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Report from Lithuania on the promotion of renewable energy sources

Directive 2003/30/EC of the European Parliament and of the Council on the promotion of the use of biofuels or other renewable fuels for transport entered into force on 8 May 2003, and Lithuania is required to transpose into national law the provisions of that Directive concerning the promotion of the use of bio motor fuels.

On 5 February 2004, the Lithuanian Parliament (*Seimas*) adopted the Republic of Lithuania Biofuels, Bio Motor Fuels and Bio-Oils Act (Official Gazette 2004, No 28-870) which, having regard to the requirements of European Union legal acts and Lithuania's international commitments, governs the legal framework for the production, use and promotion of biofuels, bio motor fuels and bio-oils. The main aims of the Act are to create favourable conditions for the production and use of biofuels, to reduce the Lithuanian energy sector's dependence on petroleum-based fuels and motor fuels and to increase the use of local energy resources.

By Resolution No 1056 of 26 August 2004, the Lithuanian Government adopted the Programme for the promotion of the production and use of biofuels, 2004-2010, which creates the conditions required to make it possible for bio motor fuels to account for at least 2% of all petrol and diesel for transport purposes placed on the market by 31 December 2005, and at least 5.75% by 31 December 2010. Specific action plans are being drawn up in order to achieve these indicative targets and, in so doing, meet the requirements of Directive 2003/30/EC concerning the use of bio motor fuels for transport.

The Rules on the financing of the development of bio motor fuel production were adopted by Order No 3D-132 of the Minister for Agriculture of 30 March 2004 and provide for measures to promote the development of bio motor fuel production and to create possibilities for using agricultural produce for non-food purposes. These rules are consistent with the provisions of Directive 2003/30/EC.

The Rules on the collection and submission to the European Commission of information on the use of biofuels were adopted by Order No 4-307 of the Minister for Economic Affairs of 12 August 2004 and, pursuant to these rules, the Ministry of Financial Affairs is to submit a report by 1 July each year with effect from 2006 (information for 2005) in accordance with Article 4 of Directive 2003/30/EC.

Article 38(4) of the recast version of the Excise Act of the Republic of Lithuania, applicable from 1 May 2004 (Official Gazette 2001, No 98-3482, Official Gazette 2004, No 26-802), provides for excise duty relief for energy products produced from substances of biological origin, the rate of excise duty to be applied to such products being reduced in proportion to the percentage of substances of biological origin in a tonne of the product concerned.