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Table of Contents

EXECUTIVE SUMMARY	5
PART I: THEMATIC AREAS.....	6
1. CIRCULAR ECONOMY AND WASTE MANAGEMENT	6
<i>Measures towards a circular economy.....</i>	6
<i>Waste management.....</i>	9
2. BIODIVERSITY AND NATURAL CAPITAL	11
<i>Nature protection and restoration</i>	11
<i>Ecosystem assessment and accounting.....</i>	18
3. ZERO POLLUTION	20
<i>Clean air.....</i>	20
<i>Industrial emissions</i>	21
<i>Major industrial accidents prevention – SEVESO</i>	23
<i>Noise</i>	24
<i>Water quality and management</i>	24
<i>Chemicals.....</i>	28
4. CLIMATE ACTION.....	30
<i>Key national climate policies and strategies</i>	30
<i>Effort sharing target.....</i>	31
<i>Key sectoral developments.....</i>	32
<i>Use of revenues from the auctioning of EU ETS allowances</i>	33
PART II: ENABLING FRAMEWORK: IMPLEMENTATION TOOLS.....	34
5. FINANCING.....	34
<i>Environmental investment needs in the European Union</i>	34
<i>EU environmental funding 2014-2020</i>	35
<i>EU environmental funding 2021-2027.....</i>	37
<i>National environmental protection expenditure.....</i>	38
<i>Green budget tools</i>	40
<i>Overall environmental financing compared to the needs</i>	41
6. ENVIRONMENTAL GOVERNANCE	43
<i>Information, public participation and access to justice.....</i>	43
<i>Compliance assurance</i>	44
<i>Effectiveness of environmental administrations</i>	46
<i>Coordination and integration</i>	46
<i>Reforms through the Commission’s Technical Support Instrument</i>	46
<i>Taiex Peer to Peer Projects</i>	46

Executive summary

The main challenges identified in past EIRs with regard to implementation of EU environmental policy and law by Lithuania were:

- The risk that increased municipal waste incineration capacities and low landfill tax could undermine progress with recycling;
- Low resource productivity;
- Incomplete designation of Natura 2000 sites.

While Lithuania reached the 2020 municipal recycling targets already in 2018, it slid back for 2 years in a row and missed the target in 2020. Nevertheless, remarkable progress with **waste management** should be noted over the last decade. However, the circularity of the Lithuanian economy is still almost three times below the EU average. If properly designed and implemented, the national **circular economy action plan** to be adopted by 2023 could help Lithuania bring about the necessary systemic change and create a fertile business environment for circular economy practices.

The protection of **biodiversity** in Lithuania requires more efforts and investments since two thirds of the EU protected habitats are in unfavourable conservation status due to pressures from forestry, agriculture and invasive alien species. Lithuania still has to complete the **Natura 2000** designation process and put in place clearly defined site specific conservation objectives and the necessary conservation measures for all the sites. The Recovery and Resilience Plan (RRP) will contribute by restoring 8000 ha of degraded peatlands that can be a good starting point for wider restoration efforts.

On sustainable **water management**, Lithuania demonstrates very high compliance with the Drinking

Water Directive and the Urban Waste Water Treatment Directive except for the issues related to the use of individual or other appropriate systems across the country. Groundwater quality is good but only half of all surface water bodies reach good ecological status. There are high levels of eutrophication in rivers and very acute **eutrophication** problem affecting 97% of the Baltic Sea which is a shared problem with neighbouring states. Extremely high levels of waters in the region are assessed to be below good eutrophication status.

The EU funding is expected to significantly contribute to implementing EU standards. Lithuania is due to receive over EUR 2.2 billion from its RRP (2021-26) and close to EUR 6 billion from the cohesion policy (2021-27). Part of this funding will be directed to support Lithuania's annual environmental investment needs that are estimated at the level of at least 1.69% of the country's GDP.

Even with the forthcoming increase as of 2023 Lithuania's landfill tax remains among the lowest in the EU while allocations for fossil fuel subsidies are above the EU average. At the same time, an environmental investment gap of around 0.8% of the GDP has to be addressed by focusing on the country's three main **environmental implementation priorities**: improvement of circularity of Lithuanian economy, protection and restoration of its nature and reduction of pollution.

Part I: Thematic Areas

1. Circular Economy and waste management

Measures towards a circular economy

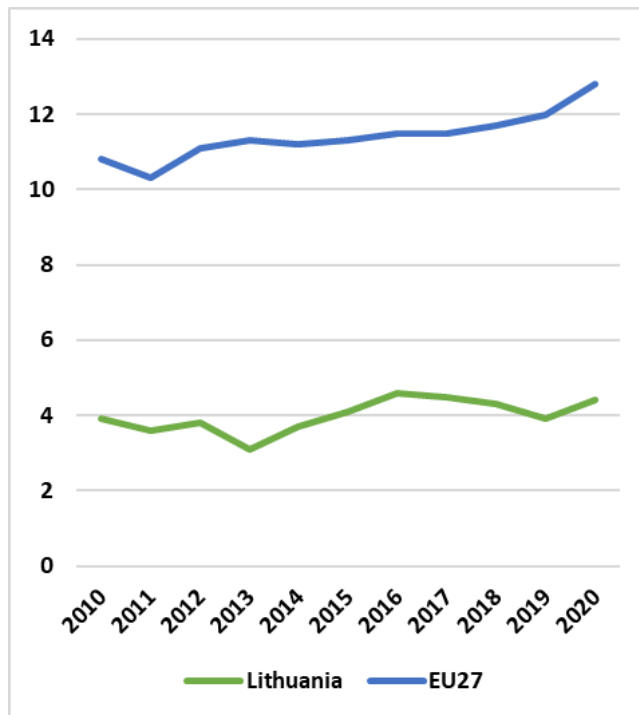
The new Circular Economy Action Plan, a key building block of the European Green Deal, emphasises the need to move towards a lifecycle driven 'circular' economy, reusing resources as much as possible and bringing residual waste close to zero. This can be facilitated by the development of, and access to, innovative financial instruments and funding.

While Lithuania has made significant progress in its waste management system, a lot still needs to be done for the circularity of its economy.

The circular material use rate is a good indicator of an economy's circularity, as it includes all the materials that are fed back into our economy. Large differences in the circularity rate exist across countries. To help achieve the EU Circular Economy Action Plan's goal of doubling the EU circular material use rate by 2030, ambitious measures targeting the whole product life cycle are needed at Member States' level. Such measures range from sustainable product design able to increase durability, reparability, upgradability and recyclability of products, to other measures like remanufacturing, increasing the circularity in production processes, recycling, as well as boosting eco-innovation and increasing the uptake of green public procurement.

Lithuania's circular (secondary) use of material in Lithuania has stayed close to 4% since 2010, but saw a slightly stronger upward trend in 2020 to 4.4%¹. However, it remains almost three times lower than the EU average of 12.8%.

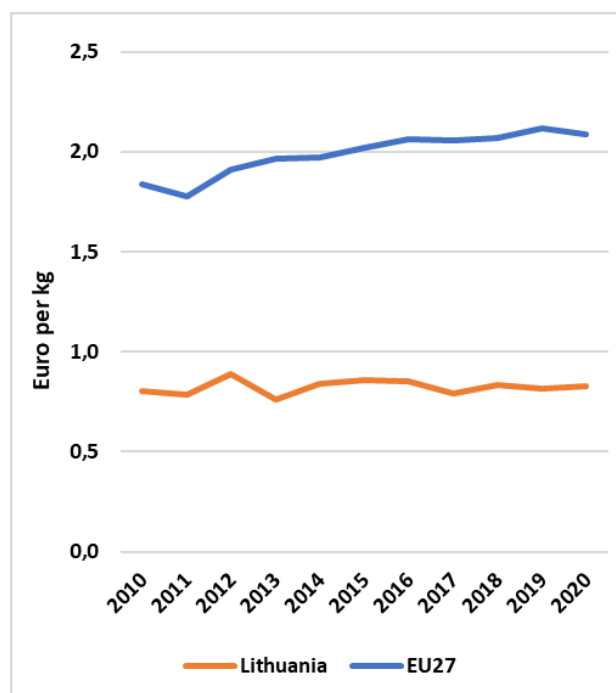
Figure 1: Circular material use rate (%), 2010-2020²



Resource productivity expresses how efficiently the economy uses material resources to produce wealth. Improving resource productivity can help to minimise negative impacts on the environment and reduce dependency on volatile raw material markets. As shown in figure 2, with EUR 0.83 generated per kg of material consumed in 2020, resource productivity in Lithuania is well below the EU average of EUR 2.09 per kg.

¹ Eurostat estimate

² Eurostat, [Circular Economy Monitoring Framework](#).

Figure 2: Resource productivity 2010-2020³

Circular Economy Strategy

The Commission encourages Member States to adopt and implement national/regional circular economy strategies covering the whole life cycle of products, as they are one of the most effective ways to progress towards a more circular economy at Member State level. Since the launch of the Circular Economy Platform in 2017⁴, national, regional or local authorities have used the platform to share their strategies and roadmaps.

As of 2021, there is no national strategy or action plan on the circular economy in Lithuania. At the same time, circular economy related goals and targets can be found in the: National Sustainable Development Strategy, National Environmental Protection Strategy, Strategy for the National Climate Change Management Policy by 2050, and the National Waste Prevention Programme.

Moreover, Lithuania is working to improve circularity in textiles, including through meetings with interested parties, awareness raising for society, promotion of re-use, support for re-use and repair networks, provision of containers for textile waste separate collection and binary payments. Textiles waste prevention is also obligatory through the National Waste Prevention Programme.

Lithuania has prepared a “Roadmap for Lithuania’s industrial transition to a circular economy” as a European Commission/DG REGIO pilot project.

In its Recovery and Resilience Plan, Lithuania has included a reform on the adoption of a national circular economy plan by the first quarter of 2023. The plan will focus on waste prevention, recycling, product design and use of secondary raw materials, digitalisation, the promotion of green innovation as well as legal and fiscal measures promoting long term circular solutions.

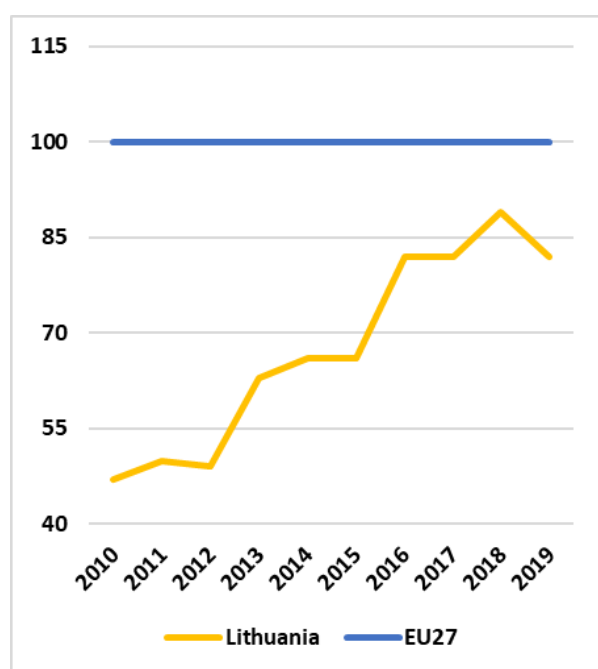
Eco-Innovation

A successful transition to a circular economy requires social and technological innovation as full potential of circular economy can only be reached when implemented across all value chains. Therefore, eco-Innovation is an important enabling factor for the circular economy. Product design approaches and new business models can help to produce systemic circularity innovations, creating new business opportunities.

In 2021, Lithuania ranked 20th on the 2021 Eco-Innovation Index, with a total score of 88, indicating the country’s necessity to catch up with its eco-innovation activities. In all five components (eco-innovation inputs, eco innovation activities, eco innovation outputs, resource efficiency outcomes and socio-economic outfits) of the Eco-Innovation Index of 2021, Lithuania performs below the EU average.

³ Eurostat, [Resource productivity](#)

⁴ [Circular Economy Stakeholder Platform](#)

Figure 3: Eco-innovation performance, 2010-2019⁵

Green Public Procurement

Public procurement accounts for a large proportion of European consumption, with public authorities' purchasing power representing 14% of EU GDP. This can help drive the demand for sustainable products that meet reparability and recyclability standards. To date reporting to monitor the uptake of Green Public Procurement (GPP) is voluntary.

The Lithuanian National Progress Plan⁶ (adopted on 9 September 2020) set the intermediate target of 50 percent share of GPP in relation to all procurements by value in 2025 and the final target - 55 percent in 2030. Moreover, the Government Programme⁷ sets even more ambitious goals following which green public procurement should become the dominant type of public procurement in the public sector as of 2023. There are environmental criteria for 32 products groups. GPP definition now includes not just the list of mandatory minimum GPP criteria, but also refers to eco-labels, environmental management systems or

standards, and other environmental criteria. In cases where environmental criteria are not set, the contracting authority can set them independently according to established principles (e.g. less natural resources are used, less electricity is used, the product contains reused or recycled materials, etc.). Furthermore, the new Law for Alternative Fuels⁸ came into force in July 2021 with its purpose being to reduce the impact of the transport sector on climate change and air pollution, so that in 2030 the share of renewable energy sources in the transport sector in relation to the total final energy consumption in the transport sector is at least 15 percent.

GPP is monitored and statistical data collected by the Public Procurement Office (PPO). The data are published online on public procurement scoreboard⁹. All contracting authorities must report on their procurement procedures to the PPO if they conducted GPP. In addition, there are annual progress reports on green public procurement. In order to facilitate the development of GPP, the PPO has established a Sustainable Procurement Unit, whose staff provide consultations and training to contracting authorities and contracting entities and suppliers by e-mail, during remote meetings, and on the PPO's website on green, socially responsible and innovative procurements.

Increasing the GPP share in total public procurement is one of the measures of the Lithuanian Recovery and Resilience plan.

Ecolabel and the Eco Management and Auditing Scheme (EMAS)

The number of EU Ecolabel products and EMAS-licensed¹⁰ organisations in a given country provides some indication of the extent to which the private sector and national stakeholders are actively engaged in the transition to a circular economy. It also shows how committed public authorities are to supporting instruments designed to promote the circular economy.

⁵ Eurostat, [Eco-innovation index](#).

⁶ <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/c1259440f7dd11eab72ddb4a109da1b5/asr>

⁷ <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/973c87403bc311eb8c97e01ffe050e1c>

⁸ <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/0409c522915c11eb998483d0ae31615c?positionInSearchResults=0&searchModelUUID=7f6645fa-f3a7-4d4c-a71b-646944d29b23>

⁹ <https://vpt.lrv.lt/lt/statistika-ir-analize/pirkimu-vykdytoju-zemelapis-svieslente-1>

¹⁰ EMAS is the European Commission's Eco-Management and Audit Scheme, a programme to encourage organisations to behave in a more environmentally sustainable way.

As of September 2021, Lithuania had 474 products out of 83 590, and 10 licenses out of 2 057 registered in the EU Ecolabel scheme, showing a rather low take-up of the products and licences¹¹. Moreover, 5 organisations, amounting to 18 sites from Lithuania are currently registered in EMAS, the European Commission's Eco-Management and Audit Scheme¹². Since 2019, there have been 279 new product registrations for an EU Ecolabel, as well as 1 new organisation registered with EMAS, while EU Ecolabel licenses have remained the same.

Given that the circular material use rate is far below EU average, a priority action on this is proposed.

2022 Priority Action

- Take measures to improve the circular material use rate.

Waste management

Turning waste into a resource requires: full implementation of EU waste legislation, which includes the waste hierarchy; the need to ensure separate collection of waste; the landfill diversion targets etc. Waste generation and waste generation per capita should be reduced in absolute terms. Energy recovery from non-recyclable materials and landfilling of recyclable or recoverable waste should be limited.

This section focuses on management of municipal waste¹³ for which EU law sets mandatory recycling targets.

Preventing products and materials from becoming waste for as long as possible is the most efficient way to improve resource efficiency and to reduce the environmental impact of waste. Waste prevention and re-use are the most preferred options and top the waste hierarchy. The amount of municipal waste generated is a good indicator for the effectiveness of waste prevention measures.

Municipal waste generation in Lithuania is growing. It has reached 472 kg/year/inhabitant in 2019, although still below the EU average of 502 kg/year/inhabitant, as

Figure 4 shows. Since waste generated has increased by 20% in the last decade, it indicates that Lithuania's economic growth is not yet decoupled from its generation of waste.

Figure 4: Municipal waste by treatment in Lithuania, 2010-2019¹⁴

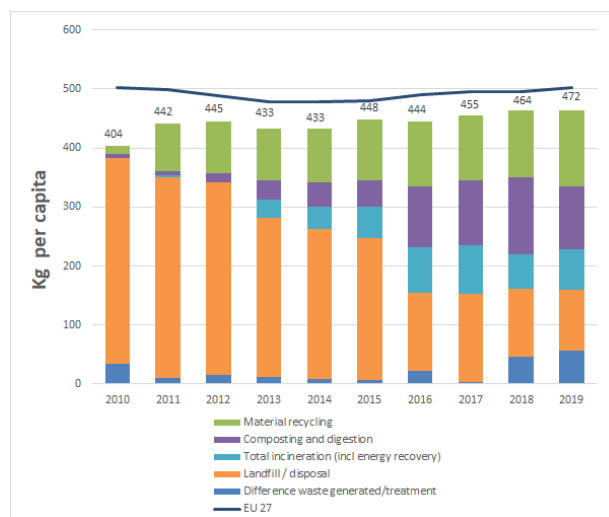


Figure 4 also shows municipal waste by treatment, in terms of kilos per capita.

Lithuania has managed to reduce its landfilling rate by three in the last decade, down to 22 % in 2019 and now landfills less municipal waste than the EU average (24 %). Still, there is some distance to the goal of 10% by 2030. Recycling and composting are the main treatment options. The share of material recycling shows a steady increase and has reached 28% approaching the EU average of 30%. Composting has decreased since 2017 to 22 %, and Lithuania is now only slightly above the EU average of around 21 %. A part of the decrease in landfilling has been achieved by increasing incineration with energy recovery capacity (the second least favourable option for waste treatment), the rate of which is now close to 15 % (still below the EU average of 24 %). Possibly this will increase in the future as new incineration facilities in Kaunas and Vilnius have started operating. Around half of municipal waste is treated at mechanical-biological treatment plants and afterwards mostly incinerated or landfilled as the quality of the waste, even after treatment, is too low for secondary use.

The recycling rate of municipal waste showed a stable increase until 2018 and in 2019 was above the EU average of 47.7%. Lithuania is on its way to compliance

¹¹ European Commission, [Ecolabel Facts and Figures](#).

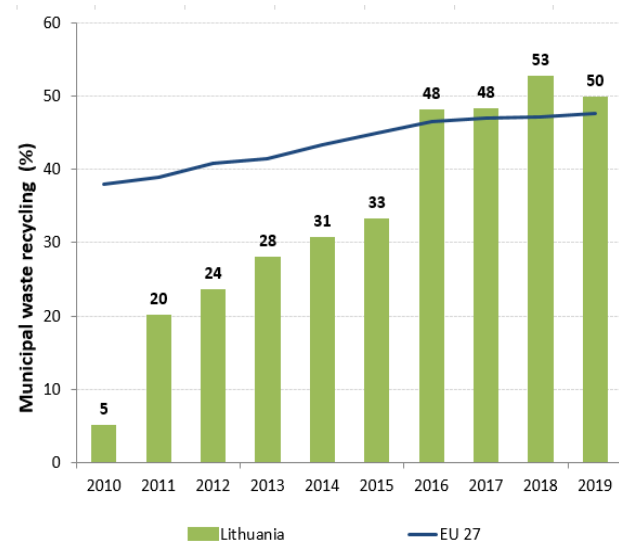
¹² As of May 2018. European Commission, [Eco-Management and Audit Scheme](#).

¹³ Municipal waste consists of (a) mixed waste and separately collected waste from households, including paper and cardboard, glass, metals, plastics, bio-waste, wood, textiles, packaging, waste electrical and electronic equipment, waste batteries and accumulators, and bulky waste, including mattresses and furniture; (b) mixed waste and separately collected waste from other sources, where such waste is similar in nature and composition to waste from households. ([Directive 2008/98/EC](#), Art. 3 2b).

¹⁴ Eurostat, [Municipal waste by waste operation](#), October 2021.

with the 55 % recycling target in 2025, as shown in Figure 5.

Figure 5: Recycling rate of municipal waste, 2010-2019¹⁵



The Commission's 2018 Early Warning report did not list Lithuania as one of the countries at risk of missing the EU 2020 target of recycling 50 % of municipal waste. The Commission is currently finalising its analysis of the progress on the recommendations from the 2018 Early Warning Reports as well as an analysis of progress towards achieving the 2025 waste recycling targets. This report will be presented at the end of 2022 and will make recommendations as appropriate¹⁶.

Implementation of the 2018 waste legislative package

By 5 July 2020 Member States had to bring their national laws in line with modifications included in the revised Waste Framework Directive, the Packaging and Packaging Waste Directive and the Landfill Directive¹⁷. Lithuania was late in transposing the first two directives, but in August 2021 it notified to the Commission the full transposition of the 2018 Waste package. A conformity assessment is ongoing. Waste Management Plans and Waste Prevention Programmes are instrumental for a sound implementation of the EU waste legislation. They set out key provisions and investments to ensure compliance with existing and new legal requirements (e.g. waste prevention,

separate collection for a number of specific waste streams, recycling and landfill targets). Revised plans and programmes were due on 5 July 2020.

Although Lithuania's Waste Management Plan 2021-2027 has been prepared and revised after the public consultation, it is not yet approved by the Lithuanian Government and Lithuania has not yet notified it with the Commission¹⁸.

In November 2021, the Lithuanian government approved the increase of the landfill tax to 50 EUR/t as of 2023. Until then with 15 EUR/t Lithuanian landfill tax remained one of the lowest in the EU.

Lithuania has not ratified the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships.

2022 Priority Actions

- Introduce new policies, including economic instruments, to promote prevention and make reuse and recycling more economically attractive.
- Develop and run implementation support programmes for municipalities to help support their efforts to organise separate collection and further improve recycling performance.
- Improve the functioning of extended producer responsibility systems, in line with the general minimum requirements established in the Waste Framework Directive.
- Ensure that a waste management plan in line with the revised Waste Framework Directive is in place.

¹⁵ Eurostat, [Recycling rate of municipal waste](#), October 2021.

¹⁶ [Lithuania](#)

¹⁷ [Directive \(EU\) 2018/851](#), [Directive \(EU\) 2018/852](#), [Directive \(EU\) 2018/850](#) and [Directive \(EU\) 2018/849](#) amend the previous waste legislation and set more ambitious recycling targets for the period up to 2035.

¹⁸ February 2022.

2. Biodiversity and natural capital

The 2030 EU biodiversity strategy adopted in May 2020 aims to put Europe's biodiversity on a path to recovery and sets out new targets and governance mechanisms to achieve healthy and resilient ecosystems. In particular, the Strategy sets out ambitious targets 1) to protect a minimum of 30% of the EU's land area and 30% of the EU's sea area and integrate ecological corridors, as part of a true Trans-European Nature Network; 2) to strictly protect at least a third of the EU's protected areas, including all remaining EU primary and old-growth forests; 3) to effectively manage all protected areas, defining clear conservation objectives and measures, and monitoring them appropriately. The Strategy also sets out an EU Nature Restoration Plan – a series of concrete commitments and actions to restore degraded ecosystems across the EU by 2030, and manage them sustainably, addressing the key drivers of biodiversity loss.

The Habitats and the Birds Directives are key legislative tools to deliver on the Strategy's targets and are the cornerstone of the European legislation aimed at the conservation of the EU's wildlife¹⁹.

In April 2015, the Lithuanian Parliament approved the National Environmental Protection Strategy, which aims to identify priority environmental policy areas, long-term objectives until 2030 and Lithuania's vision for the environment by 2050. The long-term objective for nature and biodiversity referred to in the Strategy relates to the establishment of protected areas: the aim is for national protected areas and Natura 2000 sites to make up 17 % of the land area and 10% of the country's marine area.

Nature protection and restoration

The EU Habitats and the Birds Directives, which are reinforced by the Nature Restoration Law, are the cornerstone of EU legislation aimed at the conservation of the EU's wildlife, natural habitats and ecosystems. As such they are key legislative tools to deliver on the targets of the EU Biodiversity Strategy for 2030.

Natura 2000²⁰, the largest coordinated network of protected areas in the world, is the key instrument to

achieve the Birds and Habitats Directives' objectives to ensure the long term protection, conservation and survival of Europe's most valuable and threatened species and habitats and the ecosystems they underpin. The setting up of a coherent Natura 2000 network, the designation of Sites of Community Importance (SCI) as Special Areas of Conservation (SAC)²¹, and the setting conservation objectives and measures for the Natura 2000 sites are key milestones towards meeting the objectives of the Directives.

Setting up a coherent network of Natura 2000 sites

Lithuania hosts 54 habitat types and 55 species covered by the Annex II to the Habitats Directive. The country also hosts populations of 68 breeding or regularly detected bird species listed in the Birds Directive Annex I.

As shown in the figure 7, by 2021, 12,6% of the territory of MS was covered by Natura 2000 (EU average 18.5%), with Special Protection Areas (SPAs) classified under the Birds directive covering 9% (EU average 12.8%) and Sites of Community Importance (SCIs) under the Habitats Directive covering 10% (EU average 14.2%) of the MS territory.

The latest assessment of the SCI part of the Natura 2000 network shows that there are insufficiencies in designation. To address these gaps the Commission has taken legal action by sending to Lithuania a letter of formal notice in accordance with Article 258 of the Treaty on the Functioning of the European Union in May 2018. Since then, Lithuania designated a number of new sites and committed to finalise the designation process by the end of 2022. The Commission closely monitors the progress made towards compliance.

Considering both Natura 2000 and other nationally designated protected areas, Lithuania legally protects 17% of its terrestrial areas (EU 27 average 26%) and 26% of marine areas (EU 27 average 8%). Figure 6 shows 2020 situation at the EU level for terrestrial and marine protected area coverage in meeting the Biodiversity Strategy 2030 target.

¹⁹ These should be reinforced by the Nature Restoration Law, according to the EU Biodiversity Strategy for 2030.

²⁰ Natura 2000 comprises Sites of Community Importance (SCIs) designated pursuant to the Habitats Directive as well as Special Protection Areas (SPAs) classified pursuant to the Birds Directive; figures of coverage do not add up due to the fact that some SCIs and

SPAs overlap. Special Areas of Conservation (SACs) means a SCI designated by the Member States.

²¹ Sites of Community Importance (SCIs) are designated pursuant to the Habitats Directive whereas Special Protection Areas (SPAs) are designated pursuant to the Birds Directive; figures of coverage do not add up since some SCIs and SPAs overlap. Special Areas of Conservation (SACs) are SCIs designated by the Member States.

Figure 6: Marine & terrestrial protected area coverage, 2021²²

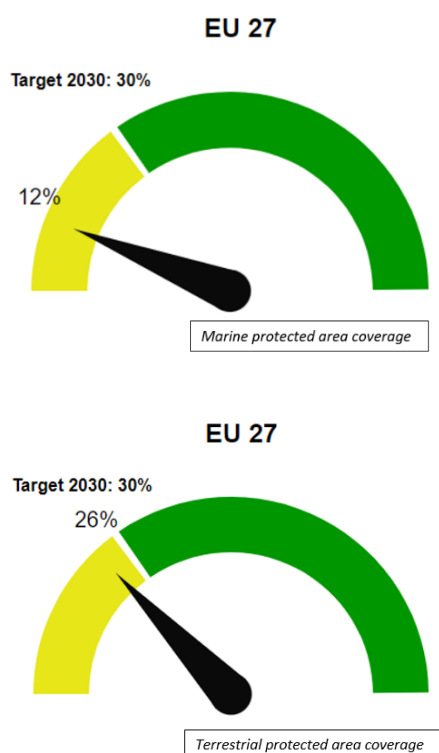
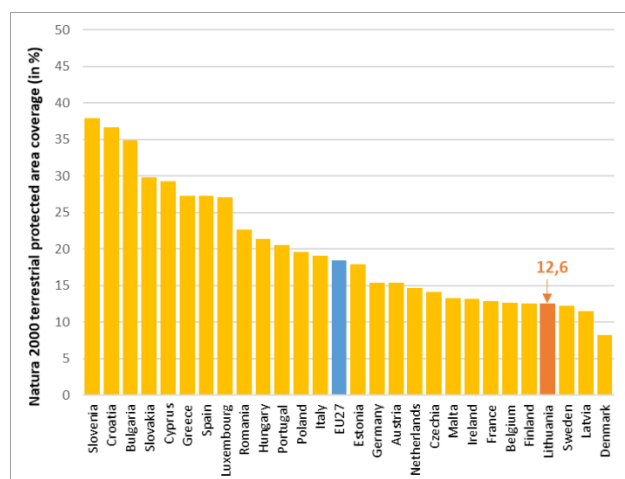


Figure 7: Natura 2000 terrestrial protected area coverage, 2021²³



Designating Special Areas of Conservation (SACs) and setting conservation objectives and measures

The 6-year deadline set by the Habitats Directive to designate SCI as SAC and establish appropriate conservation objectives and measures has expired for 406 sites in Lithuania.

Nevertheless, 243 SCIs have not yet been designated as SACs. In addition to that, Lithuania has failed to establish sufficiently detailed and quantified site-specific conservation objectives and the necessary conservation measures for all 406 sites. Furthermore, the quality of the set objectives and measures is insufficient. For this reason the Commission addressed to Lithuania a letter of formal notice in accordance with Article 258 of the Treaty on the Functioning of the European Union in February 2021. In reply Lithuania committed to address the identified gaps; the Commission closely monitors the progress made towards compliance.

Progress in maintaining or restoring favourable conservation status of species and habitats

The results of Habitats Directive Article 17 and Birds Directive Article 12 reports on progress towards maintaining or restoring favourable conservation status of species and habitats are key to measure the performance of Member States.

According to the report submitted by Lithuania on the conservation status of habitats and species covered by the Article 17 of the Habitats Directive for the period 2013-2018, the share of assessments for habitats in good conservation status in 2018 is 22% (19% in 2007-2012). As to protected species, the share of assessments in good conservation status in 2018 is 37% (27% in 2007-2012). As far as birds are concerned, 19% of the breeding species showed short-term increasing or stable population trends.

At the same time, the share of habitats in bad conservation status has increased to 39% and the share of assessments for species in bad conservation status has increased as well to 13%. The main pressures are invasive alien species, forestry and agriculture.

²² [EU Biodiversity Strategy Dashboard](#), indicators A1.1.1 and A1.2.1, February 2022.

²³ European Environment Agency, [Natura 2000 Barometer](#), February 2022.

Figure 8: Biogeographical assessments of conservation status for habitats for 2007-2012 and 2013-2018 reporting periods²⁴

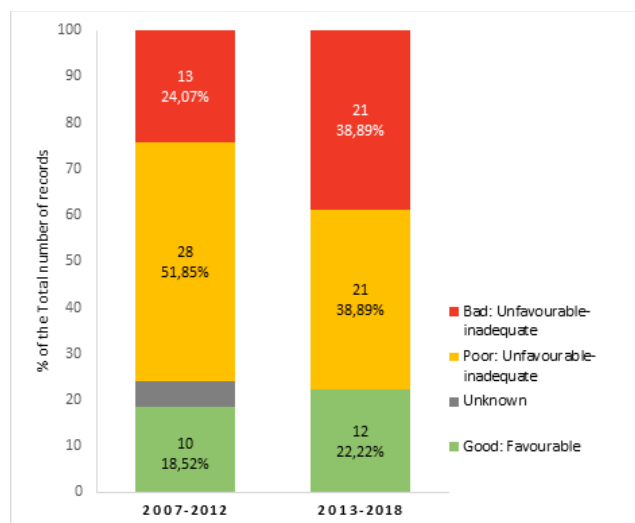
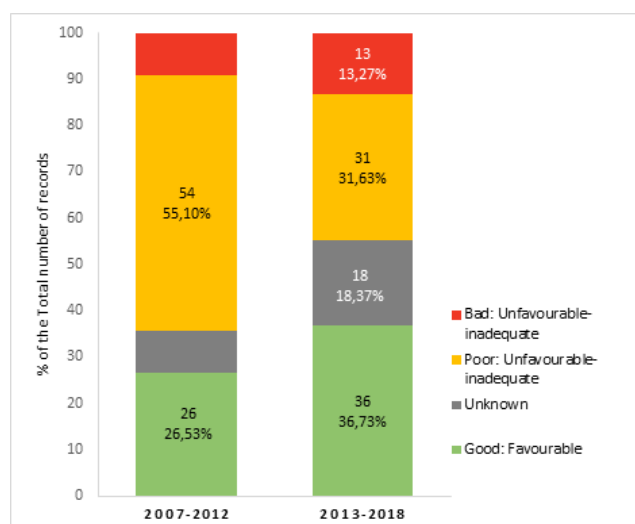


Figure 9: Biogeographical assessments of conservation status for species for 2007-2012 and 2013-2018 reporting periods²⁵



Lithuania is currently implementing the LIFE integrated project “Optimizing the management of Natura 2000 network in Lithuania”²⁶. The project which will invest EUR 17.2 million was launched in 2018 and will run until 2027. It will encourage the development of the Natura 2000 network in the country, promote environmentally friendly farming and sustainable use of forests in Natura 2000 sites and raise ecological awareness of the society. Among other initiatives, LIFE integrated project

²⁴ European Environment Agency, [Conservation status and trends of habitats and species](#), December 2021. Please note when comparing the figures shown for 2007-2012 and 2013-2018 these may also be affected by changes of methods or due to better data availability.

²⁵ *Idem*.

²⁶ [LIFE integrated project for Natura 2000 protection - Naturalit](#)

includes result-based agro-environmental measure to save and protect species rich natural meadows²⁷.

In its Recovery and Resilience Plan, Lithuania has a measure that addresses: (1) regulatory changes to operationalise the national framework for the identification of damaged peatlands and manage the restored peatlands (by 30 September 2022); and (2) investment to restore 8000 ha of damaged peatlands.

In the 2019 EIR, Lithuania received several priority actions such as to complete the Natura 2000 designation process, set clear conservation objectives and provide adequate resources for their implementation as well as to improve the incentives for foresters and farmers to better protect forest and grassland habitats. Lithuania has had some progress as regards the development of methodology for development of the site-specific conservation objectives and limited or no progress as to the rest of suggested actions.

2022 Priority Actions

- Complete the Natura 2000 designation process and put in place clearly defined site specific conservation objectives and the necessary conservation measures for all the sites; provide adequate resources for their implementation in order to maintain/restore species and habitats of Community interest in a favourable conservation status.
- Ensure implementation of priority measures identified in the prioritised action framework for 2021-2027.

Bringing nature back to agricultural land and restoring soil ecosystems

The Biodiversity Strategy works in tandem with the new Farm to Fork Strategy and the new Common Agricultural Policy (CAP) to support and achieve the transition to fully sustainable agriculture. The Biodiversity and Farm to Fork strategies have set four important targets for 2030: 50% reduction of the overall use of – and risk from – chemical pesticides, 50% reduction of the use of more hazardous pesticides, 50% reduction of losses of nutrients from fertilisers while ensuring there is no deterioration of soil fertility (which will result in 20% the reduction of the use of fertilisers), bring back at least 10% of agricultural area under high-diversity landscape features and increasing areas under organic farming to at least 25%.

²⁷ <https://naturalit.lt/en/a-pilot-agro-environmental-measure-has-been-started-in-lithuania/>

Agricultural land

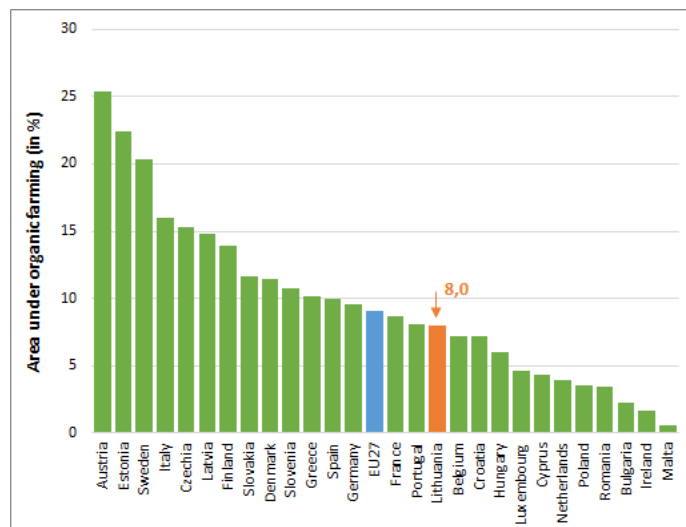
According to the Commission analysis of Lithuania's CAP strategic plan²⁸ ammonia emissions from agriculture in Lithuania remain a challenge as part of efforts to reduce air pollution and the downward trend is not sufficient to meet Lithuania's emission reduction commitments. Low organic carbon content of soil is of particular concern, affecting both arable soils and grazing land.

Lithuanian agricultural areas are affected by a decline in biodiversity. Data on the farmland bird index show a declining trend since 2014 with a slight improvement in 2019. The index for Lithuania stood at 61.69 in 2019 whereas the value for EU-27 was 74.64.

According to Habitats Directive Article 17 reporting for the period 2013-2018, no protected grassland habitats were in favourable conservation status. The prioritised action framework indicates that the main pressures for grasslands are conversion to other land uses (forests, arable land), land use intensification and intensive use of grasslands (frequent mowing, overgrazing), abandonment of meadows and pastures, as well as use of pesticides and drainage.

Area under organic farming in Lithuania has marginally decreased since 2019. It stands at 8,0% in 2020 and as illustrated by figure 10 and is marginally below the EU average (9,07) that leaves an ample room for improvement to reach the Biodiversity and Farm to Fork Strategy EU target by 2030. The Lithuanian government programme of adopted in December 2020 includes an initiative to double the area of organic farming.

Figure 10: Share of total utilised agricultural area occupied by organic farming per Member State²⁹



Soil ecosystems

The new EU soil strategy³⁰, adopted on 17/11/2021, stresses the importance of soil protection, of sustainable soil management and of restoration of degraded soils for achieving the objectives of the Green Deal and Land Degradation Neutrality by 2030. This entails preventing further soil degradation, making sustainable soil management the new normal, as well as taking action for ecosystem restoration.

One factor of degradation is the area of soil that is sealed or artificialized³¹. The net land taken per year in the period 2012-2018 can be seen as a measure of one important pressure on nature and biodiversity - land use change - which constitutes at the same time an environmental pressure on people living in urbanised areas.

Despite a reduction in the last decade (land take was over 1000 km²/year between 2000-2006), land take in EU28 still amounted to 539km²/year between 2012-2018³². The net land take concept combines land take with land return to non-artificial land categories (re-cultivation). While some land was re-cultivated in the

²⁹ Eurostat, [Area under organic farming](#).

³⁰ [COM\(2021\) 699](#) final.

³¹ Artificial land cover is defined as the total of roofed built-up areas (including buildings and greenhouses), artificial non built-up areas (including sealed area features, such as yards, farmyards, cemeteries, car parking areas etc. and linear features, such as streets, roads, railways, runways, bridges) and other artificial areas (including bridges and viaducts, mobile homes, solar panels, power plants, electrical substations, pipelines, water sewage plants, and open dump sites).

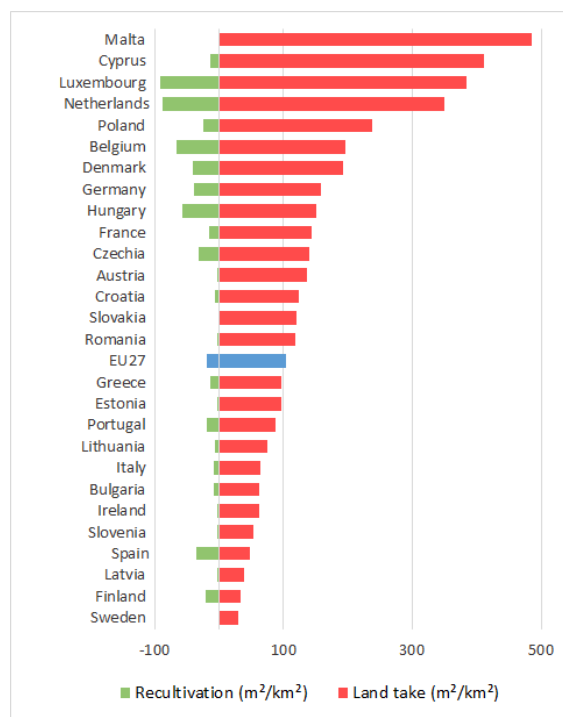
³² [Land take in Europe — European Environment Agency \(europa.eu\)](#).

²⁸ SWD/2020/395 final

EU-28 in the period 2000-2018, 11 times more land was taken.

Lithuania ranks below the EU average with net land take of 67,8m²/km² (EU-27 average: 83,8 m²/km²).

Figure 11: Land take and re-cultivation in EU27 (m²/km²), 2012-2018³³



Lithuania has not yet committed to set Land Degradation Neutrality targets under United Nations Convention on Combating Desertification³⁴.

Forests and timber

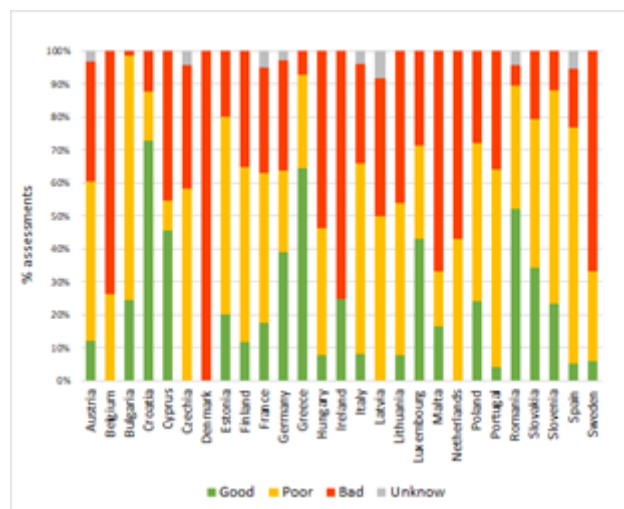
The EU Forest Strategy for 2030 adopted in July 2021 is a part of the Fit for 55 Package. The Strategy promotes the many services that forests provide. Its' key objective is to ensure healthy, diverse and resilient EU forests, which contribute significantly to strengthened biodiversity and climate ambition. Forests are important carbon sinks and their conservation efforts are vital for the EU's vision of achieving climate neutrality by 2050.

Out of the 27% of EU forest area protected under the Habitats Directive, less than 15% of assessments show a

favorable conservation status³⁵. Bad conservation status increased from 27% to 31% in the EU compared to 2015.

In Lithuania, forests cover 35.6% of territory³⁶ and more than 90% of the assessments reveal a bad to poor status³⁷. 27 000 ha in Lithuania is covered by primary forests³⁸.

Figure 12: Conservation status of forests in EU-27 (source EEA)



In accordance with the **European Union Timber Regulation (EUTR)**³⁹, which prohibits the placing on the EU market of illegally harvested timber, EU Member States Competent authorities must conduct regular checks on operators and traders, and apply penalties in case of non-compliance. With the amendment of Article 20 of the EUTR, biennial reporting became annual and covers the calendar year as of 2019.

In the period March 2017 - February 2019⁴⁰, Lithuania carried out 6824 checks on domestic timber operators. It also carried out 63 checks on operators importing timber. It is estimated that Lithuania had 17 000 operators placing domestic and 1481 operators placing imported timber types onto the internal market over the reporting period.

³⁵State of Nature Report, EEA, 2021 [State of Nature in the EU](#)

³⁶ EEA, [Forest information system for Europe](#).

³⁷ [COM SWD \(2021\) 652](#)

³⁸ JRC, [Mapping and assessment of primary and old-growth forests in Europe](#), p. 13.

³⁹ [Regulation \(EU\) No 995/2010 of the European Parliament and of the Council of 20 October 2010](#).

⁴⁰ [COM/2020/629 final](#)

³³ European Environment Agency, [Land take in Europe](#), December 2021.

³⁴ [The LDN Target Setting Programme | UNCCD](#)

According to the Impact Assessment for the Environmental Crime Directive illegal logging is a problem in Lithuania⁴¹.

The new Deforestation Regulation⁴² will repeal and replace the EU Timber Regulation, as it will essentially integrate and improve the existing system to control timber legality.

Invasive alien species

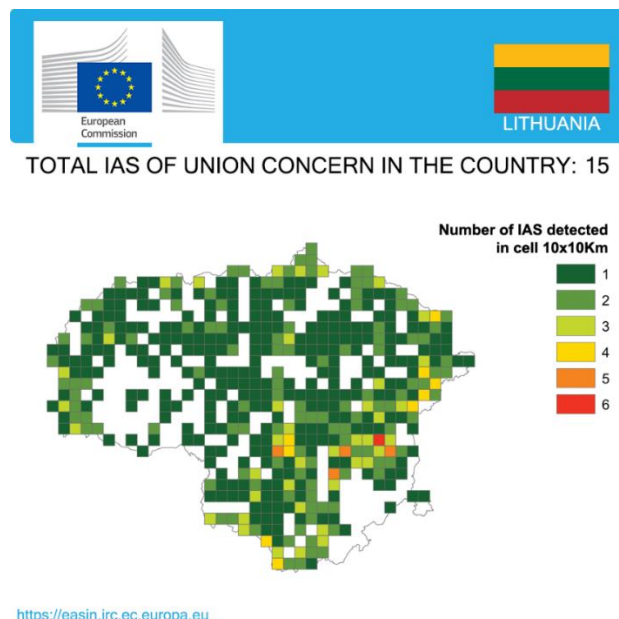
Invasive alien species is one of five main direct drivers of biodiversity loss alongside with changes in land and sea use, overexploitation, climate change and pollution. Besides inflicting major damage to nature and the economy, many invasive alien species also facilitate the outbreak and spread of infectious diseases, posing a threat to humans and wildlife. The implementation of the EU Invasive Alien Species Regulation and other relevant legislation must be stepped up. The Biodiversity Strategy for 2030 aims to manage established invasive alien species and decrease the number of Red List species they threaten by 50%.

The core of the Regulation on invasive alien species (the IAS Regulation)⁴³ is the list of Invasive Alien Species of Union concern.

The total number of Invasive Alien Species (IAS) of Union concern is currently 66, of which: 30 are animal species and 36 are plant species; 41 are primarily terrestrial species, 23 are primarily freshwater species, 1 is a brackish-water species and 1 is a marine species.

A report on the baseline distribution shows that from the 66 species on the Union list, 15 have been observed in the environment in Lithuania. The spread can be checked in Figure 13.

Figure 13: Number of invasive alien species of EU concern, based on available georeferenced information for Lithuania, 2021⁴⁴



An infringement case is ongoing for Lithuania since it failed to establish and implement action plans fulfilling the requirements specified in Article 13 of the IAS Regulation by 13 July 2019 and to transmit them to the Commission. Lithuania plans to adopt them in summer 2022.

2022 Priority Actions

- Reduce pressure from the agricultural sector on natural resources by cutting ammonia emissions, increasing soil organic carbon content, better nutrient management and increasing nutrient use efficiency.
- Improve the incentives for foresters and farmers to better protect forest and grassland habitats. Ensure sustainable forest management through effective planning taking into account ecosystem services provided by forests.
- Take the necessary steps to ensure full compliance with the requirements specified in Article 13 of the IAS Regulation.

⁴¹ SWD(2021) 465 final/2, p.18

⁴² Proposal for a Regulation on the making available on the EU market and export of products associated with deforestation and forest degradation.

⁴³ Regulation (EU) No 1143/2014

⁴⁴ Cardoso A.C., Tsiamis K., Deriu I., D' Amico F., Gervasini E., EU Regulation 1143/2014: assessment of invasive alien species of Union concern distribution, Member States reports vs JRC baselines, EUR 30689 EN, Publications Office of the European Union, Luxembourg, 2021, ISBN 978-92-76-37420-6, doi:10.2760/11150, [JRC123170](https://easin.jrc.ec.europa.eu).

Marine ecosystems

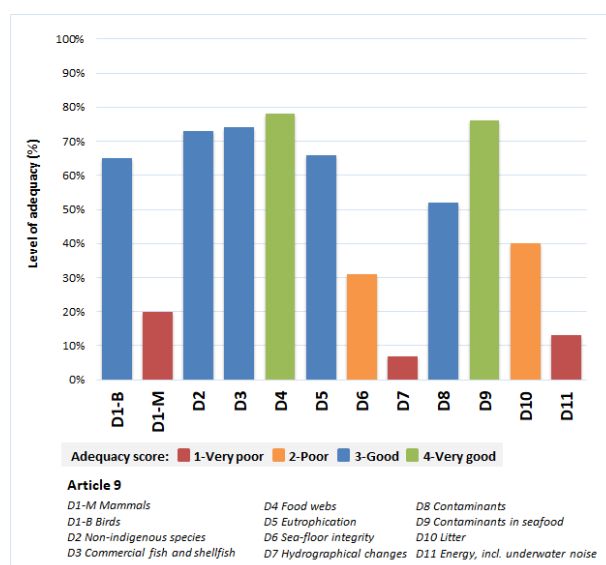
The biodiversity strategy 2030 aims to substantially reduce the negative impacts on sensitive species and habitats in marine ecosystems and to achieve good environmental status as well as eliminate or reduce the by-catch of species to a level that allows species recovery and conservation.

The Marine Strategy Framework Directive (MSFD)⁴⁵ requires Member States to achieve Good Environmental Status (GES) of their marine waters. To that end, Member States to develop marine strategies for their marine waters, and cooperate with Member States sharing the same marine region or subregion. These marine strategies comprise different steps to be developed and implemented over six-year cycles.

Among other obligations, the MSFD requires Member States by 15 October 2018 to define a set of GES characteristics for each descriptor (article 9), and to provide an initial assessment of their marine waters (article 8). The Commission then assesses whether this constitutes an appropriate framework to meet the requirements of the Directive.

The Commission assessed Lithuania's 2018 determinations of GES for each MSFD's 11 descriptors⁴⁶ and determined their level of adequacy in relation to the Commission GES Decision. A good or very good score indicates that the national determinations of GES are well aligned with requirements of the Commission GES Decision, providing qualitative and quantitative national environmental objectives to be achieved for their marine waters.

Figure 14: Level of adequacy of GES determination by Lithuania (BAL region) with criteria set under the Commission GES Decision – article 9 (2018 reporting exercise)⁴⁷



Lithuania has one marine sub-region, BAL-Baltic Sea. In this marine sub-region, 7 out of 11 determinations of GES were assessed as good or very good. The national determination of GES by Lithuania is coherent for 7 out of 11 descriptors.

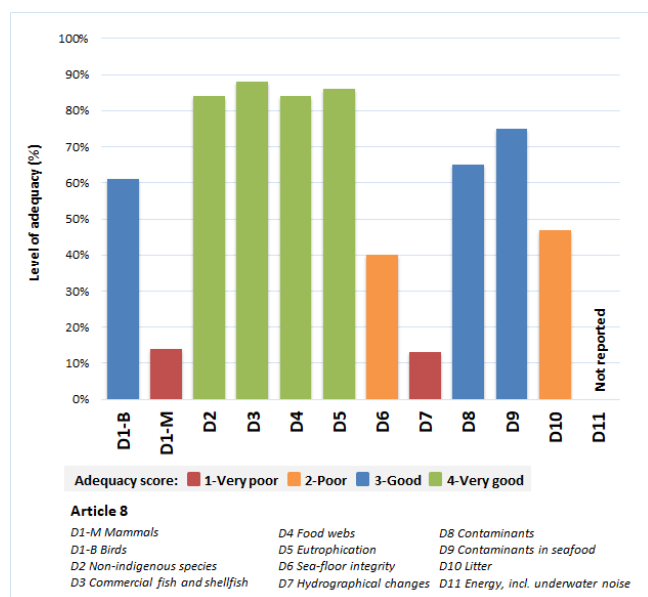
The MSFD also requires that Member States make an assessment of the current environmental status of their marine waters in relation to the determination of GES. A good or very good score indicates Member States has good capabilities to assess their marine environment in accordance with the requirements set out in the Commission GES Decision.

⁴⁵ [Marine Strategy Framework Directive 2008/56/EC](#)

⁴⁶ Annex I of Directive 2008/56/EC.

⁴⁷ Assessment carried out by the European Commission of the data reported by the Member States, January 2022. Please note that only two sub-sections of descriptor D1 are displayed (D1-M Mammals and D1-B Birds). For the analysis, these two sub-sections were considered as a whole after averaging them.

Figure 15: Level of adequacy of national assessment of Lithuania's marine environment (BAL region) with criteria set under the Commission GES Decision – article 8 (2018 reporting exercise)⁴⁸



7 descriptors out of 11 were scored as good or very good. Lithuania's assessment of its marine environment is coherent with requirements set under the Commission GES Decision for 7 out of 11 descriptors.

Lithuania is missing data for D11 Energy, including underwater noise and D1 Mammals.

In the EIR 2019, the Commission suggested that Lithuania ensures timely reporting of the different elements under the Marine Strategy Framework Directive.

2022 Priority Actions

- Ensure regional cooperation with Member States sharing the same marine (sub)region to address predominant pressures.
- Implement the recommendations made by the Commission in the Staff Working Document⁴⁹ accompanying the Communication⁵⁰ on recommendations per Member States and region on the 2018 updated reports for Articles 8, 9 and 10 of the MSFD.

⁴⁸ Assessment carried out by the European Commission of the data reported by the MS, January 2022. Please note that only two sub-sections of descriptor D1 are displayed (D1-M Mammals and D1-B Birds). For the analysis, these two sub-sections were considered as a whole after averaging them.

⁴⁹ SWD(2022)55, forthcoming.

⁵⁰ COM(2022)550, forthcoming.

Ecosystem assessment and accounting

The EU Biodiversity Strategy for 2030 calls on Member States to better integrate biodiversity considerations into public and business decision making at all levels and to develop natural capital accounting. EU needs a better performing biodiversity observation network and more consistent ecosystem condition reporting.

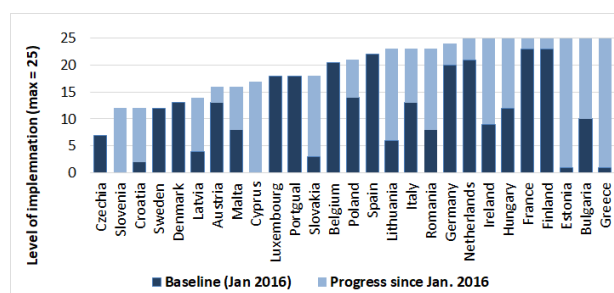
Since 2017 Lithuania has seen some important developments in the topic of ecosystem services, regarding both ecosystem assessment process and Ecosystem Services integration in general.

Regarding national policy developments, most notably, ecosystem assessment has been included in the previous Lithuanian Government's Work Programme for 2016-2020.

A national MAES project – LINESAM, Lithuanian national ecosystem services assessment and mapping (2017-2021) was carried out in Lithuania by an international team based at Mykolas Romeris University, working closely with the Ministry of Environment. Outputs included a Geoportal where the data layers, interactive maps, assessments and various other publications are published. A major ecosystem service layers update was implemented in September 2021. Newly uploaded services visualize drivers of change scenarios: land use change, habitat quality change, landscape aesthetic quality of Lithuania.

Lithuania has provided updated information and significant progress has been recorded since January 2016 (Figure 16). This assessment is based on 27 implementation questions and updated every six months.

Figure 16: ESMERALDA MAES Barometer (March 2021)⁵¹

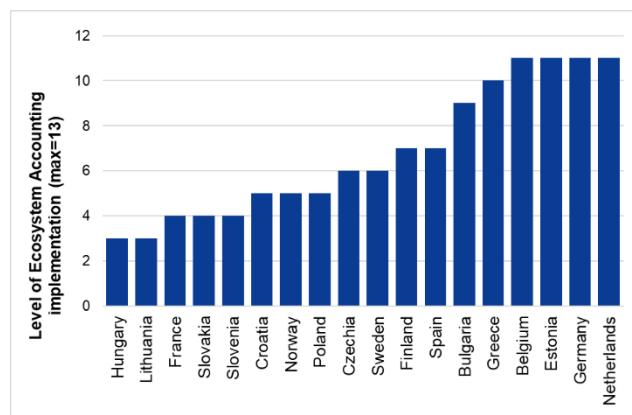


Progress on ecosystem accounting implementation is

⁵¹ European Commission, Joint Research Centre, Publication Office, [EU Ecosystem assessment: summary for policymakers](#), page 80, May 2021.

assessed at national scale based on 13 questions (see figure 17).

Figure 17: Ecosystem accounting Barometer, September 2021⁵²



Business and Biodiversity platforms, networks and communities of practice are key tools for promoting and facilitating natural capital assessments (NCA) among business and financial service providers for instance via the Natural Capital Protocol of the Natural Capital Coalition⁵³. NCA helps private business to better understand and value not only their impacts but also their dependencies on nature and thereby contributing to the EU Biodiversity Strategy. At EU level⁵⁴ and in a number of the Member States – however not all - such platforms have been established.

Lithuania has not yet established such a platform.

Lithuania still has not signed and ratified the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (ABS) to the Convention on Biological Diversity.

2022 Priority Action

- Continue supporting the mapping and assessment of ecosystems and their services, and ecosystem accounting development, through appropriate indicators for integrating ecosystem extent, condition and services (including some monetary values) into national accounts; continue supporting the development of national business and biodiversity platforms, including natural capital accounting systems to monitor and value the

⁵² MAIA Portal, Mapping and assessment for Integrated Ecosystem Accounting (EU Horizon 2020 project), 2022.

⁵³ Natural Capital Coalition, [Natural Capital Protocol](#)

⁵⁴ Business and Biodiversity, [The European Business and Biodiversity Campaign](#) aims to promote the business case for biodiversity in the EU Member States through workshops, seminars and a cross media communication strategy.

impact of business on biodiversity.

3. Zero Pollution

Clean air

The EU clean air policy and legislation require the significant improvement of air quality in the EU, moving the EU closer to the quality recommended by the WHO and emission reductions for main air pollutants. Air pollution and its impacts on ecosystems and biodiversity should be further reduced with the long-term aim of not exceeding critical loads and levels. This requires strengthening efforts to reach full compliance with EU clean air legislation and defining strategic targets and actions for 2030 and beyond. Relevant 2030 zero pollution action plan targets are reductions by 55% in the health impacts of air pollution and by 25% the EU ecosystems threatened by air pollution.

The EU has developed a comprehensive suite of air quality legislation, which establishes health-based air quality standards⁵⁵ and emission reduction commitments⁵⁶ per Member State for a number of air pollutants.

Air quality in Lithuania continues to be generally good with some exceptions. The latest available annual estimates (for 2019) by the European Environment Agency⁵⁷ point to about 2 500 premature deaths (or 27 900 years of life lost (YLL)) attributable to fine particulate matter concentrations⁵⁸, and 90 (1 100 YLL) to ozone concentration^{59 60}.

The emissions of key air pollutants have decreased significantly in Lithuania over the last years, while GDP growth continued (see graph). According to the latest projections as submitted under Article 10(2) of the National Emission reduction Commitments Directive (NECD)⁶¹ Lithuania projects to reach emission reduction commitments for SO₂ and PM_{2.5} for the period 2020 to 2029 and for SO₂, NH₃ and PM_{2.5} for 2030 onwards. The projections however do not demonstrate compliance

with 2020-29 emission reduction commitments for NO_x, NMVOC, NH₃ in 2020, and the 2030 onwards emission reduction commitments for NO_x and NMVOC.

Lithuania has submitted its National Air Pollution Control Programme on 2 June 2019.

Figure 18: Emission trends of main pollutants/ GDP 2005-2019 in Lithuania⁶²

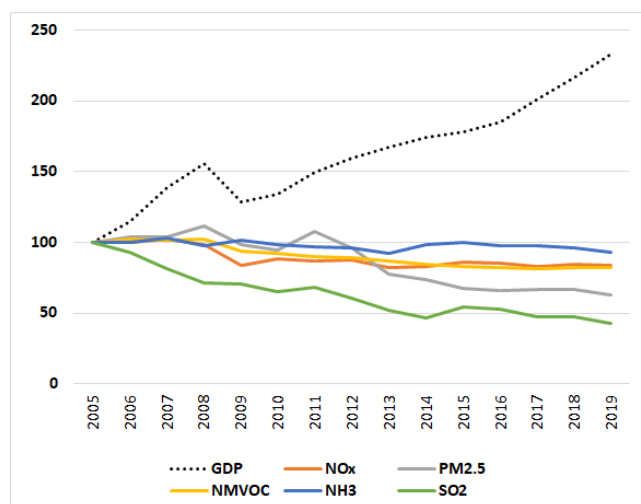
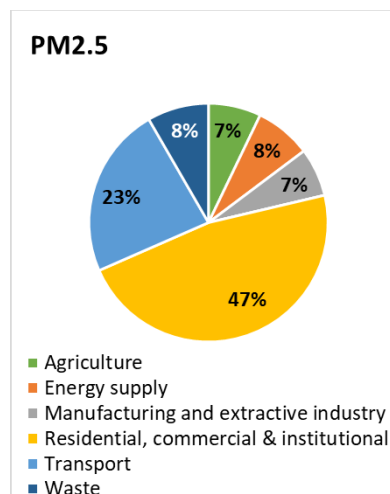


Figure 19: PM2.5 and NOx emissions by sector, 2019⁶³



⁵⁵ European Commission, 2016. [Air Quality Standards](#).

⁵⁶ European Commission, [Reduction of National Emissions](#).

⁵⁷ [European Environment Agency, Air Quality in Europe –2021 Rapport](#). Please see details in this report as regards the underpinning methodology, p.106

⁵⁸ Particulate matter (PM) is a mixture of aerosol particles (solid and liquid) covering a wide range of sizes and chemical compositions. PM10 refers to particles with a diameter of 10 micrometres or less. PM2.5 refers to particles with a diameter of 2.5 micrometres or less. PM is emitted from many human sources, including combustion.

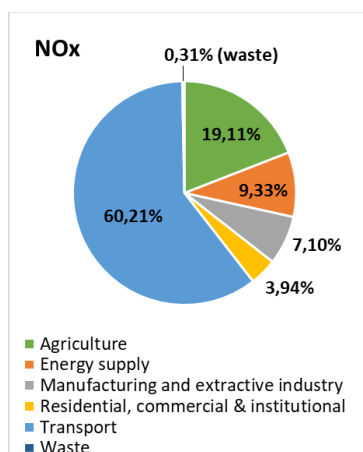
⁵⁹ Low-level ozone is produced by photochemical action on pollution.

⁶⁰ Please note that these figures refer to the impacts of individual pollutants, and to avoid double-counting cannot be added up to derive a sum.

⁶¹ Directive 2016/2284/EU.

⁶² European Environment Agency.

⁶³ European Environment Agency.



For the year 2020, no exceedances above the limit values established by the Ambient Air Quality Directive (AAQD) were registered. However, for two air quality zones the target values regarding ozone concentration have not been met⁶⁴.

In 2019, Lithuania received priority action to further reduce the main emission sources. Although some measures, notably for transport and industry⁶⁵, have been put in place under air quality plans, they did not yield the expected results so far. Therefore, this priority action is still valid.

2022 Priority Actions

- According to the latest air pollutant emission projections additional measures would have to be taken to attain the necessary emission reductions to reach NECD emission reduction commitments.
- Take, in the context of the National Air Pollution Control Programme (NAPCP), actions towards reducing the main emission sources
- Maintain downward emissions trends of air pollutants, and reduce adverse air pollution impacts on health and economy to ensure future concentrations with a view to reaching WHO guideline values – and fully comply with EU air quality standards where these are not met.

Industrial emissions

The main objective of EU policy on industrial emissions is to protect air, water and soil, to foster waste prevention and management, energy and resource efficiency and the cleaning up of contaminated sites. To achieve this, the EU takes an integrated approach to prevention and control of routine and accidental industrial emissions. The cornerstone of the policy is the Industrial Emissions Directive⁶⁶ (IED). As announced in the European Green Deal, the Commission undertook an impact assessment for the revision of the IED in 2021 with a view to tabling a proposal in early 2022⁶⁷. The revision seeks to enhance the directive's contribution to the zero pollution objective, as well as its consistency with climate, energy and circular economy policies.

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The overview of industrial activities regulated by IED below is based on data reported to the EU Registry (2018)⁶⁸.

In Lithuania, around 230 industrial installations are required to have a permit based on the IED. The distribution of installations is shown in the Figure below.

Industrial sectors in Lithuania with most installations in 2018 are intensive rearing of poultry and pigs (37%), followed by the waste management sector, including landfills (29%), energy sector (11%) and the food and drink industries (8%).

⁶⁴ European Environment Agency, [Eionet Central Data Repository](#).

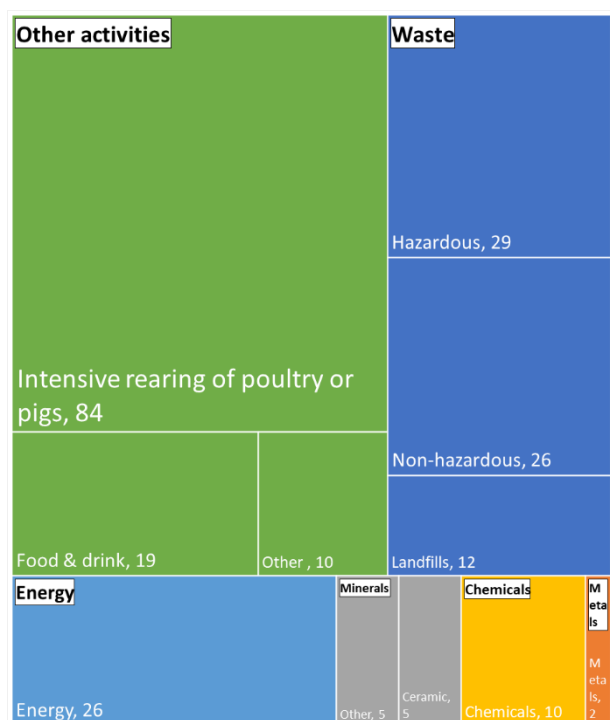
⁶⁵ European Environment Agency. *Managing Air Quality in Europe*, fig.2. 16.02.2022.

⁶⁶ Directive 2010/75/EU covers industrial activities carried out above certain thresholds. It covers energy industry, metal production, mineral and chemical industry and waste management, as well as a wide range of industrial and agricultural sectors (e.g. intensive rearing of pig and poultry, pulp and paper production, painting and cleaning).

⁶⁷ The revision of the IED is performed in parallel to the revision of Regulation (EC) No 166/2006 on the European Pollutant Release and Transfer Register (E-PRTR).

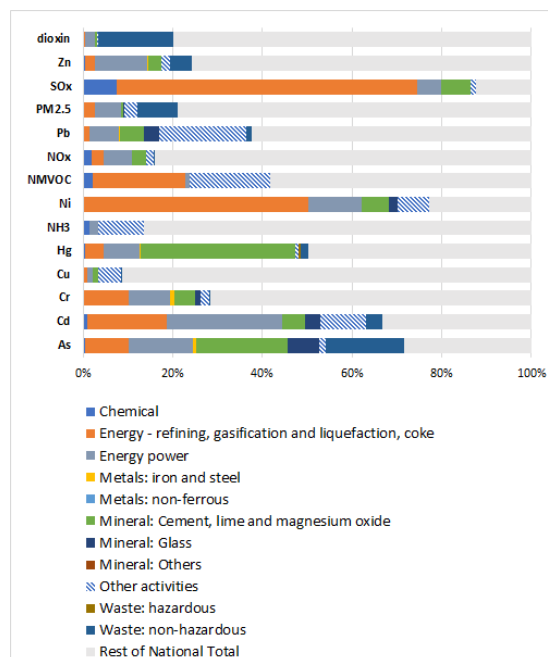
⁶⁸ European Environment Agency, [European Industrial Emissions Portal](#).

Figure 20: Number of IED industrial installations per sector, 2018⁶⁹



The industrial sectors identified as contributing the largest burden to the environment for **emissions to air** were the energy sector for Sulphur Oxides (SOx), Nitrogen Oxides (NOx) and Non Methane Volatile Organic Compounds (NMVOCs); the mineral industries for Arsenic (As) and Mercury (Hg); intensive rearing of poultry and pigs for Ammonia (NH₃); food and drink industries for NMVOC; other industrial product use for Copper (Cu) and Lead (Pb), and the waste management sector for Particulate Matter (PM2.5) and dioxins. The breakdown is shown in the following graph.

Figure 21: Emissions to air from IED sectors and rest of national total air emissions, 2018⁷⁰



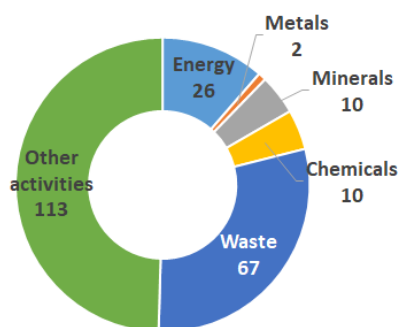
In Lithuania, no releases to water have been reported from industrial activities under European Pollutant Release and Transfer Register (E-PRTR).

The EU approach taken to enforcement under the IED creates strong rights for citizens to have access to relevant information and to participate in the permitting process. This empowers citizens, and NGOs, to ensure that permits are appropriately granted and their conditions respected. As part of environmental inspection, competent authorities undertake site visits to IED installations to take samples and to gather necessary information. According to Article 23(4) of the IED, site visits are carried out between once every year and once every 3 years, depending on the environmental risks posed by the installations. In 2018, Lithuania undertook 228 site visits, the majority of which to installations for the intensive rearing of poultry or pigs (37%), followed by the waste management sector, including landfills (29%), the energy sector (11%) and the food and drink industries (8%).

⁶⁹ European Environment Agency, EU Registry, [European Industrial Emissions Portal](https://epra.eea.europa.eu/).

⁷⁰ European Environment Agency, [LRTAP](https://lra.eea.europa.eu/).

Figure 23: Number of inspections in IED installations in 2018⁷¹



The development of Best Available Techniques (BAT) Reference Documents (BREFs) and BAT Conclusions ensures a good collaboration with stakeholders and enables a better implementation of IED⁷². Since the last EIR report, BAT Conclusions were adopted for Waste Incineration, for the Food, Drink and Milk Industries and for Surface Treatment Using Organic Solvents including Wood and Wood Products Preservation with Chemicals.

The Commission relies on the efforts of national competent authorities to implement the legally binding BAT conclusions and associated BAT emission levels in environmental permits, resulting in considerable and continuous reduction of pollution.

In 2019, Lithuania received the priority action to review permits and to strengthen control and enforcement to ensure compliance with newly adopted BAT conclusions. This action has been followed up by the Commission through the reporting by Lithuania to the EU Registry and no non-compliant permits have been reported in the last communications.

In 2022, the reporting of Lithuania to the E-PRTR is still experiencing delays and should be improved.

2022 Priority Action

- Ensure timely reporting to the E-PRTR.

Major industrial accidents prevention – SEVESO

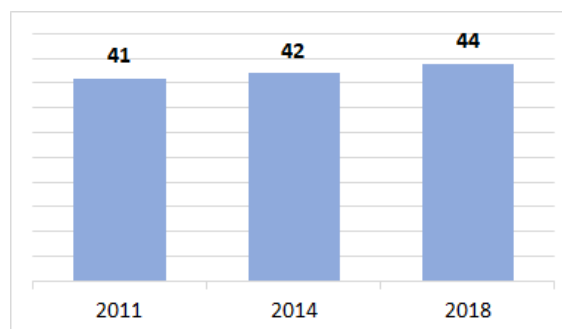
The main objectives of EU policy on major industrial accident prevention are to control major accident hazards involving dangerous substances, especially chemicals; limit the consequences of such accidents for human health and the environment; create a continuous

improvement cycle of prevention, preparedness and response to major accidents. The cornerstone of the policy is the Directive 2012/18/EU (the Seveso-III directive)⁷³.

The below overview of industrial plants regulated by Seveso-III Directive, hereafter 'Seveso establishments', is based on data reported to the eSPIRS database (2018)⁷⁴ and the Lithuania report on the implementation of the Seveso-III Directive for the period 2015-2018⁷⁵.

In Lithuania, among the 44 Seveso establishments, 25 are categorised as lower-tier establishments (LTE) and 19 as upper-tier establishments (UTE) – based on the quantity of hazardous substances likely to be present. The UTE are subject to more stringent requirements. The evolution of the number of Seveso establishments is presented in Figure 24.

Figure 24: Number of Seveso establishments, 2011, 2014 and 2018⁷⁶



According to Lithuania, the External Emergency Plan (EEP) is required for 19 UTE. In 2018, 19 UTE had an EEP and 11 of these EEP had been tested over the last 3 years. The summary is shown in Figure 25. The establishment of EEPs is essential to allow proper preparation and effective implementation of the necessary actions to protect the environment and the population should a major industrial accident nevertheless happen.

⁷¹ European Environment Agency, EU Registry, [European Industrial Emissions Portal](#).

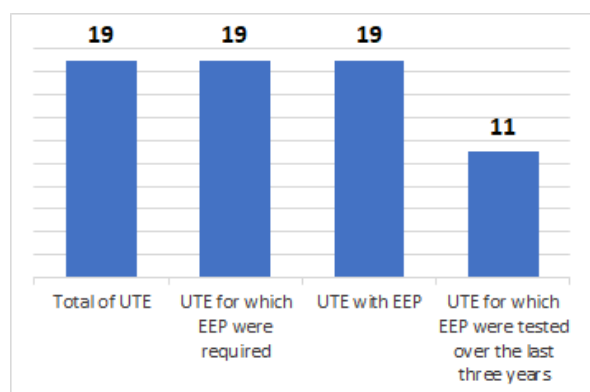
⁷² European Commission [BAT reference documents](#).

⁷³ Directive 2012/18/EU on the control of major-accident hazards involving dangerous substances

⁷⁴ European Commission, [Seveso Plants Information Retrieval System](#).

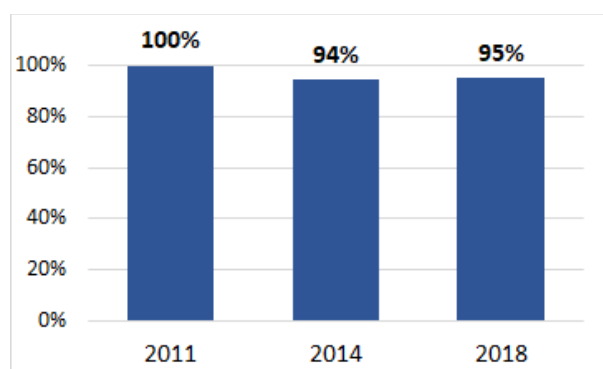
⁷⁵ As provided for by Article 21(2) of the Seveso-III Directive

⁷⁶ European Commission, [Assessment and summary of Member States' implementation reports for Implementing Decision 2014/896/EU \(implementing Directive 2012/18/EU on the control of major accident hazards involving dangerous substances\)](#), 2022.

Figure 25: Situation regarding EEP (2018)⁷⁷

The information to the public referred to in annex V of the Seveso-III Directive – especially about how the public concerned will be warned in case of a major accident; the appropriate behaviour in the event of a major accident; and the date of the last site visit – are permanently available for 100% of the Seveso establishments in Lithuania.

The share of UTE for which information on safety measures and requisite behaviours were actively made available to the public over the last years are presented in Figure 26. This is an important provision of the Seveso-III Directive as the knowledge of these information by the public may reduce the consequences of a major industrial accident.

Figure 26: Share of UTE for which information on safety measures and requisite behaviours were actively made available to the public, 2011, 2014 and 2018⁷⁸

2022 Priority Actions

- Strengthen control and enforcement to ensure compliance with Seveso-III Directive provisions, especially on information to the public and External Emergency Plan.

⁷⁷ Idem.

⁷⁸ Idem.

Noise

The Environmental Noise Directive provides for a common approach to avoid, prevent and reduce the harmful effects of exposure to environmental noise although it does not set noise limits as such. The main instruments it uses in this respect are noise mapping and planning. A relevant 2030 zero pollution action plan target is a reduction by 30% of the share of people disturbed by transport noise.

Excessive noise from aircraft, railways and roads is one of the main causes of environmental health-related issues in the EU. It produces ischemic heart disease, stroke, interrupted sleep, cognitive impairment and stress⁷⁹.

In Lithuania, based on a limited set of data⁸⁰, environmental noise is estimated to cause at least around 200 premature deaths and 500 cases of ischaemic heart disease annually⁸¹. Moreover, some 30 000 people suffer from disturbed sleep. In Lithuania, people exposed to noise reduced by 15% between 2012 and 2017. On the basis of the latest full set of information that has been analysed, noise mapping and planning of agglomerations, roads and railways is complete after public consultation.

Water quality and management

EU legislation and policy requires significant reduction of the impact of pressures on transitional, coastal and fresh waters (including surface and ground waters). Achieving, maintaining or enhancing good status of water bodies as defined by the Water Framework Directive will ensure that EU citizens benefit from high standards for safe drinking and bathing water, and that the nutrient cycle (nitrogen and phosphorus) is managed in a more sustainable and resource-efficient way.

Water Framework Directive

The Water Framework Directive (WFD)⁸² is the cornerstone of the EU water policy in the 21st century⁸³.

⁷⁹ WHO 2018, Environmental Noise Guidelines for the European Region

⁸⁰ For further information: European Environment Agency, Noise Fact Sheets 2021.

⁸¹ These figures are an estimation by the European Environmental Agency based on : (i) the data reported by Member States on noise exposure covered by Directive 2002/49/EC; (ii) ETC/ATNI, 2021, Noise indicators under the Environmental Noise Directive 2021: [Methodology for estimating missing data](#), ETC/ATNI Report No 2021/06, European Topic Centre on Air Pollution, Transport, Noise and Industrial Pollution; (iii) the [methodology for health impact calculations](#), ETC/ACM, 2018, Implications of environmental noise on health and wellbeing in Europe, Eionet Report ETC/ACM No 2018/10, European Topic Centre on Air Pollution and Climate Change Mitigation.

⁸² The [Water Framework Directive \(2000/60/EC\)](#).

⁸³ The [EU Water Policy](#).

The WFD along with other water-related Directives⁸⁴ set the framework for sustainable and integrated water management, which aims at a high level of protection of water resources, prevention of further deterioration and restoration to good status.

By March 2022, all member states were requested to submit the third generation of River Basin Management Plans (RBMPs) which will be subject to a Commission assessment.

Lithuania has recently adopted and reported the third generation of River Basin Management Plans (RBMPs) under the WFD. The Commission will assess the reported status and progress, checking how the findings identified in the assessment of the second RBMPs⁸⁵ have been addressed. The Commission also published in December 2021 the 6th Implementation Report⁸⁶. It includes, amongst others, an assessment of the implementation of the Programmes of Measures and the new priority substances. The assessment report for Lithuania⁸⁷ showed that Lithuanian progress with implementation of the second management cycle measures was difficult to evaluate. There were no mechanisms established which would allow to continuously monitor the progress with implementation of measures and no country reports were developed after 2015 assessing the progress with implementation of the WFD. Nevertheless, Lithuania reported that implementation of measures had started and there were some pilot projects initiated to investigate effectiveness of the measures targeted at restoration of river hydromorphology.

Based on the 2nd RBMPs reporting and data published 2020⁸⁸, in Lithuania 51.9% of all surface water bodies⁸⁹ reach good ecological status and 99.0% reach good chemical status (with unknown 0.1%). For groundwaters, 100% achieve both good chemical and quantitative status.

⁸⁴ i.e. the [Groundwater Directive \(GWD\) \(2006/118/EC\)](#); the [Environmental Quality Standards Directive \(EQSD\) \(2008/105/EC\)](#); the [Floods Directive \(FD\) \(2007/60/EC\)](#); the [Bathing Waters Directive \(2006/7/EC\)](#); the [Urban Waste Water Treatment Directive \(91/271/EEC\)](#); the new [Drinking Water Directive \(2020/2184/EC\)](#), the [Nitrates Directive \(91/676/EEC\)](#), the [Marine Strategy Framework Directive \(MSFD\) \(2008/56/EC\)](#) and the [Industrial Emissions Directive \(IED\) \(2010/75/EU\)](#)

⁸⁵ Detailed information can be found in the [5th Report from the Commission on the implementation of the Water Framework Directive and the Floods Directive](#), as well as in the 2019 EIR.

⁸⁶ See the [6th Implementation Report of the WFD and FD](#).

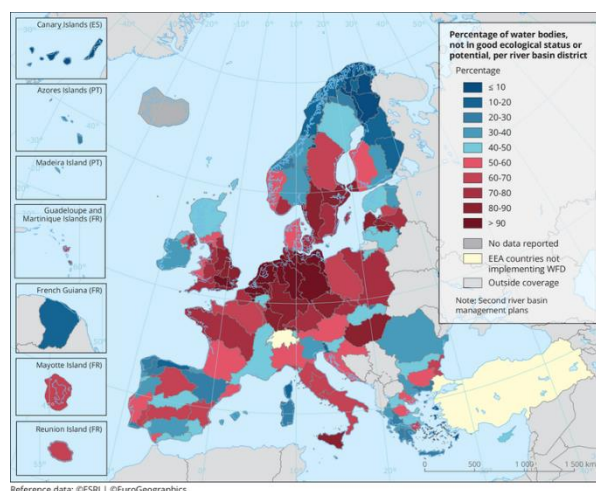
⁸⁷ European Commission, Directorate-General for Environment, Assessment of Member States' progress in Programmes of Measures during the second planning cycle of the Water Framework Directive. Member State: [Lithuania](#), 2022.

⁸⁸ [WISE Freshwater \(europa.eu\)](#)

⁸⁹ river, lake, transitional, coastal, territorial

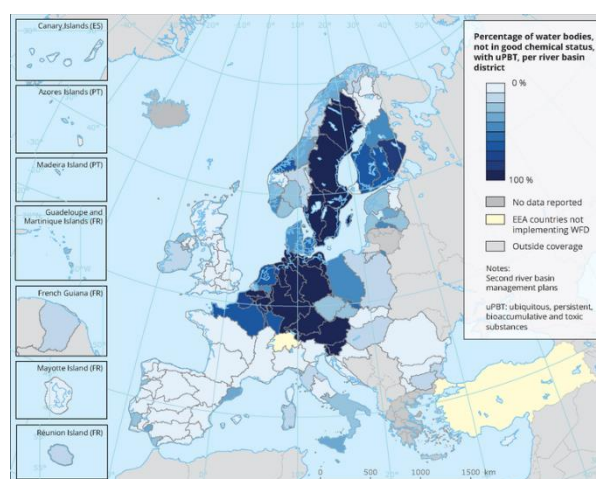
The figure below illustrates the proportion of surface water bodies in Lithuania and other European countries that failed to achieve good ecological status.

Figure 27. Proportion of surface water bodies (rivers, lakes, transitional and coastal waters) in less than good ecological status per River Basin District⁹⁰



The following figure presents the percentage of surface water bodies in Lithuania and other European countries failing to achieve good chemical status. For Lithuania the percentage is 0.9%, if one includes water bodies failing due to substances behaving as ubiquitous PBTs (Persistent, Bio-accumulative, Toxic). Without uPBTs, the percentage of surface water bodies failing to achieve good chemical status remains the same (0.9%).

Figure 28. Percentage of surface water bodies not achieving good chemical status⁹¹



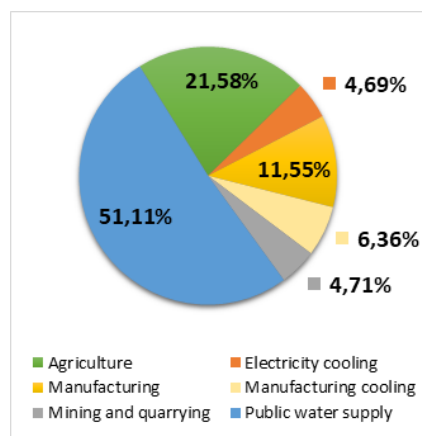
Total water abstracted annually (corresponding to 2019 baseline) in Lithuania from surface and groundwater

⁹⁰ European Environment Agency, [2021](#).

⁹¹ European Environment Agency, [December 2019](#).

sources is 267.44 hm³ (EEA, 2022). The percentage for water abstraction per sector is 21.58% for agriculture, 51.11% for public water supply, 4.69% for electricity cooling, 11.55% for manufacturing, 6.36% for manufacturing cooling and 4.71% for mining and quarrying, as illustrated in the following Figure. Lithuania uses a register to record water abstractions. Water register is updated regularly, although not all information is registered. Exemptions are not recorded.

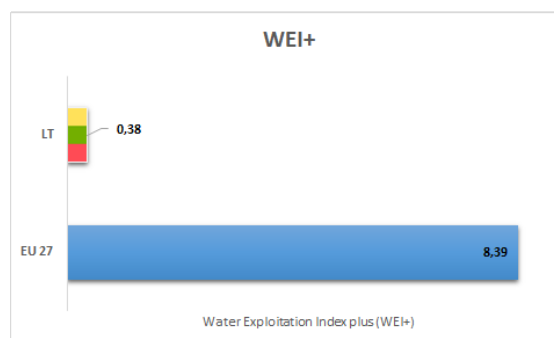
Figure 29. Water abstraction per sector⁹²



In Lithuania, the water exploitation index plus (WEI+) ⁹³ is 0.38%, which is much lower than 20% that is generally considered as an indication of water scarcity⁹⁴.

The bar below presents the WEI+ index in Lithuania and other European countries. Lithuania is ranked 24th (from high to low index) in EU level in terms of water exploitation.

Figure 30 : Water exploitation index plus (WEI+) inside EU, 2017⁹⁵



Regarding, pollution it should be stressed that Lithuania showed a significant decrease during the last decade in releases of heavy metals (72.4%) like Cd, Hg, Ni, Pb and in Total Organic Carbon - TOC (86.4%) to water (EEA, 2021).

It is worth to mention as a positive step that in Lithuania, the [LIFE MarshMeadows](#) project (starting date: Oct 2021) aims, among others, the restoration of hydrological regime on 630 ha in Lithuania that would lead to favourable conditions for conservation and management of habitats and species.

Floods Directive

As mentioned above, the Commission published in December 2021 the 6th Implementation Report. It includes, amongst others, the review and update of the Preliminary Flood Risk Assessments (PFRA) during the second cycle (2016-2021).

The assessment report⁹⁶ showed that Lithuania should establish clearer criteria for the significance of potential flood impact and consequences. Long term developments should be taken into consideration in the assessment of adverse consequences of future flood events and the effectiveness of existing man made flood defence infrastructures should be considered. Lithuania has performed a detailed assessment of potential climate change impacts. Since it was already some time ago, an update is recommended.

Lithuania has adopted and reported the second generation of Flood Risk Management Plans (FRMPs) under the Floods Directive. The European Commission will assess progress since the adoption of the first Flood Risk Management Plans and publish a new report, as done in 2019.

⁹² European Environment Agency, May 2021.

⁹³ The Water Exploitation Index plus (WEI+) is a measure of total fresh water use as a percentage of the renewable freshwater resources (groundwater and surface water) at a given time and place. It quantifies how much water is abstracted and how much water is returned after use to the environment.

⁹⁴ By May 2022, EEA will develop seasonal WEI+ at river basin and NUTS2 level, which provide a more complete picture of water stress and water scarcity for each Member State.

⁹⁵ Eurostat, [Water exploitation Index Plus](#), 2022.

⁹⁶ European Commission, Directorate-General for Environment, Assessment of Second Cycle Preliminary Flood Risk Assessments and Identification of Areas of Potential Significant Flood Risk under the Floods Directive : Member State : [Lithuania](#), 2022

Drinking Water Directive

As regards **Drinking Water Directive**⁹⁷, no new assessment of the quality of Drinking Water is available since the EIR 2019. The quality of drinking water in Lithuania has not been indicated as an area of concern. The recast **Directive**⁹⁸ entered into force on 12 January 2021, Member States have until 12 January 2023 to transpose it into their national legal system. Lithuania will have to comply with these reviewed quality standards.

Bathing Water Directive

Regarding the **Bathing Water Directive**, Figure 32 shows that in 2020, out of the 120 Lithuanian bathing waters, 85.8% were of excellent quality⁹⁹. Detailed information on the Lithuanian bathing waters is available from a national portal¹⁰⁰ and via an interactive map viewer of the European Environment Agency¹⁰¹.

Figure 31: Bathing water quality in Europe in the 2020 season¹⁰²

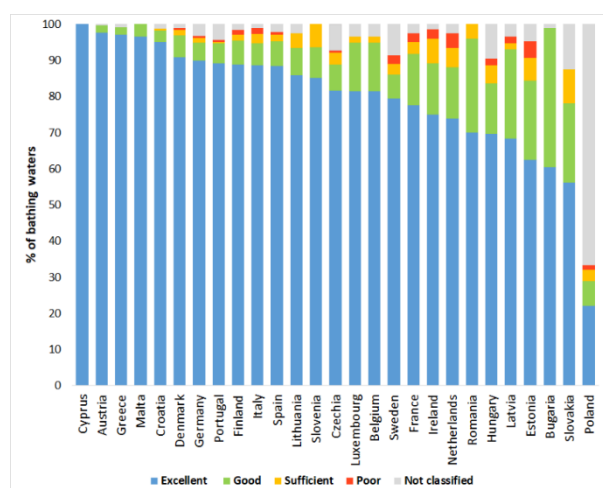
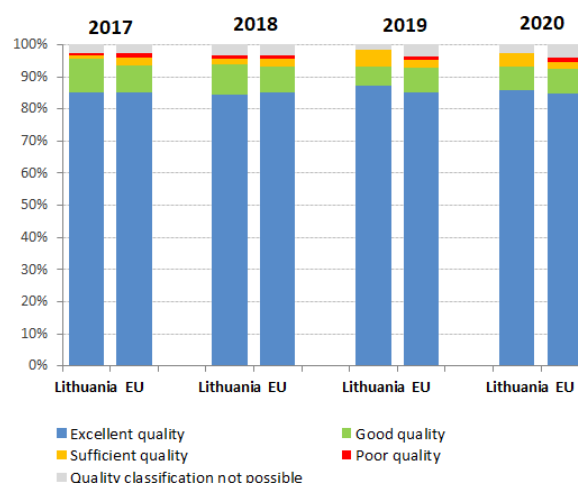


Figure 32: Lithuania, Bathing water quality 2017-2020¹⁰³



*For 2017, 2018 and 2019, data about the UK bathing waters are included under the EU average.

Nitrates Directive

The latest Commission Report on the implementation of the **Nitrates Directive**¹⁰⁴, referring to the period 2016-2019¹⁰⁵, warns that nitrates are still causing harmful pollution to water in the EU. Excessive nitrates in water are harmful to both human health and ecosystems, causing oxygen depletion and eutrophication. Where national authorities and farmers have cleaned up waters, it has had a positive impact on drinking water supply and biodiversity, and on the sectors such as fisheries and tourism that depend on them. Nevertheless, excessive fertilisation remains a problem in many parts of the EU. The compliance with the Nitrates Directive is a prerequisite for reaching the objective of reducing nutrient losses by at least 50% by 2030 enshrined in the EU Biodiversity and Farm to Fork Strategies. It calls for rapid action, which should start with the full enforcement of the related legislation.

Regrettably, the information about the contribution of agriculture to nitrogen discharge in the aquatic environment for reporting period 2016-2019 has not been provided by Lithuania.

Lithuania has a well elaborated network of monitoring stations. The groundwater quality is good, however there is a high number of groundwater monitoring stations with an increasing trend. A high number of the surface waters are found to be eutrophic. Eutrophication is affecting both inland and marine (the Baltic Sea) waters. Taking into account the very acute eutrophication

⁹⁷ OJ L 330, 5.12.1998, p. 32–54.

⁹⁸ OJ L 435, 23.12.2020, p. 1–62.

⁹⁹ European Environment Agency, 2021. [State of bathing water — European Environment Agency \(europa.eu\)](https://www.eea.europa.eu/state-of-bathing-water), p. 17.

¹⁰⁰ http://www.smlpc.lt/lt/aplinkos_sveikata/maudyklos/

¹⁰¹ EEA, [State of bathing waters in 2020 — European Environment Agency \(europa.eu\)](https://www.eea.europa.eu/state-of-bathing-waters-in-2020)

¹⁰² European Environment Agency, [Bathing Water Quality in 2020](https://www.eea.europa.eu/bathing-water-quality-in-2020), 2022.

¹⁰³ European Environment Agency, [European Bathing Water Quality in 2017, 2018, 2019 and 2020](https://www.eea.europa.eu/bathing-water-quality-in-2017-2018-2019-and-2020).

¹⁰⁴ Council Directive 91/676/EEC

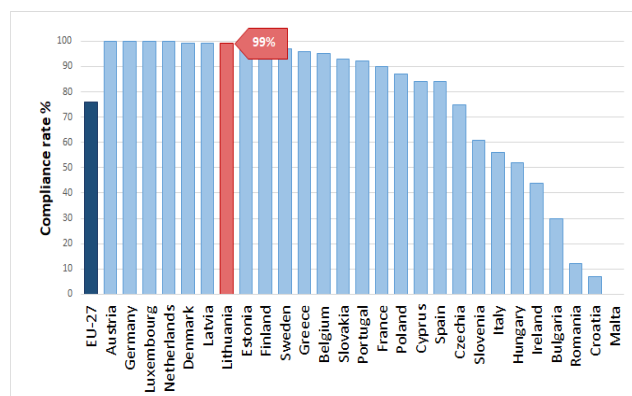
¹⁰⁵ COM(2021) 1000 final

problem which affects 97% of the Baltic Sea¹⁰⁶, on 28 September 2020, on the occasion of “Our Baltic Conference”, Ministers of Agriculture, Fisheries and Environment of the Baltic Sea Member States committed together in a Common Political Declaration to boost efforts to bring the Baltic Sea to achieve a good environmental status by reducing key pressures, and especially nutrients pressure.

Urban Waste Water Treatment Directive

Lithuania has, over the years, encountered a few difficulties in meeting its obligations under the **Urban Waste Water Treatment Directive**. According to the last available data, the overall compliance rate in Lithuania is 99%, which is considerably higher than the EU average of 76% in 2018 (see figure 33). Lithuania has met its target for collection, biological treatment and biological treatment with nitrogen of urban waste water and phosphorus removal. Lithuania reuses 36% of waste water sludge in agriculture and 39.6% in other uses.

Figure 33: Proportion of urban waste water that meets all requirements of the UWWTD (collection, biological treatment, biological treatment with nitrogen and/or phosphorus removal) in compliant urban areas of the UWWTD (‘compliance rate’)¹⁰⁷



Despite the improvement in compliance throughout the years, for which the use of EU funding has been fundamental, the implementation of the UWWTD is still incomplete as Lithuania is taking steps to address issues related to the use of individual or other appropriate systems (IAS) across the country and needs to verify the compliance of now reconstructed urban waste water treatment plant in one agglomeration (Kėdainiai).

Finally, natural water retention measures for flood prevention are often disregarded, despite being

sometimes more cost-effective than hard infrastructure for flood prevention, as well as being cheaper than the costs of flood recovery¹⁰⁸.

2022 Priority Actions

- Assess new physical modifications of water bodies in line with Article 4(7) of the WFD. In these assessments alternative options and adequate mitigation measures have to be considered.
- Facilitate implementation of measures (in particular targeted at restoration of river hydromorphology) to contribute to achieving the WFD objectives.
- Make efforts to improve the coordinated implementation between water, marine and nature policies.
- Complete implementation of the Urban Waste Water Treatment Directive for all agglomerations, by building up the necessary infrastructure.
- Reinforce action programme under the Nitrates Directive to better address eutrophication of surface waters where agriculture pressure is significant.

Chemicals

The EU seeks to ensure that chemicals are produced and used in a way that minimises any significant adverse effects on human health and the environment. The European Commission published on 14 October 2020 the Chemicals Strategy for Sustainability / Towards a Toxic-Free environment¹⁰⁹ leading to some systemic changes in EU Chemicals Legislation. It is part of the EU zero pollution ambition, which is a key commitment of the European Green Deal.

The EU's chemicals legislation¹¹⁰ provides baseline protection for human health and the environment. It also ensures stability and predictability for businesses operating within the internal market.

The Commission has gathered information on the enforcement of REACH and CLP since 2007. In December 2020, the Commission assessed the Member States reports on the implementation and enforcement of these Regulations¹¹¹, in line with REACH Article 117(1) and CLP Article 46(2). According to the latest available data, national enforcement structures have not changed much. However, it is apparent from this report that there are

¹⁰⁶ *idem*

¹⁰⁷ European Commission, [WISE Freshwater](#), 2021.

¹⁰⁸ RPA, 2014. Study on Economic and Social Benefits of Environmental Protection and Resource Efficiency Related to the European Semester. Study for the European Commission, [Annex 1: Country fiches](#).

¹⁰⁹ [COM\(2020\) 667 final](#)

¹¹⁰ REACH: OJ L 396, 30.12.2006, p.1. - CLP: OJ L 252, 31.12.2006, p.1

¹¹¹ European Commission, Final Report, on the operation of REACH and CLP, [Final report REACH-CLP MS reporting 2020.pdf \(europa.eu\)](#)

still many disparities in the REACH-CLP implementation and notably in the area of the law enforcement. The recorded compliance levels seem to be quite stable over time, but with a slight worsening trend likely due to enforcement authorities being more effective in detecting noncompliant products/companies and more non-compliant products being put on the EU market. In August 2021, the Commission published a measurable assessment of the enforcement¹¹² of the two main EU Regulations on chemicals using a set of indicators on different aspects of enforcement.

Responsibility for checking compliance with REACH in Lithuania lies with the following authorities¹¹³:

- Environmental Protection Department under the Ministry of Environment.
- State Consumer Rights Protection Authority under the Ministry of Justice.
- Customs Department under the Ministry of Finance.
- State Labour Inspectorate under the Ministry of Labour and Social Security.

The State Consumers Rights Protection Authority under the Ministry of Justice has carried out market surveillance of non-food products (including chemicals) since January 2016 after the reorganisation of the State Non-Food Products Inspectorate. The draft Law on Amendment of the Law on Chemicals (submitted in November 2019) aims to strengthen the national enforcement system in the chemicals management area. Following the adoption of this amendment, implementing acts will clearly define the competencies of all national enforcement authorities (NEAs) involved in the enforcement of chemicals legislation (including REACH Regulation). In June 2019, the Ministry of Environment submitted proposals for strengthening the capacities of the NEAs involved in the enforcement of chemicals legislation (including proposals for staff increase, strengthening human and technical resources).

Lithuania has devised and implemented both REACH and CLP enforcement strategies¹¹⁴ that consist of:

- an annual plan for enforcement activities developed by each NEA;
- priorities based on risk assessment of companies (analysis of non-compliance, effects of non-compliance, target group, legal obligations and tasks, Customs information on import, information from national database on chemicals) and risk assessment of chemicals (annual tonnage, possible adverse

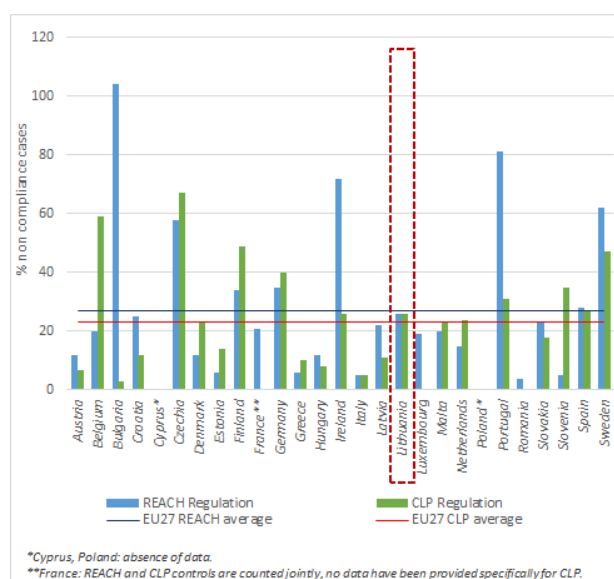
effects, hazardous, exposure, etc.);

- an annual report on enforcement activities.

As a rule, all infringements of REACH are classed as serious or very serious environmental administrative offences. If the infringement is sufficiently serious, the competent authority may decide to impose further penalties in addition to a fine. That authority may also, where necessary, order the provisional seizure of assets and documents.

In Lithuania, 74 staff members (coordinators and territorial or regional inspectors) are allocated to REACH and CLP enforcement¹¹⁵. Accordingly, almost 1 000 REACH and CLP controls carried out. Most of the REACH controls are proactive (inspections), compared with reactive/non-routine controls (i.e. investigations in response to complaints, accidents and referrals). The percentage of non-compliance cases out of the total number controls almost equals the EU average.

Figure 34: Percentage % of non-compliance cases out of the total number of REACH and CLP controls during 2019 per Member State and compared to the EU average¹¹⁶



2022 Priority Actions

- Upgrade the implementation and enforcement administrative capacities towards a zero tolerance to non-compliances.

¹¹² [European Commission, REACH and CLP enforcement: EU level enforcement indicators](#)

¹¹³ [Final report REACH-CLP MS reporting 2020.pdf \(europa.eu\)](#), p. 70

¹¹⁴ [Final report REACH-CLP MS reporting 2020.pdf \(europa.eu\)](#), p. 76

¹¹⁵ European Commission, Final Report, on the operation of REACH and CLP, [Final report REACH-CLP MS reporting 2020.pdf \(europa.eu\)](#), p. 75.

¹¹⁶ European Commission, [Final Report, on the operation of REACH and CLP](#), pp.87-88, 2022.

4. Climate Action

In line with the Paris Agreement and as part of the European Green Deal, the European Climate Law sets the EU target of reaching climate neutrality by 2050 and reducing its greenhouse gas emissions by 55% by 2030 compared to 1990. The law also limits the contribution that carbon removals can make towards emission reductions in 2030 to ensure that there is sufficient mitigation effort. The EU and its Member States submitted updated Nationally Determined Contributions (NDC) to the UNFCCC in December 2020. The EU is working across all sectors and policies to cut greenhouse gas emissions and make the transition to climate neutral and sustainable economy, as well as addressing unavoidable consequences of climate change. Climate legislation has been adopted to incentivize emissions reductions from transport, the maritime sector and fluorinated gases (F-gases) used in products. In road transport, current EU legislation requires the greenhouse gas intensity of vehicle fuels to be cut by 6% by 2020 compared to 2010¹¹⁷ and sets GHG emission standards for different vehicle categories to be respected¹¹⁸. Thanks to the current F-gas Regulation, the EU's F-gas emissions will be cut by two-thirds by 2030 compared with 2014 levels. From 2021 emissions and removals of greenhouse gases from LULUCF have been included in the EU emission reduction efforts. The EU adaptation policy is an integral part of the European Green Deal.

Starting in 2021, Member States are required to report on their national adaptation policies.¹¹⁹ The European Climate Law recognises adaptation as a key component of the long-term global response to climate change. It requires Member States and the Union to enhance their adaptation action by introducing a requirement for the implementation of national strategies and regular progress assessments as part of the overall EU governance on climate action. In February 2021, the updated EU adaptation strategy sets out how the EU can adapt to the unavoidable impacts of climate change and become climate resilient by 2050.

Key national climate policies and strategies

Lithuania has an integrated *National Energy and Climate Plan* (NECP) for years 2021-2030. The work is consistent with the long-term strategy. Lithuania is bound to reaching climate neutrality in line with the EU general target. The national objective is to become climate neutral by 2050.

Lithuania adopted a *Strategy for National Climate Management Policy 2013-2050* in 2012. This is an integrated strategy, which covers both adaptation and mitigation. To update climate change policy for the period from 2020, in 2021 National Climate Change Management Agenda (hereinafter – Agenda) was approved which replaces the former Strategy (2012). The Agenda sets short-term (until 2030), medium-term (until 2040) and long-term (until 2050) targets and objectives for climate change mitigation and adaptation. The goal of the Agenda is to form a long-term vision of Lithuania's climate change management policy to achieve climate neutrality by 2050. Furthermore, ensure the resilience of the country's economic sectors and ecosystems to the changes caused by climate change and, through sustainable financing and investment, develop a competitive, low-carbon economy and create new green jobs. Moreover, to implement eco-innovative technologies, increase the efficiency of energy production and consumption and the use of renewable energy resources in all sectors of the country's economy (energy, industry, transport, agriculture, etc.).

In its RRP, Lithuania allocates 37,8% of the plan to climate objectives and outlines crucial reforms and investments to further the transition to a more sustainable, low-carbon and climate-resilient economy, including renewable energy, sustainable transport and building renovation.

Lithuania has reduced its economy wide greenhouse gas emissions by 58% since 1990, significantly more than EU average.

¹¹⁷ The Fuel Quality Directive Directive (98/70/EC) sets strict quality requirements for fuels used in road transport in the EU to protect human health and the environment, and to make road travel across the EU safer.

¹¹⁸ Directive 98/70/EC

¹¹⁹ Article 29 of Regulation (EU) 2018/1999

Figure 35: Total greenhouse gas emissions (incl. international aviation) 1990-2020 (index 1990 = 100 %).

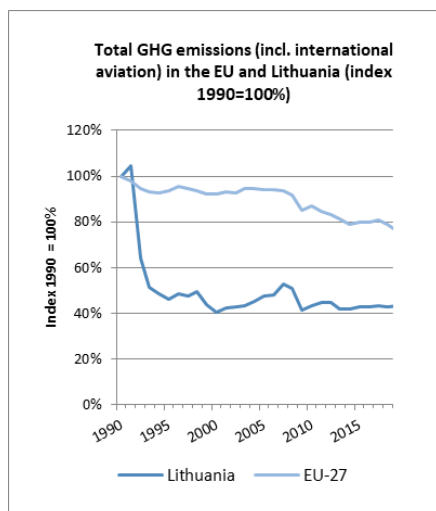
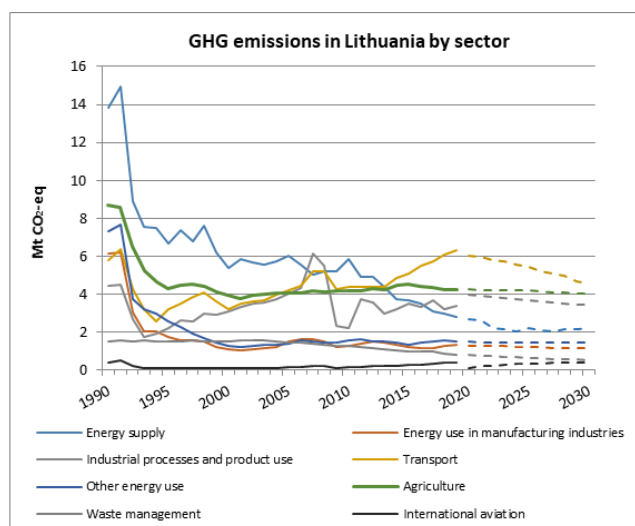


Figure 36: Greenhouse gas emissions by sector¹²⁰ – historical emissions 1990-2019, proxy 2020, projections WEM 2021-2030 (Mt CO₂-eq).

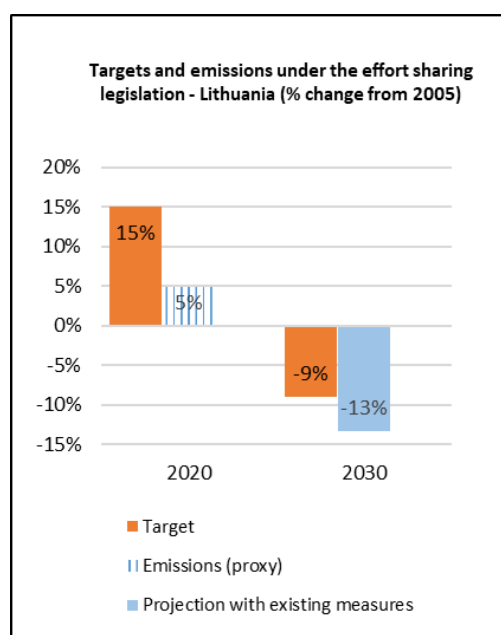


Effort sharing target

For emissions not covered by the EU ETS, Member States have binding national targets under the Effort

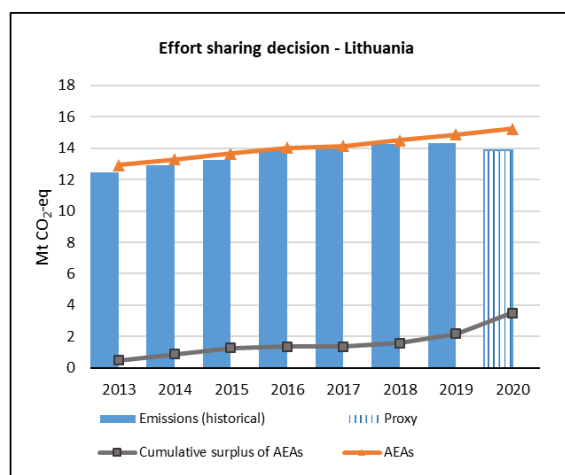
Sharing legislation for the period 2021-2030. Under EU legislation, Lithuania has a target not to increase greenhouse gas emissions in the non-ETS sectors (buildings, road and domestic maritime transport, agriculture, waste and small industries) by + 15% by 2020 and reduce emissions by 9% by 2030 compared to 2005 levels. It is estimated to overachieved its 2020 target. The country's ESR emissions in 2019 were lower than its 2020 target. In its National Energy and Climate Plan, Lithuania intends to achieve more reductions than its current ESR target for 2030 of -9%.

Figure 37: Total greenhouse gas emissions (incl. international aviation) 1990-2020 (index 1990 = 100 %).



¹²⁰ The sectors in the figure correspond to the following IPCC sectors: Energy supply: 1A1, 1B and 1C. Energy use in manufacturing industries: 1A2. Industrial processes and product use: 2. Transport: 1A3. Other energy use: 1A4, 1A5 and 6. Agriculture: 3. Waste: 5. International aviation: 1.D.1.a.

Figure 38: Greenhouse gas emissions by sector¹²¹ – historical emissions 1990-2019, proxy 2020, projections WEM 2021-2030 (Mt CO₂-eq).

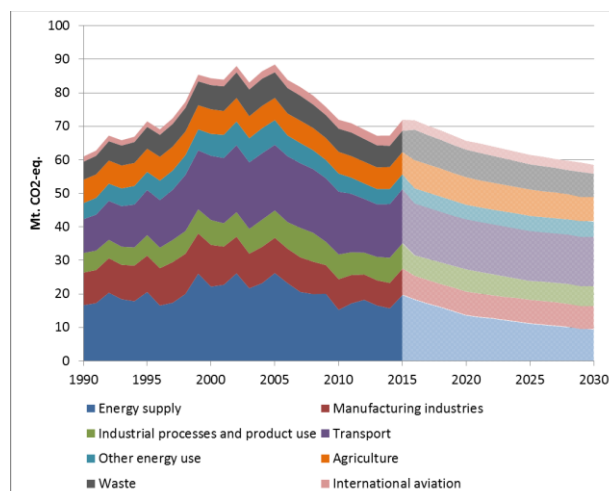


Key sectoral developments

In **road transport**, the GHG intensity of vehicle fuels in Lithuania reduced by 2,2% from 2010 to 2019. The country needs to act swiftly to meet this target. There are several types of action that Member States can take in this regard, for example, further expanding the use of electricity in road transport, supporting the use of biofuels, in particular advanced biofuels, incentivizing the development and deployment of renewable fuels of non-biological origin and reducing upstream emissions before refining processes.

Road transport emissions in 2019 in Lithuania represented 29% of the total greenhouse gas emissions. Emissions have increased by 56% compared to 2005.

Figure 39: Greenhouse gas emissions by sector (Mt, CO₂-eq.). Historical data 1990-2015. Projections 2016-2030¹²² - to be updated



To further reduce **building** emissions, energy renovations are needed. Lithuania's Recovery and Resilience Plan focusses on multi-apartments buildings, which is in line with Lithuania's *Long Term Renovation Strategy*.

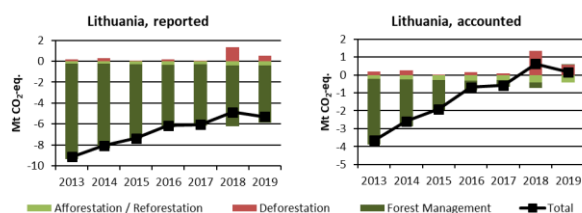
On **agriculture**, the share of agriculture in total greenhouse gas emissions is the third highest in the EU, with more limited mitigation opportunities available.

In the **Land Use, Land Use Change and Forestry (LULUCF)** sector, Lithuania's projects a similar level of net removals by 2030. Reported quantities under the Kyoto Protocol for the LULUCF sector in Lithuania show net removals of, on average, -6.7 Mt CO₂-eq for the period 2013 to 2019. In this regard, Lithuania contributes with 1.9% to the annual average sink of -344.9 Mt CO₂-eq of the EU-27. Accounting for the same period depicts average annual net credits of -1.2 Mt CO₂-eq, which represents 1.1% of the EU-27 accounted sink of -115.0 Mt CO₂-eq. Reported net removals show a sharply decreasing trend. The same trend is shown for accounted net credits between 2013 and 2017 becoming net debits in 2018 and 2019. Lithuania is one of 14 EU Member States that show net debits for at least one year in this preliminary accounting exercise.

¹²¹ The sectors in the figure correspond to the following IPCC sectors: Energy supply: 1A1, 1B and 1C. Energy use in manufacturing industries: 1A2. Industrial processes and product use: 2. Transport: 1A3. Other energy use: 1A4, 1A5 and 6. Agriculture: 3. Waste: 5. International aviation: 1.D.1.a.

¹²² European Environmental Agency, [Total GHG trends and projections](#).

Figure 40: Reported and accounted emissions and removals from LULUCF (Mt CO₂-eq.)¹²³



increase pollution taxes.

Use of revenues from the auctioning of EU ETS allowances

The total revenues from the auctioning of emission allowances under the EU ETS over the years 2012-2021 were EUR 458,6 million. X % of the auctioning revenues have been spent on climate and energy purposes. In Lithuania, revenues are put in a Climate Change fund that is only for climate action and only funded by auctioning revenues, and spent on climate and energy projects.

2022 Priority Actions

- Seize renewable energy potential. Lithuania would further benefit from ambitious offshore wind developments. In view of the synchronisation of the electricity grid with the continental European network by 2025, and the plans to significantly increase renewable energy in Lithuania's power system, it will be important to ensure the system's flexibility, notably by taking additional measures to boost storage and demand response.
- Enhance sustainable transport and increase electric vehicles fleet in the EU
- Improve energy efficiency measures addressing energy efficiency and renewable energy in buildings, in particular through the modernisation of heating systems.
- Maximise the role of waste heat and remain vigilant with regard to the sustainability of biomass
- Faster increases in environmental taxes and the cancellation of exemptions would facilitate the greening of the Lithuanian economy. Environmental taxes in Lithuania are mostly collected from taxes on energy and are significantly below the EU average, although recently the government has taken action to

¹²³ The differences between reported and accounted emissions from LULUCF under the Kyoto Protocol are described in the 'explanatory note on LULUCF – accounted and reported quantities under the Kyoto Protocol'.

Part II: Enabling Framework: Implementation Tools

5. Financing

Environmental investment needs in the European Union

Financing environmental implementation is essential for its success. Although most of it is sourced at national level, various EU funds make an important contribution to implementation and help satisfy the EU's environmental investment needs and close the financing gaps. Post-2020, environmental implementation will also be supported by the EU's Covid-19 recovery fund (via RRF) and the "do no significant harm" (DNSH) principle across the EU budget.

EU funding for environment will also be bolstered by the renewed commitments under the United Nations Framework Convention on Climate Change made at the COP 26 (Glasgow – 31 Oct / 12 Nov 2021), or the Biodiversity Convention COP15 (April-May 2022), under nature-based solutions and investments¹²⁴.

Overall environmental investment gaps (EU27)

The EU's green transition investment needs cover a range of interlinked areas. The additional investment needs over baselines (i.e. the gap) for climate, energy and transport were estimated at EUR 390 billion per annum (EU27)¹²⁵, with further EUR 130 billion to deliver the EU's core environmental objectives¹²⁶. Climate adaptation costs can also be significant, reaching a total of EUR 35-62 billion (narrower scope) or EUR 158-518 billion (wider scope) per year¹²⁷. Those investment needs do reflect the implementation objectives to 2020 and to 2030 (except for climate adaptation costs that are expected to linger on for longer time horizon).

A preliminary update of the EU's core environmental investment gap is provided in the following table¹²⁸. Around half of the environmental investment needs relate to dealing with pollution, accounting for over 70% if combined with water management. The investment gap in waste and materials amounts to around EUR 5

billion p.a., rising to over EUR 20 billion with higher levels of circularity implemented. The annual biodiversity financing gap is estimated at around EUR 15 billion.

Table 1: Estimated breakdown of the EU27's environmental investment gaps, by environmental objective, 2021-2030 (per annum)¹²⁹

Environmental objective	Estimated investment gap EU-27, EUR billion p.a.	
	Range	Mid-range
Pollution prevention & control	46-53	50.0
Water management	22-23	22.5
Circular economy & waste	5-22	13.5
Biodiversity & ecosystems ¹³⁰	10-20	15.0
R & D & I	4-10	7.0
Total	87-128	108.0

Environmental investment needs in Lithuania

Investments in circular economy are a priority in Lithuania, followed by protection of nature and biodiversity as well as sustainable water services. Investments to reduce air pollution should also be considered. The following environmental investment needs have been identified by sector.

Pollution prevention & control

The EU's First Clean Air Outlook¹³¹ under the Clean Air Programme estimated that the total air pollution control

¹²⁴ [The Convention on Biological Diversity \(cbd.int\); Post-2020 Global Biodiversity Framework | IUCN](https://www.cbd.int/post2020/global-biodiversity-framework)

¹²⁵ SWD(2021)621, accompanying proposal COM(2021)557 to amend the REDII Directive (EU) 2018/2001.

¹²⁶ [SWD\(2020\) 98 final/2.](#)

¹²⁷ [SWD\(2018\)292.](#)

¹²⁸ With decreases due to Brexit and some reconciliation among the objectives. Source: DG ENV "Study supporting EU green investment needs analysis" (ongoing, 2021-2023) and DG ENV internal analysis "Environmental investment needs and financing in the EU's green transition" July 2020.

¹²⁹ European Commission, DG Environment, "Study supporting EU green investment needs analysis" (ongoing, 2021-2023) and DG Environment internal analysis "Environmental Investment needs and financing in the EU's green transition", July 2020.

¹³⁰ To meet the needs of the 2030 Biodiversity Strategy (Natura 2000, green infrastructure), at least EUR 20 billion a year should be unlocked for nature (COM/2020/380 final) while to fully cover the strategy (including restoration) EUR 30-35 billion may be needed, indicating a gap of EUR 10-20 billion a year compared to current baseline expenditure.

costs for Lithuania to reach the NECD Emission Reduction Requirements (ERRs)¹³² by 2030 amount to EUR 401 million per year, including, EUR 286 million for capital investment (assuming the achievement the 2030 climate and energy targets).

The Second EU's Clean Air Outlook¹³³ suggests that, if all relevant legislation adopted up to 2018 (including all air pollution and the 2030 climate and energy targets set in 2018) delivered its full benefits and if Member States also implemented the measures announced in their NAPCPs, the EU would largely achieve the reductions of air pollutant emissions that correspond to the obligations under the NEC Directive for 2030, except for 15 Member States for ammonia (NH₃), including Lithuania.

Water management

According to the OECD study Financing a Water Secure Future (2022)¹³⁴, an estimated 6% of the population lacks access to improved sanitation and 4% to improved drinking water, mainly in rural areas. The frequency of heavy rainfall, storm surges and strong winds are projected to increase. EU funding has provided a significant share of past public funding over the past decade¹³⁵. Up to 2030, the cumulative additional investment need for Lithuania was estimated at EUR 861 million euros (around 86 million per annum) over baseline levels, with around 90% of that relating to wastewater¹³⁶. Whilst Lithuania reported some planned measures as part of the River Basin Management Plan under the Water Framework Directive completed for all river basin districts¹³⁷, the first programme of measures has not been fully implemented. A lack of adequate finance is likely to continue to present an obstacle also to implementing the 2nd (2015-2021¹³⁸) and the 3rd (2021-2027) programme of measures. In its Water Sector Development Programme, Lithuania reports financing

needs by 2023 of EUR 72 million, of which EUR 18 million are high priority, EUR 32 million low priority and EUR 22 million earmarked for additional road protection measures.¹³⁹

Waste & circular economy

According to a Commission's study¹⁴⁰ to meet the recycling targets for municipal waste and packaging waste, Lithuania still needs to invest an additional EUR 127 million (around 18.1 million per annum) between 2021 and 2027 over baselines in collection, recycling reprocessors, biowaste treatment, waste sorting facilities and waste registry digitalisation. This does not include investment necessary to unlock a higher uptake of circularity and waste prevention across the economy. The costs of replacing bio-waste treatment facilities, EUR 3.9 million between 2021 and 2027, is included in the above. However, these exclude investment needs for other key waste streams (plastics, textiles, furniture) or to reach higher levels of circular solutions.

Biodiversity & ecosystems

Lithuania officially submitted the prioritised action framework (PAF) of Natura 2000 funding needs for 2021-2027 on 18 March 2022. According to the final version of the document the annual funding needs of the Natura 2000 network in Lithuania, together with its green infrastructure and funding needs for species amount to 122 million EUR/year. This excludes additional costs to implement the Biodiversity Strategy to 2030, including on increased protection and restoration.

The biggest financial needs relate to the management of grasslands, horizontal measures including site designation and management and prevention, mitigation or compensation of damage caused by protected species.

EU environmental funding 2014-2020

The **multiannual financial framework** (MFF) for the years 2014-2020 allocated almost EUR 960 billion (in commitments, 2011 prices)¹⁴¹ for the EU. The commitment to green transition included a 20% climate target and funding opportunities for the environment, in particular, under the European Structural and Investment

¹³¹ International Institute for Applied Systems Analysis (IIASA), [Progress towards the achievement of the EU's air quality and emissions objectives](#), 2018.

¹³² Covering the reductions of and the emission ceilings for 5 atmospheric pollutants, SO_x, NO_x, PM_{2.5}, NH₃ and VOC by 2030, compared to 2005. Source: Progress towards the achievement of the EU's air quality and emissions objectives, IIASA 2018. (page 29). Requirements "[Directive \(EU\) 2016/2284](#).

¹³³ [COM\(2021\) 3 Final](#) and [Report Annex](#).

¹³⁴ OECD, [Financing Water Supply, Sanitation and Flood Protection: Challenges and Options](#), 2020.

¹³⁵ OECD, [Financing Water Supply, Sanitation and Flood Protection: Challenges and Options](#), 2020.

¹³⁶ OECD, [Lithuania- Country fact sheet- Financing Water Supply, Sanitation and Flood Protection](#).

¹³⁷ [WFD and FD Implementation Reports - Environment - European Commission \(europa.eu\)](#)

¹³⁸ Not yet evaluated

¹³⁹ European Commission, Directorate-General for Environment, Economic data related to the implementation of the WFD and the FD and the financing of measures : final report, Publications Office, 2021, <https://data.europa.eu/doi/10.2779/163850>.

¹⁴⁰ OECD, [Financing a Water Secure Future](#), 2022.

¹⁴¹ [Council Regulation \(EU, Euratom\) No 1311/2013](#).

(ESI) Funds¹⁴². The 2014-2020 budget was subsequently topped up with over EUR 50 billion (current prices) from REACT-EU (Recovery Assistance for Cohesion and the Territories of Europe) for cohesion policy action against coronavirus (COVID-19)¹⁴³.

Lithuania received EUR 9.3 billion from the ESI Funds over 2014-2020 to invest in job creation and a sustainable and healthy European economy and environment. The planned direct environmental investment amounted to EUR 830.8 million with further EUR 611.5 million identified as indirect environmental investment value, totalling to EUR 1.4 billion. Figure 41 shows an overview of (planned) individual ESI Funds earmarked for Lithuania.

Figure 41: ESI Funds allocated to Lithuania, including environmental investments, 2014-2020¹⁴⁴

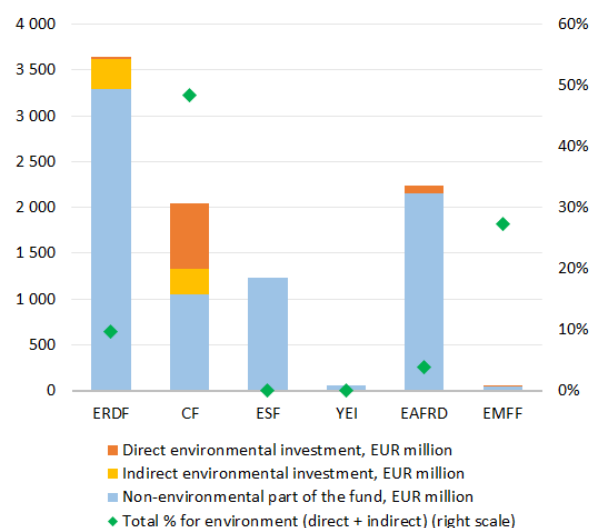


Table 2: Direct and indirect environmental investments under the ESI Funds in Lithuania, 2014-2020¹⁴⁵

Instrument	Allocations for the environment (EUR million)
Under Cohesion policy (ERDF + CF)	1 338.2
<u>Direct environmental investments</u>	<u>731.0</u>
water	350.9
waste	155.7
air quality	14.3
biodiversity and nature	55.7
land rehabilitation	18.0
climate and risk management	136.4
<u>Indirect environmental investments</u>	<u>607.2</u>
renewable energy	80.1
energy efficiency	185.7
other energy ¹⁴⁶	53.6
sustainable transport	188.2
sustainable tourism	32.3
business development, R&I	67.2
Under EAFRD/rural development	86.8
<u>Direct environmental investments</u>	<u>82.6</u>
climate and risk management	82.6
<u>Indirect environmental investments</u>	<u>4.1</u>
renewable energy	4.1
Under EMFF	17.3
<u>Direct environmental investments</u>	<u>17.2</u>
biodiversity and nature	17.2
<u>Direct environmental investments</u>	<u>0.1</u>
business development, R&I	0.1
Under ESI Funds total	1 442.3
Direct environmental investments	830.8
Indirect environmental investments	611.5

Funding for the environment from the ESI Funds has been also supplemented by other EU funding programmes available to all Member States, such as, the LIFE programme or the Horizon 2020.

The LIFE programme¹⁴⁷ is entirely dedicated to environmental and climate objectives. It finances demonstration and best practice actions for green solutions to be deployed. In the 2014-2020 period, Lithuania has received EU support for seven LIFE projects

¹⁴² The European Structural and Investment (ESI) Funds include the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the European Social Fund (ESF) with the Youth Employment Initiative (YEI), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).

¹⁴³ Regulation (EU) 2020/2221.

¹⁴⁴ European Commission, DG Environment - Data analysis, DG Environment analysis based on ESI Funds Open Data Portal (cohesiondata.ec.europa.eu), [Integration of environmental concerns in Cohesion Policy Funds \(COWI, 2017\)](#), Regulation (EU) No 1303/2013, Regulation (EU) 2021/1060 and Implementing Regulation (EU) No 215/2014. Cut-off date for data: December 2021. Environmental investments here are captured via the combined use of intervention fields and coefficients under the Regulation (EU) No 1303/2013 and Regulation (EU) 2021/1060 allowing for a more precise identification and valuation of relevant environmental investments. N.B. Indirect environmental investments are valued using the Annex I environmental coefficients of the Regulation (EU) 2021/1060 (as opposed to full value).

¹⁴⁵ The values of environmental investments identified here in the specific environmental areas may differ from the tracking values at [cohesiondata.ec.europa.eu](#), e.g. for [clean air](#) or [biodiversity](#) due to two factors: the set of environmental coefficients used and the range of funds assessed. DG Environment's analysis here covered the full range of ESI Funds. See also previous footnote.

¹⁴⁶ Intelligent energy distribution systems (smart grids) and high efficiency co-generation and district heating, based on intervention field 53 and 54 respectively (with 40% environmental coefficients) of REGULATION (EU) 2021/1060, Annex I.

¹⁴⁷ European Commission, [LIFE Programme](#).

with EUR 24.6 million from the LIFE programme for nature and environmental projects (out of 1 028 EU27 LIFE projects with the total EU contribution of EUR 1.74 billion)¹⁴⁸.

In 2014-2020, the Horizon 2020 allocated about EUR 3.6 million for Lithuania (in particular, for circular economy) which is about 3.8% of Lithuania's total allocation.¹⁴⁹ From the European Fund for Strategic Investments (EFSI), Lithuania received EUR 56 million for indirect environmental investments out of its total allocation (EUR 232.6 million)¹⁵⁰. From the EIB, Lithuania received EUR 85.5 for direct environmental investments, specifically, for waste) out of the total EIB loans for Lithuania (EUR 2.3 billion)¹⁵¹. The country ranks number 20 in size in total EIB lending.

In 2020, the EIB provided EUR 24.2 billion to fight climate change at EU level, 37% of its total financing (a marked increase) and EUR 1.8 billion (3% of its financing) for the environment¹⁵²¹⁵³.

EU environmental funding 2021-2027

The 2020 European Green Deal Investment Plan (EGDIP) calls upon EUR 1 trillion green investments (public and private) by 2030. The multiannual financial framework (MFF) 2021-2027 and the NextGenerationEU will mobilise EUR 2.018 trillion (in current prices) to support the COVID-19 recovery and the EU's long-term priorities, including environmental protection.¹⁵⁴ Following the EU Green Deal's¹⁵⁵ 'do no harm' pledge and the Interinstitutional Agreement on the 2021-2027 MFF¹⁵⁶, 30% of the EU budget will support climate efforts and 7.5% (as of 2024) and 10% (as of 2026) biodiversity.

Sustainable finance significantly increases transparency on environmental sustainability (EU Taxonomy)¹⁵⁷, strengthens non-financial reporting requirements,

facilitates green bond issuance (by the EU Green Bond Standard¹⁵⁸). Reinforced by the Renewed Sustainable Finance Strategy (2020)¹⁵⁹ it will increase investment flows to climate and environment. In support of financing climate adaptation, the new strategy on adaptation to climate change¹⁶⁰ can facilitate to close the insurance protection gap from non-insured climate-related events¹⁶¹. The EIB will align 50% of its lending with climate and environment by 2025¹⁶² with an EUR 250 billion contribution to the Green Deal Investment Plan by 2027.

Table 3 makes an overview of the EU funds earmarked specifically to Lithuania for the 2021-2027 period. These funds are also supplemented by other EU funding programmes available to all Member States.

Table 3: Key 2021-2027 EU funds allocated to Lithuania (current prices), 2021-2027

Instrument	Country funding allocation (million EUR)
Cohesion policy	Total: 6 102.4¹⁶³
ERDF	3 464.3
CF	1 418.7 ¹⁶⁴
ESF+	1 136.4
ETC (ERDF)	83 ¹⁶⁵
Just Transition Fund	273.2¹⁶⁶
EAFRD/rural development	977.5¹⁶⁸
under CAP Strategic Plans 2023-2027 ¹⁶⁷	
European Maritime, Fisheries and Aquaculture Fund	61.2¹⁶⁹

¹⁵⁸ [EU Green Bond Standard](#) - 2021/0191 (COD).

¹⁵⁹ COM (2021) 390 Final - European Commission, Strategy for Financing the Transition to a Sustainable Economy.

¹⁶⁰ COM(2021) 82 final.

¹⁶¹ The strategy would support improved insurance gap coverage including through the natural catastrophe markets as reflected with the EIOPA (the Association for European Insurance and Occupational Pension Authorities) dashboard on insurance protection gap for natural catastrophes. See: [The pilot dashboard on insurance protection gap for natural catastrophes | Eiopa \(europa.eu\)](#).

¹⁶² EIB Climate Bank Roadmap 2021-2025, November 2020

¹⁶³ European Commission, [2021-2027 Cohesion policy EU budget allocations](#).

¹⁶⁴ The transfer to the Connecting Europe Facility (Transport) is not included.

¹⁶⁵ Interreg initial allocations per MS including ETC transnational and ETC cross-border co-operation.

¹⁶⁶ European Commission, [2021-2027 Cohesion policy EU budget allocations](#).

¹⁶⁷ European Commission, [CAP strategic plans](#).

¹⁶⁸ [Regulation \(EU\) 2021/2115](#), Annex XI.

¹⁶⁹ [Regulation \(EU\) 2021/1139](#), Annex V.

¹⁴⁸ [CINEA](#).

¹⁴⁹ Source: <https://sc5.easme-web.eu/>, accessed: 15-12-2021.

¹⁵⁰ Approved and signed EFSI financing - EIB, 2015-2020: Source: <https://www.eib.org/en/products/mandates-partnerships/efsi/index.htm>.

¹⁵¹ EIB loans in EU countries in 2014-2020. Source: EIB Open Data Portal: <https://www.eib.org/en/infocentre/eib-open-data.htm>

¹⁵² The EIB Group jointly works with the European Commission in implementing several programs that finance environmental implementation: InvestEU, the successor of EFSI, Pillar II and III of the Just Transition Mechanism. The EIB Group stands as a key implementing partner for InvestEU with responsibility for managing 75% of the overall budgetary capacity of the mandate.

¹⁵³ [EIB 2021 Activity Report](#).

¹⁵⁴ European Commission, [2021-2027 long-term EU budget & NextGenerationEU](#).

¹⁵⁵ [COM/2019/640 final](#).

¹⁵⁶ [Interinstitutional Agreement, OJ L 433I](#).

¹⁵⁷ https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en

(EMFAF)	
Recovery and Resilience Facility (RRF) 2021 – 2026 ¹⁷⁰	2 224.2 ¹⁷¹ (grants)

In Lithuania, the programming for the majority of EU funds (cohesion policy funds, EAFRD and EMFAF) is ongoing. However, the negotiations have been concluded under the RRF.

The RRP consists of 30 measures, covering investments and reforms supported by EUR 2.22 billion in grants. 37.8% of the plan will support climate objectives. In terms of green transition, the plan includes reforms and investments of EUR 218 million in energy efficiency renovations for a sustainable urban environment and EUR 242 million in generation and storage of renewable energy. Furthermore, EUR 347 million will be invested in sustainable mobility supporting the replacement of polluting road transport vehicles, improving public transport services, establishment of charging/refilling infrastructure for vehicles using alternative fuels, and developing alternative fuels sectors (biomethane, second generation liquid biofuels, hydrogen). The plan also supports the restoration of degraded peatlands (EUR 16 million) and increased resource efficiency through the adoption of the Circular Economy Action Plan¹⁷².

Figure 42: Climate tagging in the RRFs ¹⁷³ (to be inserted at a later stage)

Under the NextGenerationEU, the Commission will issue up to EUR 250 billion of EU green bonds (1/3 of the NGEU) until 2026 that will comply with the general spirit of the DNSH principle, but will not be subject to the currently developed Delegated Acts related to the EU Taxonomy and will not fully align with the proposed EU Green Bond Standard.

EIB Group adopted the Climate Bank Roadmap outlining the role of the institution in climate action and environmental sustainability for the next decade also setting to align 50% of its lending activity with that by 2025. The EIB's contribution to the European Green Deal Investment Plan is expected to amount to around EUR 250 billion throughout to 2027 in terms of investments in EU mandates (i.e. under EU instruments and through the EU budget).

¹⁷⁰ The actual reforms and investments under the RRF have to be implemented until 31 December 2026.

¹⁷¹ Council Implementing Decision, FIN 565.

¹⁷² European Commission, [Lithuania recovery and resilience plan](#).

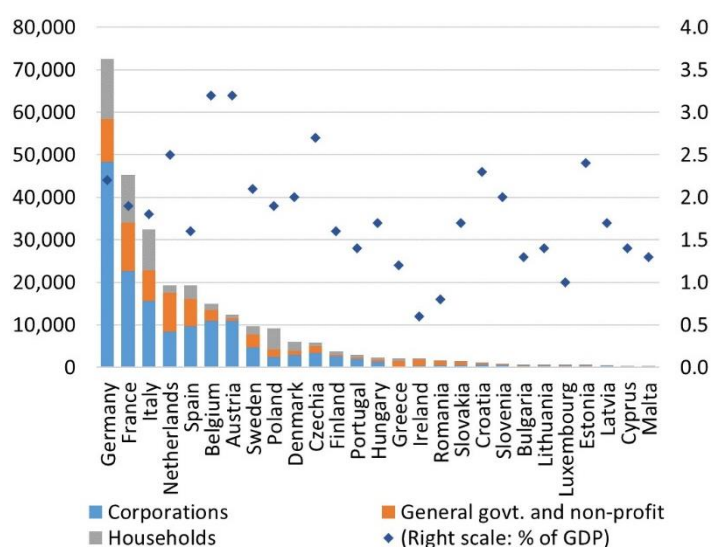
¹⁷³ European Commission.

National environmental protection expenditure

Total national **environmental protection expenditure** (including all relevant current and capital expenditure)¹⁷⁴ in the EU-27 was EUR 272.6 billion in 2020, representing 2% of the common GDP being quite stable over time. While absolute expenditure is concentrated in a few countries, as a share of GDP, most countries spend between 1-2%, as is the case in Lithuania (1.4%).

Of the above total, the **EU-27's capital expenditure (Capex) on environmental protection (i.e. investment)** amounted to EUR 56.3 billion in 2018, lowering to EUR 54.5 billion in 2020, representing around 0.4% of GDP. Most Member States invested 0.2-0.5% of their GDP in environmental protection, including Lithuania (0.3%). During 2014-2020, this totalled to around EUR 376 billion of environmental investment in the EU-27, and to EUR 118.5 million for Lithuania.

Figure 43: Direct and indirect environmental protection investments in the EU-27 (EUR million and % of GDP), 2018¹⁷⁵



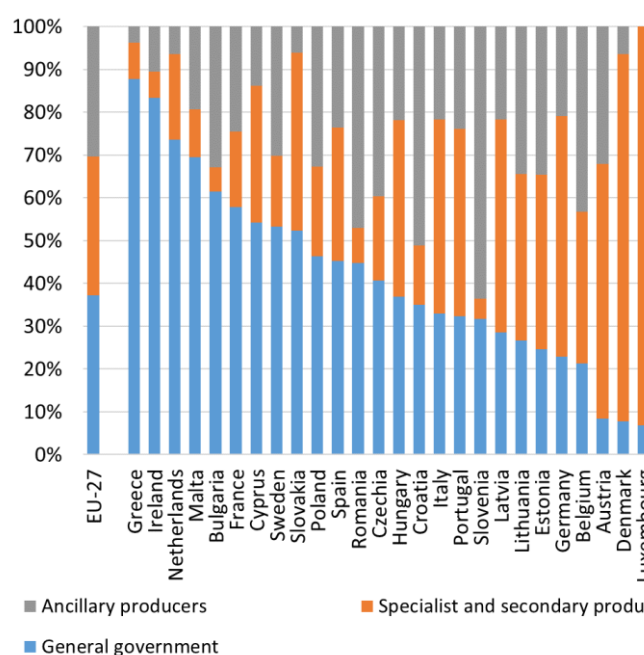
By **institutional sector**, around 27% of Lithuania's environmental protection investments (capital expenditure) came from the general government, further

¹⁷⁴ At economy level, including final consumption, intermediate consumption and capital expenditure of households, corporations and governments related to environmental protection goods and services. It excludes EU funds, while may include some international expenditure beyond domestic. Data source: Environmental Protection Expenditure Accounts (EPEA), Eurostat. EPEA accounts are based on the [CEPA 2000 classification](#), excluding climate, energy and circular economy.

¹⁷⁵ Eurostat, [Environmental Protection Expenditure Account](#), 2021.

39% from specialist producers (of environmental protection services, e.g. waste and water companies) and 34% from the classical industry (or business) sector that normally pursues environmental activities as ancillary to their main activities. At EU level, 37% comes from governments, 33% from specialist producers and 30% from industry (business).

Figure 44: EU-27 Member States' environmental protection investments (Capex) by institutional sectors (Total economy = 100%), 2018¹⁷⁶



Breakdown of investment **by environmental topic** is partially available, at the level of institutional sectors only (instead of economy level), due to different reporting patterns¹⁷⁷. At Lithuania's general government level, a significant share, 42% of environmental protection investments went to biodiversity protection, followed by waste management (17%) and air protection (15%). In case of the country's specialist producers, 58% concerned wastewater, 30% waste management and 12% the protection of air. For Lithuania's industry (businesses),

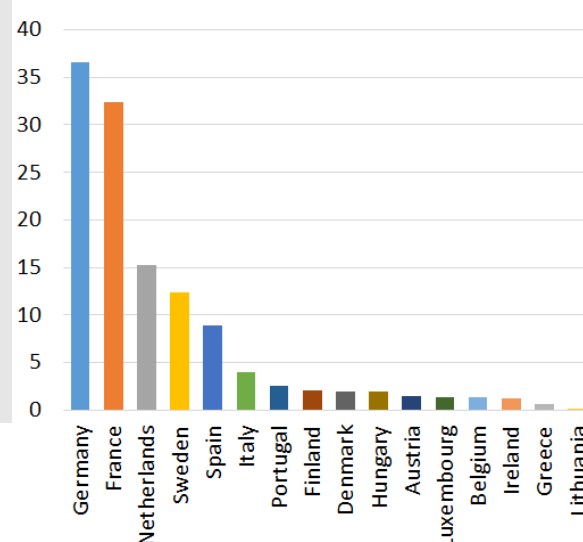
¹⁷⁶ Eurostat, Environmental Protection Expenditure Accounts (env_epe).

¹⁷⁷ Data reporting differs for the 3 institutional sectors, leading to aggregation difficulties. Specialist companies provide comprehensive data across all environmental areas (CEPA 1-9), while this is less the case for general government and industry that often report (the non-obligatory) data in merged categories only (with difficulty to split) or not at all.

the two main priorities were wastewater (45%) and protecting air (43%) to name the most significant areas.

The total annual European **green bond** issuance¹⁷⁸ in 2020 was USD 156 billion (EUR 137 billion¹⁷⁹), growing from USD 117 billion (EUR 105 billion) in 2019, also including some non-EU European countries. By EU-27 Member States only, the 2020 annual green bond issuance was EUR 124 billion. 83% of the green bonds issued by European countries served energy, buildings or transport objectives between 2014-2020, 8% supported water and waste, with further 6% supporting land use – with links to ecosystem conservation & restoration, based on the Climate Bonds Taxonomy being broadly similar to the EU Taxonomy¹⁸⁰. Of this 2020 annual EU green bond issuance, Lithuania's had EUR 46.3 million issuance.

Figure 45: Annual EU green bond issuance in 2020 (EUR billion)¹⁸¹



¹⁷⁸ Green bonds were created to fund projects that have positive environmental and/or climate benefits. The majority of green bonds issued are green "use of proceeds" or asset-linked bonds. The very first green bond was issued in 2007 with the AAA-rated issuance from multilateral institutions, the European Investment Bank (EIB) and the World Bank.

¹⁷⁹ At Eurostat's annual average EUR/USD exchange rates.

¹⁸⁰ Interactive Data Platform at www.climatebonds.net. Further information on Climate Bonds Taxonomy: <https://www.climatebonds.net/standard/taxonomy>

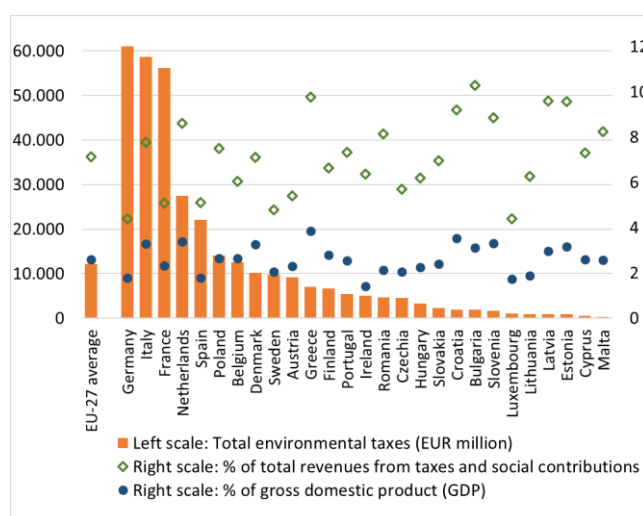
¹⁸¹ Climate Bonds Initiative, 2022.

Green budget tools

Green taxation and tax reform

Lithuania revenue from environmentally-related taxes remains around the lowest in 2020 with EUR 954.4 million, as shown in the Figure 46, being 1.93% compared to GDP (EU average is 2.24%). Within this, energy taxation represents the highest share with 90% in 2020, while transport tax represents 5.3% and pollution/resources tax accounts for 4.6%.

Figure 46: Environmental taxes in the EU-27, 2020¹⁸²



The 2019 European Green Deal underlines that well-designed tax reforms can boost economic growth and resilience, foster a fairer society and a just transition, by sending the right price signals and incentives to economic actors. The Green Deal creates the context for broad-based tax reforms, fossil fuel subsidies removal, shifting the tax burden from labour to pollution, also accounting for social considerations¹⁸³. The application of the 'polluter pays principle' (PPP)¹⁸⁴ stipulating that polluters bear the cost of measures to prevent, control and remedy pollution; is facilitated by the EU Commission's TSI project on greening taxes¹⁸⁵.

According to a Commission's study on Green taxation and other economic instruments (2021) Lithuania could increase the landfill tax to further address particular

areas of environmental concern¹⁸⁶. Lithuania could also consider introducing a scheme for biodiversity offsetting to improve the situation. To be economically efficient such a scheme must require offsetting payments at least equal in value to any ecosystem services which are lost¹⁸⁷.

Environmentally harmful subsidies

Addressing and removing environmentally harmful subsidies (EHS) is a further step towards wider fiscal reforms.

Fossil fuel subsidies are costly for public budgets and adversely impact the achievement of the Green Deal objectives. In many cases they also go against incentives for investments in green technologies, and do not contribute to levelling the playing field. Fossil fuel subsidies vary around EUR 55 billion in the EU since 2015. They rose by 4% between 2015 and 2019, however some countries, such as Latvia, Lithuania Sweden, Greece or Ireland, managed to decrease subsidies for fossil fuels. In the EU, subsidies on petroleum products, in sectors such as transport and agriculture, kept on growing over this period, whereas subsidies on coal and lignite decreased, largely owing to diminishing role of solid fuels in electricity generation. As a share of GDP, fossil fuel subsidies ranged from 1.2% in Hungary to less than 0.1% in Malta in 2019 (being 0.4% on EU average). In 2019, the total fossil fuel subsidies in Lithuania amounted to EUR 0.2 billion, representing 0.37 % of the GDP. In 2020, the EU27's total amount of fossil fuel subsidies decreased to EUR 52 billion (due to falling consumption amid the COVID-19-related restrictions) which, without Member State actions, are likely to rebound as economic activity picks up from 2020¹⁸⁸.

Lithuania allocates however more than the EU average on fossil-fuel subsidies — and higher than renewable-energy subsidies¹⁸⁹. Regarding environmental harmful subsidies, Lithuania is planning to phase out environmentally harmful subsidies for coal, gasoil, natural gas and pollution tax reduction.

¹⁸² Eurostat, Environmental taxes accounts (env_eta).

¹⁸³ COM (2019/640 final), p.17.

¹⁸⁴ Article 191(2) of the Treaty on the Functioning of the European Union: "Union policy on the environment (...) shall be based on the precautionary principle and on the principles that preventive action should be taken, that environmental damage should as a priority be rectified at source and that the polluter should pay".

¹⁸⁵ European Commission, [Greening taxes- applying polluter pays principle in practice](#), [green budgeting TSI participation](#).

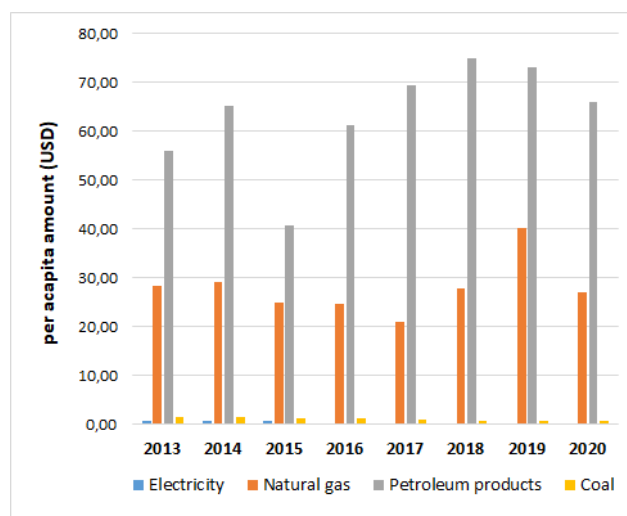
¹⁸⁶ European Commission, [Green taxation and other economic instruments](#), 2021.

¹⁸⁷ European Commission, [Ensuring that polluters pay Lithuania](#).

¹⁸⁸ See [table on EU FFS data in 2019](#) which is based on (for info) COM(2021) 950 and Annex.

¹⁸⁹ European Court of Auditors, [Energy taxation, carbon pricing and energy subsidies](#), 2022.

Figure 47: Trends in natural gas, petroleum products, electricity and coal subsidies in Lithuania¹⁹⁰



% GDP	2013	2014	2015	2016	2017	2018	2019	2020
Electricity	0,00	0,00	0,01	0,00	0,00	0,00	0,00	0,00
Natural gas	0,18	0,18	0,18	0,17	0,13	0,14	0,20	0,13
Petroleum	0,36	0,40	0,29	0,41	0,41	0,39	0,37	0,32
Coal	0,01	0,01	0,01	0,01	0,01	0,00	0,00	0,00

Current green budgeting practices

Green budgeting encompasses various climate and environmental tagging and tracking practices in budgets and some EU Member states already use green budgeting elements¹⁹¹. Green budgeting helps identify and track green expenditure and green revenues to increase transparency on the greenness of budgetary policies, improving policy coherence and supporting green policies (including climate and environmental objectives)¹⁹².

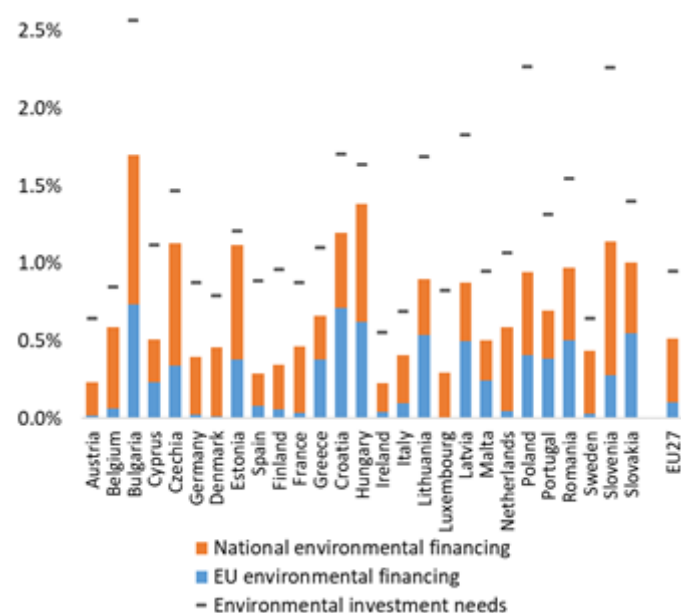
EU climate proofing and sustainability proofing guidance have also been developed, as tools to assess project eligibility and compliance with environmental legislation and criteria¹⁹³. The EU Commission established a green budgeting reference framework¹⁹⁴ and launched a technical support project (TSI) on green budgeting in 2021 to assist Member States in developing or further

developing national green budgeting frameworks to reap the benefits for policy coherence and for the green transition. Lithuania participates in the EU Commission's green budgeting project started in 2021.

Overall environmental financing compared to the needs

The overall environmental financing for investments is estimated to have reached 0.52% of GDP in the 2014-2020 period in the European Union, taking into account major EU funds and national financing. This ranged from 0.23% (Austria, Ireland) to 1.7% (Bulgaria), linked to the level of environmental challenges in Member States. The overall EU environmental investment needs in the 2021-2027 period are estimated to reach at least 0.95% of the common GDP¹⁹⁵, suggesting a potential environmental financing gap of over 0.43% of GDP at EU level, past financing levels and patterns assumed¹⁹⁶.

Figure 48. Overall environmental financing and needs in the EU (% of GDP), 2014-2020¹⁹⁷



¹⁹⁵ Excluding needs for certain environmental sub-objectives where detailed breakdown by country was not directly available at the time of the analysis (e.g. noise, water protection, higher stages of circular economy, increased needs from the 2030 Biodiversity Strategy). Including these could further increase the total needs at EU level (by around 50%).

¹⁹⁶ Source: DG Environment data analysis. EU financing sources covered: ESI Funds (ERDF, CF, ESF, YEI, EAFRD, EMFF), Horizon 2020, LIFE, EFSI (EU amount), EIB loans. National financing: total national environmental protection capital expenditure (investments) - source: Eurostat EPEA dataset. Cut-off date for data: end 2021. N.B. The total financing may be higher, in particular through further indirect investments, requiring further analysis in the future.

¹⁹⁷ Eurostat, [ESI Funds Open Data](#), 2021.

¹⁹⁰ OECD, [Fossil fuel Subsidy Tracker](#).

¹⁹¹ European Commission, [Green Budgeting Practices in the EU: A First Review](#), 2021.

¹⁹² European Commission, [European Commission Green Budgeting Reference Framework](#). European Commission, [Green Budgeting in the EU Key insights from the 2021 Commission survey](#).

¹⁹³ European Commission, [Technical guidance on sustainability proofing for the InvestEU Fund](#).

¹⁹⁴ European Commission, Green Budgeting Reference Framework, based on the review of the OECD Paris Collaborative on Green Budgeting initiative, 2017.

Source: DG Environment

Lithuania's overall environmental financing for investments is estimated to have been 0.9% of GDP (well above the EU average of 0.52%) in 2014-2020, mostly coming from EU funding sources. The overall environmental investment needs in the 2021-2027 period are found to be at least annual 1.69% of the country's GDP, suggesting a potential environmental financing gap of around 0.8% of the GDP to be addressed through additional environmental financing measures.

2022 Priority Actions

- To devise an environmental financing strategy to maximise opportunities for closing environmental implementation gaps, bringing together all relevant administrative levels.
- To ensure an increased level of financing for the environment to cover the investment needs across the environmental objectives and preventing or closing investment gaps.

6. Environmental Governance

Information, public participation and access to justice

Citizens can more effectively protect the environment if they can rely on the three "pillars" of the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters ("the Aarhus Convention"). It is of crucial importance to public authorities, the public and business that environmental information is shared in an efficient and effective way¹⁹⁸. Public participation enables authorities to make decisions that take public concerns into account. Access to justice is a set of guarantees that allows citizens and NGOs to use national courts to protect the environment¹⁹⁹. It includes the right to bring legal challenges ("legal standing")²⁰⁰.

Environmental information

This section focuses on the Lithuania's implementation of the INSPIRE Directive. The INSPIRE Directive aims at establishing a European spatial data infrastructure for sharing environmental spatial information between public authorities across Europe, assisting in policy-making across boundaries and facilitating public access to this information. Geographic information is needed for good governance at all levels and should be readily and transparently available.

As part of a general compliance promotion exercise on the accessibility of priority data sets for reporting, a letter of formal notice was sent to Lithuania on 8 March 2019. Lithuania has responded well and has significantly improved its implementation.

Lithuania's implementation of the INSPIRE Directive is good. Its performance has been reviewed based on the country's 2021 country fiche²⁰¹. Data identification and documentation have made good progress, and implementation levels are good.

Table 4: Country dashboard on the implementation of the INSPIRE Directive, 2016-2020²⁰²

	2016	2020	Legend
Effective coordination and data sharing			 Implementation of this provision is well advanced or (nearly) completed. Outstanding issues are minor and can be addressed easily. Percentage: >89%
Ensure effective coordination			
Data sharing without obstacle			
INSPIRE performance indicators			 Implementation of this provision has started and made some or substantial progress but is still not close to be complete. Percentage: 31–89%
i. Conformity of metadata			
ii. Conformity of spatial data sets ²⁰³			
iii. Accessibility of spatial data sets through view and download services			
iv. Conformity of network services			 Implementation of this provision is falling significantly behind or has not even started. Serious efforts are necessary to close implementation gap. Percentage: <31%

Public Participation

Information on all EIA procedures and their results is available on the website of the competent authority²⁰⁴ (Environmental Protection Agency), including not only decisions, but information on meetings of competent authorities. Consultation documents (such as proposals and comments) are reflected in decisions, protocols on EIA documentation and in final EIA report. In 2020, EIA procedures²⁰⁵ were amended to include requirements

¹⁹⁸The Aarhus Convention, the Access to Environmental Information Directive (Directive 2003/4/EC) and the INSPIRE Directive, (Directive 2007/2/EC) together create a legal foundation for the sharing of environmental information between public authorities and with the public. This EIR focuses on the INSPIRE Directive's implementation.

¹⁹⁹The guarantees are explained in Commission Notice on access to justice in environmental matters, OJL 275, 18.8.2017 and a related Citizen's Guide.

²⁰⁰This EIR report focuses on the means implemented by Member States to guarantee rights of access to justice, legal standing and to overcome other major barriers to bringing cases on nature and air pollution.

²⁰¹<https://inspire.ec.europa.eu/INSPIRE-in-your-Country/LT>

²⁰² INSPIRE [knowledge base](#)

²⁰³ The deadlines for implementation of the spatial data interoperability were in 2016 still in the future: 23/11/2017 for Annex I data and 21/10/2020 for Annex II and III data. It must be also considered that this conformity indicator will in many cases never reach 100% conformity as majority of the countries provide as-is-data sets in addition to the INSPIRE harmonised data sets.

²⁰⁴ See Environmental Protection Agency website <https://aaa.lrv.lt/lt/veiklos-sritys/poveikio-aplinkai-vertinimas-pav>

²⁰⁵ Environmental Impact Assessment Procedures, (Lietuvos Respublikos aplinkos ministro 2017 m. spalio 31 d. įsakymas Nr. D1-885 "Dėl

that information about EIA documentation must be published on the website of the municipalities and to include a new provision that discussions on proposals and comments on EIA documentation may be held in a remote manner when there is no possibility to organise meetings in person during an emergency situation.

However, there do not appear to be general information campaigns aimed at improving public awareness of, and participation in, EIA and SEA processes. In addition, although the recent amendments might have improved levels of public participation in these processes, there is no publicly available statistical information supporting this.

The 2019 EIR recommended to LT to facilitate public participation in the implementation of EU environmental legislation. Since 2019, LT made some progress on this issue.

Access to justice

NGOs do not have to prove an interest when launching an environmental court case or in cases which have significant effects on the environment, but the NGOs have to meet some conditions in connection with their legal status and operation.

The administrative courts review the procedural legality and also the substantive legality of all administrative decisions. The courts study the material, technical findings and calculations when they are considered as belonging to the decision. The court is obliged „actively” to participate in the proceeding by asking for evidence, appointing witnesses, experts, etc. The court has no limits to its control. It can review all aspects of the contested decision.

There were difficulties for the public and the NGOs challenging in courts regulatory administrative acts relating to the environment in Lithuania. However, following an infringement procedure launched by the Commission, on 27 May 2021, the Lithuanian Parliament amended Article 112(1) of the Law on Administrative Proceedings. The amended law now provides the right of the public concerned to apply to administrative courts with a request to examine whether a regulatory administrative act (or part thereof) relating to the environment complies with the law or with a regulatory act of the Government. This law entered into force on 2 July 2021.

planuojamos ūkinės veiklos poveikio aplinkai vertinimo tvarkos aprašo patvirtinimo”), adopted by the Order No D1-885 of the Minister of Environment of 31 October 2017.

In 2019, there were priority actions addressed to Lithuania on access to justice, in particular, to provide broader standing to the public. It is concluded that there has been substantial progress made.

2022 Priority Actions

- Improve access to spatial data and services by making stronger linkages between the Federal INSPIRE website and regional portals, identify and document all spatial datasets required for the implementation of environmental law²⁰⁶, and make the data and documentation at least accessible 'as it is' to other public authorities and the public through the digital services foreseen in the INSPIRE Directive.
- Better inform the public about their access to justice rights, in particular by referring to the Commission eJustice fact sheets on access to justice in environmental matters on judicial and administrative portals²⁰⁷.
- Assess the level of public engagement in the EIA and SEA processes, and consider options for improving public participation.

Compliance assurance

Environmental compliance assurance covers all the work that public authorities do to make sure that industries, farmers and others fulfil obligations aimed at protecting water, air and nature, and managing waste²⁰⁸. It includes the help that authorities provide, i.e. compliance promotion²⁰⁹; the inspections and other checks that they carry out, i.e. compliance monitoring²¹⁰; and the steps that they take to stop breaches, impose sanctions and require damage to be remediated, i.e. enforcement²¹¹. Citizen science and complaints enable authorities to better focus their efforts. Environmental liability²¹² ensures that the polluter pays to remedy damage.

²⁰⁶ European Commission, [INSPIRE](https://inspire.europa.eu/).

²⁰⁷ https://e-justice.europa.eu/content_access_to_justice_in_environmental_matter_s-300-en.do

²⁰⁸ The concept is explained in detail in the Communication on "EU actions to improve environmental compliance and governance" COM(2018)10 and the related Commission Staff Working Document, SWD(2018)10.

²⁰⁹ This EIR focuses on the help given to farmers to comply with nature and nitrates legislation.

²¹⁰ This EIR focuses on inspections of major industrial installations.

²¹¹ This EIR focuses on the availability of enforcement data and co-ordination between authorities to tackle environmental crime.

²¹² The Environmental Liability Directive, 2004/35, creates the framework.

Compliance promotion and monitoring

As noted in the 2019 report, the website of the Ministry of Agriculture has a page with detailed information on what farmers can do to improve compliance with the Nitrates Directive²¹³, including guidelines on fertilizer use and management of manure for livestock operations. There is less information targeted at farmers available on the Nature Directives, although the Ministry of the Environment website provides full information on legal requirements, and the National Common Agricultural Policy Paying Agency provides a 39-page brochure on the Good Agricultural and Environmental Condition requirements. Information campaigns are more focused on broader public awareness issues.

Inspection plans, which are based on the risks associated with installations, are published annually²¹⁴, and include general information on the results of control activity. Reports on inspections carried out are published on a quarterly basis but provide little detail. The annual plans and reports generally include very limited information, mainly indicating the number of inspections planned and carried out, without providing details on the inspection results.

Complaint handling and citizen science

Information about the communication channels to provide information on cases of environmental law compliance is available on the website of the Department of the Environment²¹⁵. While online tools are not prioritised, citizens actively use the Environmental Protection Department's dedicated phone "hot line" 24/7 to complain about environmental problems. The general emergency number 112 may now also be used for this purpose. Complaints can also be submitted in person, in writing, and by email. In addition, the National Common Agricultural Policy paying agency allows for online or app-based submission of environmental infringements in the agricultural sector.

While information on complaints processes is actively promoted, there appears to be little concerted use of data on citizen reports of environmental incidents, and no active policies on citizen science.

Enforcement

The Lithuanian National Courts Administration publishes annual statistics of civil, criminal and administrative court cases²¹⁶, including environmental. As regards administrative procedures, only general statistics are available, without detail on the specific environmental issues concerned. Data on criminal cases is provided for each article of the Criminal Code. The Environmental Protection Department provides information on individual cases (e.g. initiation of court proceedings; outcomes) on an ad hoc basis. The lack of systematic information on outcomes of cases, combined with the lack of detailed information on the outcome of inspections, makes it difficult to track the effectiveness of enforcement action in the field of environment.

Memoranda of understanding were adopted in 2019 between the Environmental Protection Department and, respectively, the Police Department²¹⁷ and the State Border Guard Service²¹⁸. While the texts of these MoU are not publicly available, they are stated to foresee coordination of activities, joint operations in preventing and investigating environmental offences, exchange of information on infringements as well as on legal and natural subjects, joint capacity building and education activities. Other MoU signed by the Environmental Protection Department involve the State Territorial Planning and Construction Inspectorate and the State Forest Service, and discussions are in progress with other relevant public bodies. This represents a significant increase in the formalisation of cooperation compared with the situation described in the previous EIR.

Environmental Liability Directive

There does not appear to be systematic information available, or published, on Environmental Liability Directive cases. While the Ministry of Environment publishes ad hoc information, usually on a monthly basis, this is not systematised. There is no publicly available database on environmental incidents; while an interinstitutional secure system for criminal case management exists, it is not specifically focused on environmental issues, and its information is not available to the public.

2022 Priority Actions

- Better inform citizens about possibilities to provide information on complaints, cases of environmental

²¹³ The Ministry of Agriculture of the Republic of Lithuania, Implementation of Nitrates Directive.

²¹⁴ See <https://aad.lrv.lt/lt/administracine-informacija/ukio-subiektu-prieziura>

²¹⁵ See <https://aad.lrv.lt/lt/pranesk-apie-aplinkosauginius-pazeidimus>

²¹⁶ See <https://www.teismai.lt/lt/visuomenei-ir-ziniasklaidai/statistika/106>

²¹⁷ See <https://aad.lrv.lt/lt/nauijenos/pasirasyta-aplinkos-apsaugos-ir-policijos-departamento-bendradarbiavimo-sutartis>

damages, issues of compliance or how to implement their environmental rights.

- Publish detailed and structured information on the outcomes of enforcement action
- Improve availability of information on the follow-up to environmental incidents, including cases under the Environmental Liability Directive.

Effectiveness of environmental administrations

Those involved in implementing environment legislation at Union, national, regional and local levels need to be equipped with the knowledge, tools and capacity to improve the delivery of benefits from that legislation, and the governance of the enforcement process.

Administrative capacity and quality

Overall, the conformity of the Lithuanian legislation with the EU environmental legislation is good. Once informed about existing non-conformity issues, Lithuania resolves them relatively fast, often without a need to trigger enforcement action at EU level.

According to the Digital Economy and Society Index (DESI) 2021 Lithuania scores above average both in e-government and contribution of information and communication technologies (ICT) enterprises to the environmental sustainability.²¹⁹

Coordination and integration

The Commission encourages the streamlining of the environmental assessments in order to reduce duplication and avoid overlaps in environmental assessments applicable to projects. Moreover, streamlining helps reducing unnecessary administrative burden and accelerates decision-making, provided it is done without compromising the quality of the environmental assessment procedure.

Lithuania has notified the transposition of the revised EIA Directive²²⁰. The quality of the transposition is currently under assessment through conformity check by the Commission services.

Reforms through the Commission's Technical Support Instrument

The Technical Support Instrument (TSI) supported a project "Reform of the Water Supply and Wastewater Treatment Sector of Lithuania by Consolidation of Utilities". The project was launched in June 2020 and will be finalised in 2022.

Taiex Peer to Peer Projects

In 2019, Lithuania participated in three Taiex-EIR Peer 2 Peer multi-country workshops: on air pollution from household heating, on the EU Timber Regulation for Nordic Baltic competent authorities and on Life cycle approach and circularity in policy and procurement planning.

²¹⁹ DESI 2021

²²⁰ Directive 2014/52/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment.