaning that now more power plants (those above 10 kW) will have to compete in tendering processes in order to receive the funding. Finally, due to reduced technology and investment costs, tariff rates for the electricity generated from solar power have been reduced significantly from April 2013 ([21]) (e.g., for solar power plants with installed capacity above 100 kW, the tariff rates have been decreased from 1.14 LTL/kWh (approx. 0.33 €/kWh) to 0.81 LTL/kWh (approx. 0.23 €/kWh).

[17] Information on grants can be found on the LEIF website at www.laaif.lt

[18] In November 2012, the National Control Commission for Prices and Energy disclosed that the installed capacity would be eight times higher than the supported capacity anticipated in the Law on Energy from Renewable Sources if all currently planned projects were to be implemented.

[19] Law amending and supplementing articles 2, 11, 13, 14, 16, 20, 21 of the Law on Energy from Renewable Sources, 17 January 2013, No. XII-170.

[20] Resolution No. O3-41 of the National Control Commission for Prices and Energy, 22 February 2013.

[21] Resolution No. O3-58 of the National Control Commission for Prices and Energy, 28 February 2013.

The recent changes to the FiT scheme led to a number of claims for damages in court by small solar power producers, as they are faced with significantly lower FiT rates now. At the moment of obtaining the permission for expanding generation capacity, a 1.44 LTL/kWh (approx. 0.42 €/kWh) FiT was applicable to solar power plants not integrated in buildings and a 1.80 LTL/kWh (approx. 0.52 €/kWh) FiT rate was applicable to solar power plants integrated in buildings with installed capacity of up to 30 kW. With the above given amendment, producers will have to sell their electricity for 12 years for FiT rates which are 0.19 LTL/kWh (approx. 0.05 €/kWh) and 0.20 LTL/kWh (approx. 0.06 €/kWh) lower than those previously available (15min 2013; Delfi Žinios 2013b). However, in order to avoid further claims, in May 2013, the Parliament established that the amendments of 17 January 2013 will apply only to small solar generators submitting their applications for issuance of the permission for generation after 1 July 2013 ([22]). Moreover, the government approved the *Procedure on Reimbursement of Cost Associated with Solar Energy Project Development* (*Išlaidų, susijusių su saulės šviesos energijos elektrinės projekto plėtojimu, kompensavimo tvarkos aprašas*) ([23]), regulating compensation of project development costs for those developers, which decide not to continue with the project development, due to the recent changes in the legal framework.

In July 2013, the *Law on Energy from Renewable Sources* was further amended ([24]). This time, the cap for financial support (coming from funds of public service obligations) to electricity generated by biofuel plants was reduced from 355 MW to 105 MW. Additional total installed capacity to be supported from other financial sources such as the National Renewable Energy Development Programme (*Nacionalinė atsinaujinančių energijos* išteklių *plėtros programa*) ([25]) or the EU funds shall be established in the National Heat Sector Development Programme (*Nacionalinė šilumos* ūkio *plėtros programa*) ([26]).

In May and June 2013, the NCC launched a number of tendering procedures however in August 2013, the tenders for wind energy and energy derived from biomass and biogas were terminated, because the total installed capacity of projects issued already reached the caps for financial support set in the *Law on Energy from Renewable Sources* (500 MW for wind and 105 MW for biofuels) (NCC 2013a; NCC 2013b).

To increase the uptake level of solid biomass in the heating sector and decrease heating prices for consumers, from 2014 onwards, the Directorate General of State Forests will be responsible for collecting woodchips from logging waste from and trading them at a competitive price on Lithuania's power exchange "Baltpool." Increased use of logging waste for biofuels production is envisaged in the *National Forest Sector Development Programme for 2012-2020* (*Nacionalinė miškų ūkio sektoriaus plėtros 2012-2020 metų*

[22] Law on Energy from Renewable Sources, 12 May 2011, No XI-1375, in effect from 1 July 2013 until 19 July 2013.

[23] Procedure on Reimbursement of Costs Associated with Solar Energy Project Development, approved by Resolution No. 594 of the Government of the Republic of Lithuania, 26 June 2013.

[24] Law amending articles 5, 12, 13, 36, 40, 41, 42, 57 and 58 of the Law on Energy from Renewable Sources, 2 July 2013, No. XII-494.

[25] National Renewable Energy Development Programme, approved by Resolution No. 789 of the Government of the Republic of Lithuania, 21 June 2010.

[26] According to the amendments to the Law on Energy from Renewable Sources, the National Heat Sector Development Programme is due to be drafted in the future; however, no specific timeframe was mentioned.

programa) ([27]), which was approved by the government on 23 May 2012. Volumes of logging waste used for biofuels are set to reach 300,000 cubic meters in 2015 and 500,000 cubic meters in 2020. In 2011, the volume of logging waste sold amounted to approx. 155,000 cubic meters (MOE 2013h).

Energy Networks

Lithuania has made significant progress in connecting itself to European energy markets. The planned Lithuanian-Polish power link (*LitPol Link 1* and *LitPol Link 2*) as well as Lithuanian-Swedish power link (*NordBalt*) aim to end Lithuania´s isolation and integrate it in the European Union's single electricity market. Phase 1 of the *LitPol Link 1* project intends to link 500 MW by 2015 and Phase 2 aims to link 1,000 MW by 2020. The project requires additional 700-800 MW power transmission lines between Lithuania and Poland (LitPol Link 2). In addition, the *NordBalt* project plans construction of an undersea power cable from Lithuania to Sweden by 2015. This link will enable Lithuania to connect to the Nordic countries' power system to trade electricity, providing access to cheaper power balancing reserves (Seimas 2012b).

Interconnection of the Lithuanian grid with the grid of continental Europe would integrate the Baltic States with Europe's power market. The Baltic States have reached a political agreement on this issue and secured the support of the European Commission. By decision of the Council of the European Union on 28 February 2012, the European Commission was authorised to negotiate (on behalf of the Baltic States) with Russia and Belarus over the control of the Baltic energy systems as well as their compatibility with the 3rd EU Energy Package (Seimas 2012b).

In October, a feasibility study undertaken by the Swedish company Gothia Power, regarding the Baltic States' integration into the EU's internal electricity market and implementation of possible interconnections has been completed. The study assessed technical, legal, and socio-economic aspects of the integration and came to the conclusion that the synchronous interconnection of the Baltic States into the EU's internal electricity market is a complex task, but would be both technically and legally feasible (Litgrid 2013a).

Lithuania took further steps toward this eventual grid integration in February 2013, when the Lithuanian transmission system operator *Litgrid* signed a contract with the global technology group *ABB* for the design and construction of a high-voltage direct current (HVDC) back-to-back converter (central element in the LitPol Link interconnection) scheduled to be built next to the Alytus transformer substation. Construction work is planned to start in spring 2014 and finish by December 2015 (Litgrid 2013b). In April 2013, a tender for the construction of 400 kV transmission line from Alytus city to the Polish-Lithuanian border, which will form part of the LitPol Link interconnection, was launched (Litgrid 2013c). In November 2013, Litgrid signed the last contract concerning the strategic project *LitPol Link*. The contractor A. Žilinskio ir Ko UAB will construct a 51 km power line from the Alytus transformer substation to the Polish border. The construction work is expected to start next spring and is due to be completed by June 2015 (Litgrid 2013d).

[27] National Forest Sector Development Programme for 2012-2020, approved by Resolution No. 569 of the Government of the Republic of Lithuania, 23 May 2012.

Further developments could be observed also concerning the Lithuanian–Swedish power link *NordBalt*. In March 2013, the Lithuanian government gave its final approval to the construction of the *NordBalt* undersea power cable within the country's coastal zone and exclusive economic zone (MoEn 2013b). In May, the permits for the construction of a power link to Sweden have been successfully issued by the Lithuanian authorities (Litgrid 2013e). According to the CEO of Litgrid Virgilijus Poderys, the preparatory work is planned for autumn 2013, whereas the laying of the undersea power cable shall begin in spring 2014. The power line is approximately 450 km in length and 700 MW in capacity and will be the world's third-longest undersea power cable (MoEn 2013b; Bloomberg 2013).

The Gas Interconnection Poland-Lithuania *(GIPL)* is a strategic energy infrastructure project that upon its implementation will integrate Lithuania into the EU gas market, which would enable diversified gas supply to Lithuania increasing national energy security and creating a competitive gas market (MoEn 2013c). The project is progressing and the tender for a feasibility study on GIPL was awarded to "ILF Consulting Engineers Polska" July 2012 (Pipelines International 2012). In May 2013, conditions of tender for drafting GIPL development plan were announced (Verslo Žinios 2013).

In October 2013, Litgrid published the Lithuanian electricity transmission network development plan for 2013-2022 (*Lietuvos elektros energetikos sistemos 330 kV IR 110 kV tinklų plėtros planas 2013–2022 m.*). The plan envisions the construction of 540.4 km of 400-330 kV and 154.3 km of 110 kV overhead lines as well as four 400-330 kV and eleven 110 kV transformer substations by 2022. In addition, three new switchyards shall be constructed and three existing ones will be modernized. Moreover, the plan calls for two key strategic interconnection projects – one with Sweden (*NordBalt*) and the other with Poland (*LitPol Link*) – to be completed by 2015 (Litgrid 2013f; Litgrid 2013g).

Transport

Overall emissions from transport have decreased between 1990 and 2011 but remain almost at the same level since 2005, with some fluctuations. Their proportion among Lithuania's total emissions has generally increased and was 21% in 2011 after reaching its peak in 2010. These emissions are therefore still important to address in the future (Table 1).

Average emissions for newly registered cars are high in Lithuania with a level of 144.2 CO_2/km, the level 6th highest in the EU, but have decreased at a faster rate than the EU average between 2005 and 2012 (Eurostat 2013a). In Lithuania, no registration taxes are levied and ownership taxes only apply to commercial heavy weight vehicles, based on the maximum authorized weight and suspension type. However, these taxes are the lowest in the EU and do not take CO2 emissions into account. Lithuania has a time-based vignette system for buses, coaches and HDVs using highways (CE Delft 2012).

Petrol is taxed below the EU average, and transport diesel is taxed at a much lower rate (difference of around €100/1000 litres), which is amongst the lowest in the EU (European Commission 2013).

The 2012 National Strategy for Climate Change Management Policy (*Nacionalinė klimato kaitos valdymo politikos strategij*) (Seimas 2012a) includes general goals for reducing emissions from motor vehicles in Lithuania, including expansion of public road and rail transit and increased bicycle use. The Draft National Transport Development Programme

(*Nacionalinė susisiekimo plėtros 2014–2022 metų programa*) is scheduled to be submitted to the government for approval in December 2013 ([28]). The draft document promotes, for instance, short-distance city bike systems and car-share initiatives, and includes draft regulatory acts differentiating the road usage charge payable by owners or managers of vehicles, according to efficiency and emissions metrics.

In this context, the taxes on vehicles are planned to be introduced. However, a Draft Law on Vehicle Taxation (*Mokesčio už transporto priemones įstatymo projektas*) ([29]) was submitted to the Parliament in December 2011, but it was rejected in 2012 due to an unclear definition of the basis of taxation. Lawmakers suggested basing vehicle taxation levels on objective criteria, potentially including CO_2 emissions. The new draft is under development and it is still not clear how CO_2 emissions will be addressed. The Ministry of Finance considers introducing the vehicle tax from 2015 onwards (Lrytas 2013c; Ekonomika 2013).

In 2013, positive developments could be observed with regard to the improvement of public transport aimed at reducing GHG emissions in the transport sector. In June 2013, a long-term €50 million loan agreement was signed between European Investment Bank (EIB) and JSC "Lithuanian Railways" (AB „Lietuvos geležinkeliai“). The EIB funds will supplement the JSC's own investment in the renewal of old trains with more energy efficient diesel and electric trains (MfT 2013). Moreover, the money that Lithuania received for the greenhouse gas emission allowances traded in the EU ETS sold to Spain (89.7 million LTL (approx. €25.9 million)) will be used to purchase 93 environment-friendly buses (MoE 2013d).

Agriculture

In the agriculture sector, key emission reduction activities described in the National Strategy for Climate Change Management Policy (*Nacionalinė klimato kaitos valdymo politikos strategija*) include the promotion of organic farming practices and management of meadowlands no longer in production. Reduction of methane emissions through manure management systems at animal facilities are also mentioned, as well as measures to reduce GHG emissions from nitrogen-based fertilizer.

Waste

The Ministry of Environment has recently drafted a legislative package to implement the waste management requirements of the European Union. The following legal acts have been recently prepared: A Draft Law Amending the Pollution Tax Law (*Mokesčio už aplinkos teršimą įstatymo pakeitimo projektas*) that envisages introduction of landfill tax and a Draft Law Amending the Packaging and Packaging Waste Management Law (*Pakuočių ir pakuočių atliekų tvarkymo įstatymo pakeitimo projektas*), which introduces mandatory deposit for beverage packaging (MoE 2013a). According to the drafted amendments to the *Law on Packaging and Packaging Waste Management*, a deposit system for cans and PET bottles would be introduced in Lithuania in 2015. The draft amendments have been sent to stakeholders for informal coordination. A deposit system

[28] Order No. 3-308 of the Minister for Transport and Communications, 28 May 2013.

[29] Draft Law on Vehicle Taxation, 09.12.2011, No. XIP-3959.

for glass bottles has been in place in Lithuania since 2006. The system has led to the recycling of 85-90% of glass bottles since its implementation (MoE 2013i).

The National Waste Management Plan for 2014-2020 (*Valstybinis atliekų tvarkymo 2014–2020 metų planas*) is currently being drafted by the Ministry of Environment (MoE 2013b). It will focus on waste collection and recycling, instead of waste incineration and landfills. Up to now, the majority of municipal waste is being removed to landfills and only 19% is recycled. The main objectives of the plan are to achieve a rate whereby at least 50% of municipal waste is recycled with 22% ending in landfills. It also encourages the use of waste for energy generation (MoE 2013b). A public consultation on the draft plan took place in the Ministry of Environment on 24 October 2013, where all stakeholders had a chance to submit their comments and recommendations. Along with the draft plan, results of the strategic environmental impact assessment were presented and discussed and municipal waste management alternatives were analyzed and compared based on the waste management costs (MoE 2013c).

Furthermore, to encourage individuals and businesses to sort the waste they produce, the Ministry is currently drafting amendments to the *Law on Waste Management*. The legal modifications would enable government representatives to order an independent audit to examine charges and fees for local municipal waste management, or other fees for the collection of municipal waste and waste management. In addition, the Methodology on Setting Rates of Fees or other Charges for the Collection of Municipal Waste from the Waste Holders and Waste Management was adopted (*Rinkliavos ar kitos įmokos už komunalinių atliekų surinkimą iš atliekų turėtojų ir atliekų tvarkymą dydžio nustatymo metodika*) (MoE 2013a).

Ministry of Environment also aims at preventing landing of waste of electrical and electronic equipment (WEEE) in municipal landfills. A network of thousands of containers was set up across Lithuania to provide nation-wide collection points for WEEE. The containers have been placed in various institutions and organizations, and fourteen municipal administrations ([30]) (MoE 2013j).

Land Use, Land Use Change and Forestry

In April 2013, the government approved an increase of the annual felling rate for state-owned forests to 6% for the period 2014-2018 compared to 2009-2013([31]). The annual rate will equal 11,168 ha of equivalent clear-cut area within which up to 3,145 thousand cubic meters of merchantable timber may be felled. According to the Ministry of Environment, the rate was set on the basis of quantitative and qualitative parameters informed by state forest inventory data.

In November 2013, the responsible departments within the Ministry of Environment have been asked by the Minister to develop necessary legislative amendments to address illegal logging in state forests. The package of legislative amendments shall include raising fines for illegal logging and the resulting environmental damage. In addition, forest officers shall gain the authority to inspect transported timber goods. According to data from the State Forest Service, illegal logging has decreased by more than 80% over the

[30] Their location is indicated on the website www.mesk-i-konteineri.lt/vietos

[31] Resolution No. 304 of the Government of the Republic of Lithuania, 10 April 2013

last decade. In 2003, there were 1751 detected instances of illegal logging, while in 2012 there were only 319. The volume of illegally harvested timber has also declined by more than 85% over the last ten years, from 43.3 thousand cubic meters in 2003 to 6.4 thousand cubic meters in 2012. Nevertheless, the Ministry of Environment believes that more stringent measures are necessary (MoE 2013k).

Adaptation

On 5 May 2013, an Inter-institutional Action Plan (*Nacionalinės klimato kaitos valdymo politikos strategijos 2013–2020 metų tikslų ir uždavinių įgyvendinimo tarpinstitucinis veiklos planas*) ([32]) came into effect. The document provides for concrete actions to implement policies and to achieve goals established in the National Strategy for Climate Change Management Policy (*Nacionalinė klimato kaitos valdymo politikos strategija*), which was adopted in November 2012 (Seimas 2012a). With regard to adaptation, a number of tasks are formulated in the Action Plan. For example the MoE is vested with responsibility to carry out studies on vulnerability of diverse sectors such as spatial planning, transport, energy, waste, agriculture, forestry etc. as well as their capacity to adapt to climate change impacts and design the most effective adaptation measures. The Lithuanian Hydrometeorological Service is responsible for improving the monitoring of surface water and groundwater. Moreover, better coordination and dissemination of the information on climate change adaptation shall be ensured.

[32] Inter-institutional Action Plan, approved by Resolution No. 366 of the Government of the Republic of Lithuania, 23 April 2013.

5 Policy progress on past CSRs

As part of the European Semester, Country Specific Recommendations (CSRs) for each MS are provided by the EU Commission in June of each year for consideration and endorsement by the European Council). The recommendations are designed to address the major challenges facing each country in relation to the targets outlined in the EU 2020 Strategy. In the following table, those CSRs that are relevant for climate change and energy that were adopted in 2013 are listed, and their progress towards their implementation is assessed.

Existing Country Specific Recommendations	Progress
Review and consider increasing those taxes that are least detrimental to growth, such as housing and environmental taxation, including introducing car taxation, while reinforcing tax compliance	Regarding the introduction of vehicle taxation, a Draft Law on Vehicle Taxation ([33]) was rejected in mid-2012 and sent back for further improvements. No developments have taken place regarding the introduction of other environmental taxes so far. The Ministry of Finance considers introducing the vehicle tax from 2015 onwards.
Step up measures to improve the energy efficiency of buildings, including through removing disincentives and a rapid implementation of the holding fund	The recent changes to the housing law (Law on the State Support for the Acquisition or Rent of Housing and for the Renovation (Modernization) of Multifamily Buildings of the Republic of Lithuania) accelerated the renovation process of multifamily buildings. During the 1st phase of renovation process (started in March 2013) around 500 buildings have been selected for renovation. In July 2013, 2nd phase to select further energy inefficient buildings was launched. Moreover, in July 2013, LEIF announced grants to projects resulting in improved energy efficiency in buildings in July 2013.
Promote competition in energy networks by improving interconnectivity with the Member States for both electricity and gas	Further developments could be observed concerning strategic electricity and gas interconnection projects. Construction work on the Lithuanian-Polish power link (LitPol Link) is planned to start in spring 2014 and finish by December 2015. In November 2013, contract for the construction of a 51 km power line from the Alytus transformer substation to the Polish border has been signed. This is the last contract concerning construction of the LitPol Link interconnection. In March 2013, government approved the construction of the Lithuanian–Swedish power link (NordBalt).The construction permits were issued in May 2013. The preparatory work is planned for autumn 2013, whereas the laying of the undersea power cable shall begin in spring 2014. The Gas Interconnection Poland-Lithuania (GIPL) underwent a feasibility study in July 2012 and a tender for drafting GIPL development plan were announced.

[33] Draft Law on Vehicle Taxation, 09.12.2011, No. XIP-3959

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