VALSTYBĖS KONTROLĖ
PUBLIC AUDIT

# IMPROVING THE ENERGY EFFICIENCY OF PUBLIC BUILDINGS

15 September 2026

No. VAE-12

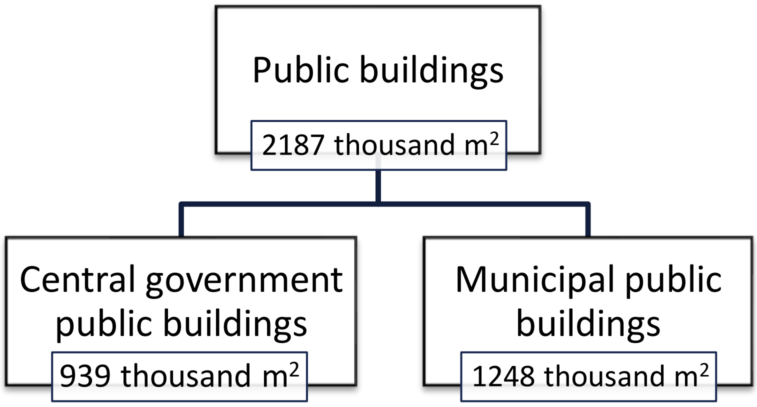
## SUMMARY

### The relevance of the audit

The renovation of public buildings is one of the key priorities of the European Union's and Lithuania's energy and climate policies, as buildings account for a significant proportion of final energy consumption and generate a large volume of greenhouse gas emissions. Renovating public buildings reduces energy consumption and operating costs, improves conditions for staff and users of public services, and strengthens the public sector's role in implementing sustainability principles.

The Energy Efficiency Directive, as amended in 2023 (hereinafter referred to as the Directive), the targets for improving the energy efficiency of public buildings have been significantly tightened, requiring the renovation of at least 3 percent of the floor area of public buildings each year and ensuring their transformation into nearly zero-energy or zero-emission buildings. The "Procedure for Improving the Energy Efficiency of Buildings Owned by Public Bodies", drawn up to implement the targets set out in the Directive, provide for the floor area of buildings planned for renovation by state institutions to almost double by 2030 (from 510 to 939 thousand $m^2$), while that of municipalities is set to triple (from 450 to 1,248 thousand $m^2$).

Fig. 1. Floor area of public buildings planned for renovation by 2030, thousands m²




Source: National Audit Office

Once these targets have been achieved, it is projected that primary energy consumption in buildings will fall by around 600 GWh, while state budget expenditure on their repair and maintenance will be reduced by at least 40 percent.

## Audit objective and scope

The objective of the audit is to assess whether measures are in place to ensure that the targets for the renovation of public buildings and the improvement of their energy efficiency are met.

Key audit questions:

- ✓ whether reliable and comprehensive data are available on public buildings owned by the state and municipalities;
- ✓ whether a targeted planning process for the refurbishment of public buildings is ensured?
- ✓ whether the state and municipalities manage only as much property as is necessary to carry out their functions;
- ✓ whether the pace of renovation of public buildings is sufficient to achieve the targets set by 2030.

Entities audited:

The Ministry of Energy, which coordinates the planning and financing of measures to improve the energy efficiency of public sector buildings at national level.

The Ministry of the Environment, which coordinates the planning and financing of measures to improve the energy efficiency of public sector buildings at municipal level.

The Lithuanian Energy Agency, which monitors the implementation of energy efficiency measures and their performance indicators and prepares and submits progress reports on the implementation of these measures to the Ministry of Energy and the European Commission in accordance with established procedures.

The Environmental Project Management Agency, which administers energy efficiency improvement programmes for public buildings aimed at renovating state and municipal buildings.

The audit period covers 2021–2025. To assess changes, we also used data from previous years.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions[1] . The audit criteria, procedures performed and methods applied are described in more detail in Annex 2, “Audit Criteria, Procedures Performed and Methods Applied” (p. 51).

## Key audit findings

There is no guarantee that the targets set for improving the energy efficiency of public buildings by 2030 will be achieved. The process of renovating public buildings would be more efficient if data on the energy consumption and technical condition of state and municipal public buildings were collected and systematised, the efficiency of public building use was regularly assessed, and the volume of assets under management was optimised on that basis, and the renovation of public buildings was planned in such a way that the most energy-inefficient buildings were renovated first, in order to achieve the greatest energy savings.

### 1. The renovation of public buildings is not planned in a targeted manner

- ✓ In order to achieve the objectives, set out in the Directive, the minimum annual renovation rate of 3 percent for public buildings is calculated on the basis of lists drawn up by the Ministry of Energy and the Ministry of Environment of public buildings that are heated and/or cooled and have a total useful floor area exceeding 250 m² (hereinafter referred to as “the list”). However, the ministries responsible for improving the energy efficiency of public buildings owned by central government and municipalities do not have detailed and reliable data on the buildings that are to be included in the lists; consequently, there is no guarantee that all the buildings that should be included will actually be included. Consequently, there is a risk that the floor area of public buildings, which the state has committed to renovate by 3 percent annually by 2030, will be calculated inaccurately, and that the managers of buildings not included on the list will be unable to benefit from the financial support allocated by the state (Section 1.1, p. 15).
- ✓ In order to ensure proper planning of the process of improving the energy efficiency of public buildings and, above all, to direct investment towards the renovation of the least efficient buildings, it is essential to have comprehensive and reliable data on the condition and energy consumption of these buildings; however, such information is not being collected. Without accurate and reliable information on the condition of buildings and their energy efficiency, it is not possible to select buildings for renovation that will yield the greatest energy-saving benefits (Section 1.2, p. 18).

[1] ISSAI 3000 - Performance Audit Standard, available online at: https://www.valstybeskontrole.lt/LT/post/15649/ (accessed 26 June 2026).

- ✓ To ensure that the least energy-efficient public buildings are renovated first, it is essential to apply common criteria for their selection for renovation. Such criteria have not been established; consequently, individual building managers select properties for refurbishment according to different principles, failing to prioritise those buildings that could yield the greatest energy savings or the largest renovation floor area (Section 1.3, p. 19).
- ✓ In order to achieve the energy efficiency targets, set out in EU and national legislation, it is essential to ensure adequate and sustainable funding for the renovation of public buildings. To achieve the targets set for 2030, renovation projects for central government public buildings worth at least EUR 221 million and for municipalities worth at least EUR 460 million still need to be implemented. Funding of this scale has not yet been allocated (as of July 2026). As project implementation takes around three years, if the necessary funding is not secured and projects are not started by 2027, the targets set for the renovation of public buildings will not be met (Section 1.4, p. 21).
- ✓ The targets for the renovation of public buildings can only be met on time if it is ensured that projects which have received funding are successfully implemented. Some projects are not implemented even after funding agreements have been signed. Of the 136 funding agreements signed between 2018 and 2022, with a total value of EUR 175.71 million, 81 projects (60 percent) have been implemented by 2025. Failure to implement projects and renovate the planned amount of public building floor area increases the risk that the envisaged public building renovation targets will not be achieved on time (Section 1.4, p. 21).
- ✓ In order to make efficient use of the funds allocated for the renovation of public buildings, it is important that state support is directed first and foremost towards projects that generate the greatest benefits (those yielding the greatest energy savings or renovating the largest floor area). However, in the 2021–2025 calls for applications for support for the renovation of public buildings, only compliance with the minimum energy performance requirements was assessed, while projects were not ranked according to planned energy savings, the floor area to be renovated or cost. Funding was allocated primarily to the projects that submitted applications first; consequently, there was no guarantee that the allocated funds would be used to renovate as much building floor area as possible or to achieve the greatest possible energy savings (Section 1.5, p. 25).
- ✓ To ensure that the buildings generating the greatest savings or the largest floor area to be renovated were prioritised, the Programme for Improving the Energy Efficiency of Public Buildings up to 2017 provided for the annual compilation of a list of central government public buildings suitable for renovation, which are energy-inefficient and should be refurbished. However, due to insufficient incentives for public building managers to initiate and implement building renovation, as many as 71 percent of the buildings included in the list approved in 2017 had not been renovated (Section 1.5, p. 25).

## 2. There is no guarantee that the state manages and renovates only as much property as is necessary to carry out its functions

- ✓ In order to use funds for the renovation of public buildings in a rational and efficient manner, it is important to allocate them only to those public buildings that are necessary for the performance of state functions; it is therefore essential to encourage public property managers to dispose of real estate that is not required for the performance of their functions. At present, there is no system in place to encourage managers of public buildings to dispose of surplus property and thereby reduce the costs of maintaining it (Chapter 2, p. 27).

- ✓ One of the most important projects for optimising the real estate holdings of state institutions is the redevelopment of the administrative quarter on A. Goštauto Street in Vilnius into a centralised campus for state institutions. The aim of the project is to bring state institutions together in one location, make more efficient use of administrative premises, reduce the number of inefficiently used buildings and dispose of surplus state-owned property. The plan is to provide around 73,000 m²of administrative premises in the redeveloped quarter, capable of accommodating around 4,000 employees, by relocating institutions from buildings that are energy-inefficient and incur high maintenance costs. The project is to be implemented in phases, but a final decision on its full implementation has not yet been taken. The state continues to incur higher maintenance costs for administrative buildings, while institutions remain scattered across different buildings, some of which do not meet energy efficiency and working environment requirements (Chapter 2, p. 27).
- ✓ In formulating an efficient state property management policy, it is essential to establish criteria to be followed by managers of state-owned property when determining the property requirements necessary for the performance of their functions and ensuring its efficient use. As the legislation governing the management of state property does not impose an obligation on property managers to assess the property requirements necessary for the performance of their functions and the efficient use of such property, property managers, except for AB Turto bankas, do not carry out such assessments. Consequently, there is no guarantee that property managers will objectively assess the efficiency of the use of the assets under their management and optimise their volume (Chapter 2, p. 27).

## 3. The targets set for the renovation of public buildings will not be met by 2030

- ✓ In order to renovate at least 3 percent of the floor area of central government public buildings each year, at least 309,69 thousand m²of central government public building floor area was to be renovated during the period 2021–2025. In fact, more was renovated – 337,930 m². However, following an amendment to the Directive, the annual floor area of public buildings required to be renovated from 2026 has doubled – from 67,580 m² to 136,920 m². Consequently, unless the scale of public building renovation is increased accordingly, the targets set for 2030 will not be met (Section 3.1, p. 34).
- ✓ Progress in the renovation of municipal public buildings is significantly behind the planned targets. Between 2021 and 2025, 98.89 thousand m² were refurbished, i.e. approximately 2.3 times less than half of the floor area that needs to be renovated by 2030. Given that the planned floor area of municipal public buildings to be renovated by 2030 was increased from 450 to 1,248 thousand m² — i.e. by a factor of 2.8 — it is clear that unless the scale of renovation is increased, the 2030 target will not be met (Section 3.1, p. 34).
- ✓ In order to ensure proper planning of the public building renovation process and evaluation of its results, it is important to have comprehensive data, covering all sources, on the public building renovation projects actually implemented by

municipalities; however, the Ministry of Environment does not have comprehensive information on these projects. According to the Ministry of Environment's data, 114.72 thousand m² of municipal public building floor area was renovated between 2014 and 2025; however, when surveyed, the municipalities stated that they had renovated 1,316.9 thousand m²of public building floor area during this period, i.e. 11 times more. Without taking into account the data received from all institutions involved in the renovation process regarding the public building renovation projects actually implemented by the municipalities, the need for renovation works and the results already achieved may be incorrectly assessed (Section 3.1, p. 34).

- ✓ In 2026 In the "Procedure for Improving the Energy Efficiency of Public Buildings", which replaced the "Programme for Improving the Energy Efficiency of Public Buildings", the planned energy savings by 2030 were increased from 80 GWh to 605.5 GWh, i.e. 7.6 times. Unless the scale of building renovation and the resulting energy savings are increased, the target set for 2030 will not be achieved (Section 3.1, p. 34).
- ✓ In order for energy consumption in the public sector to decrease by at least 1.9 percent annually, as stipulated in the Directive, it is important to ensure that the declared energy savings are achieved when renovating public buildings. During the audit, we found that 11 out of 14 (79 percent) of the renovated public buildings selected for assessment during the audit did not achieve the heat energy savings declared in their energy performance certificates. The actual heat energy savings in these buildings were, on average, 40 percent lower than those stated in the energy performance certificates. To objectively assess the results of public building renovation, it is essential to monitor actual energy savings. As such monitoring is not carried out, it is not possible to reliably assess the energy-saving results achieved or the efficiency of the investments made in building refurbishment (Section 3.2, p. 38).



# Recommendations

## To the Ministry of Energy

1. When implementing the requirements set out in the Directive regarding the compilation of a list of central government public buildings, ensure that the list includes all buildings used to calculate the annual 3 percent target for the renovation of public buildings (Key audit finding 1).

2. In order to obtain information on the state-owned buildings in the poorest condition and with the highest energy consumption, on the basis of which public building managers could plan renovation, ensure that such information, which is intended to be collected in various information systems, is analysed (Key audit finding 1).

3. To ensure that the renovation of public buildings is planned in a consistent manner and that the buildings in the poorest condition and those with the lowest energy efficiency are renovated first, develop and implement a methodology for planning the renovation of public buildings, setting out uniform guidelines for the selection of public buildings and the preparation of renovation plans (Key audit finding 1).

4. In order to renovate at least 939,600 m²of central government public building floor area by 2030, assess the investment required to achieve this target, prepare funding

scenarios and present alternative funding solutions to the Government (Key audit finding 1).

5. To ensure the efficient use of financial resources, provide for the evaluation of projects according to clear priority criteria by creating an automated project evaluation and rating system that would allow the benefits of planned investments – energy-saving potential, the volume of public building floor space to be refurbished, and the cost-effectiveness of the investments (Key audit finding 1).

## To the Ministry of the Environment

6. When implementing the requirements set out in the Directive regarding the compilation of a list of municipal public buildings, to draw up a methodology to be followed in compiling the list and to ensure that it includes all buildings used to calculate the annual 3 per cent of public buildings to be renovated (Key audit finding 1).

7. In order to obtain information on the municipal buildings in the poorest condition and with the highest energy consumption, on the basis of which municipalities could plan renovation, ensure that such information is analysed (Key audit finding 1).

8. To obtain information on the condition of all public buildings, put in place measures to collect such information (Key audit finding 1).

9. In order to renovate at least 1·248,000 m$^2$of municipal public buildings by 2030, assess the investment required to achieve this target and identify sources of funding (Key audit finding 1).

10. In order to obtain comprehensive information on completed municipal public building renovation projects and to ensure that information on the implementation of building renovation works in municipalities is collected, systematised and analysed from all institutions involved in this process (Key audit finding 3).

11. In order to ensure that only those municipal public buildings which will be required for the performance of public functions in the long term are renovated, when allocating funding for the renovation of municipal public buildings, established a requirement to assess the necessity and efficiency of use of the building planned for renovation (Key audit finding No. 2).

## To the Government of the Republic of Lithuania

12. In order to bring under control the significantly rising costs of maintaining state-owned property and to reduce the need for investment to achieve energy efficiency targets for public buildings, develop and implement a strategy for the centralisation of state institutions' real estate and the reduction of total floor area (Key audit finding 2).

## To the Lithuanian Energy Agency

13. In order to reduce the gap between calculated and actual energy savings, ensure that the calculated and actual energy savings of renovated public buildings are analysed,

identify the causes of discrepancies, and provide recommendations to the authorities responsible for shaping public building renovation policy and to project implementers on measures to reduce these discrepancies (Key audit finding 3).

## To the Environmental Project Management Agency

14. To ensure that public building renovation projects are implemented on time, put in place additional project evaluation and selection measures to assess all risks associated with project implementation (Key audit finding 1).

The measures and deadlines for implementing the recommendations, the expected impact of the audit and the indicators for assessing changes are set out in the section of the report entitled “Plan for the Implementation of Recommendations” (p. 42). Up-to-date information on the status of the implementation of the recommendations, the results and the changes that have taken place is published in the open data section of the National Audit Office’s website at https://www.valstybeskontrole.lt/LT/AtviriDuomenys.