

Ministry of Environmental  
Protection and Regional  
Development  
Republic of Latvia

# Multilateral Assessment Latvia

14 November 2016 (Marrakech, Morocco)

**2nd round of the multilateral assessment process  
under the IAR, COP 22, SBI 45**

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**Area:** 64 569 km<sup>2</sup>

**Population:** 2 million

**EU Member State:** since 2004

**GHG emissions:** 11393,29 kt CO<sub>2</sub>eq

0,27% from EU total

**GHG per capita:** 5,7 t CO<sub>2</sub> eq/cap.

(25th of the EU28)

**GHG per GDP:** 482,6 t CO<sub>2</sub>eq/mio EUR curr. prices

(12th of the EU28)

**Latvia**  
(data as of 2014)



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# Latvia's commitments

## Pledge under the Convention

Latvia does not have a separate pledge. The EU has unconditional quantified economy wide emission reduction target: -20% emission reduction by 2020 compared to 1990.

## Binding commitment under the Kyoto Protocol CP2

Latvia does not have a separate commitment. There is a joint commitment of the EU, its Member States and Iceland to reduce GHG emissions during 2013-2020 **by 20%** compared to base year.

## Targets under the EU:

National target for GHG emissions not covered by the ETS (non-ETS):

- **+17% in 2020** compared to 2005
- **Targets for 2030** compared to 2005 will **be approved in following years**

4.5 Mtoe absolute level of final energy consumption in 2020

40% share of energy from renewable sources in gross final consumption in 2020



# Latvia's national climate change mitigation targets

Latvia also has nationally adopted targets for GHG emission reduction (in addition to international and EU commitments).

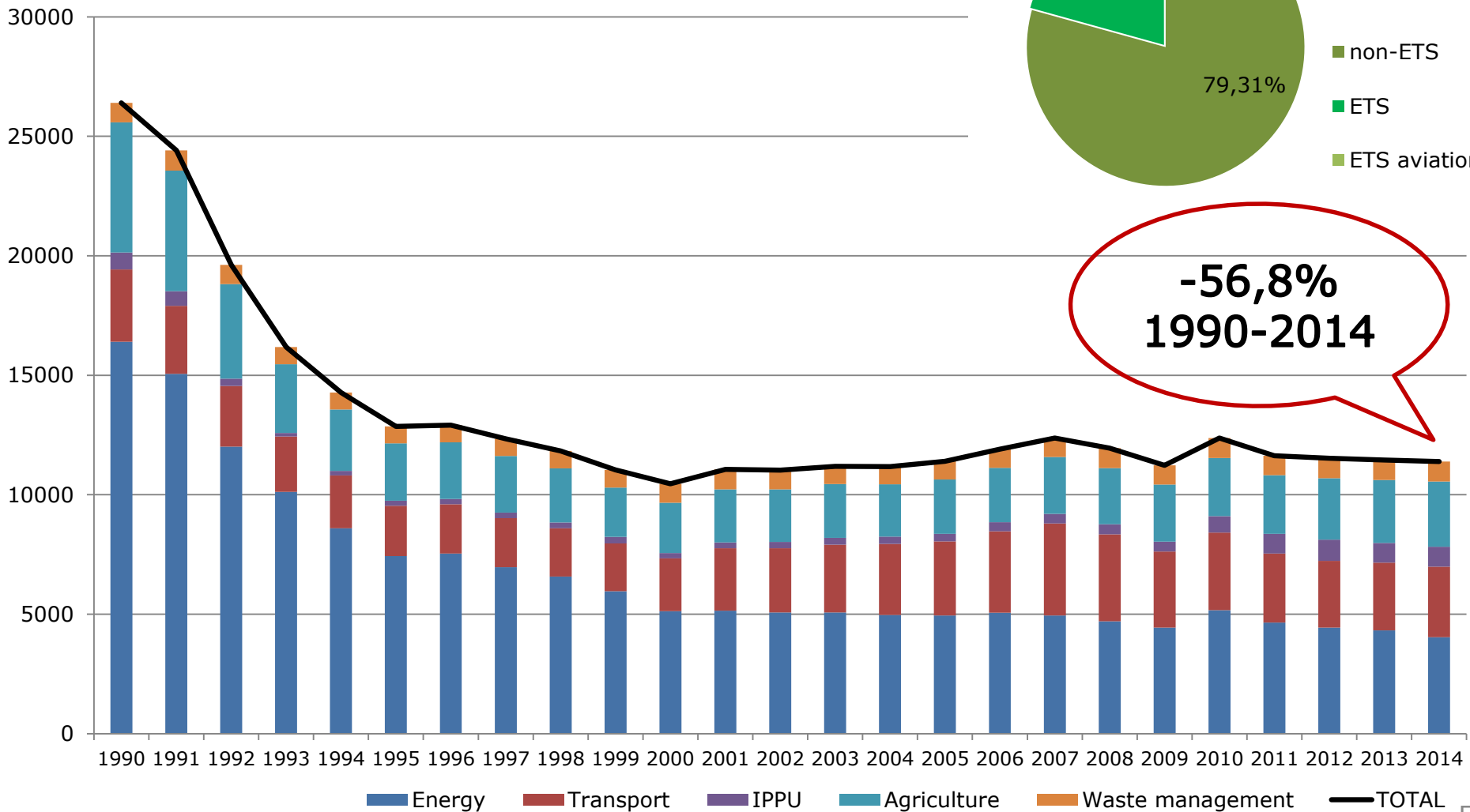
- GHG emissions in 2020 not to exceed **12,16** MtCO<sub>2</sub> eq
  - Non-ETS GHG emissions in 2020 not to exceed **9,9** MtCO<sub>2</sub> eq
  - ETS GHG emissions in 2020 not to exceed **2,26** MtCO<sub>2</sub> eq
- in 2030 GHG emission intensity of the economy **742,03** tCO<sub>2</sub> eq/mio EUR GDP.



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# Total Latvia's GHG emissions

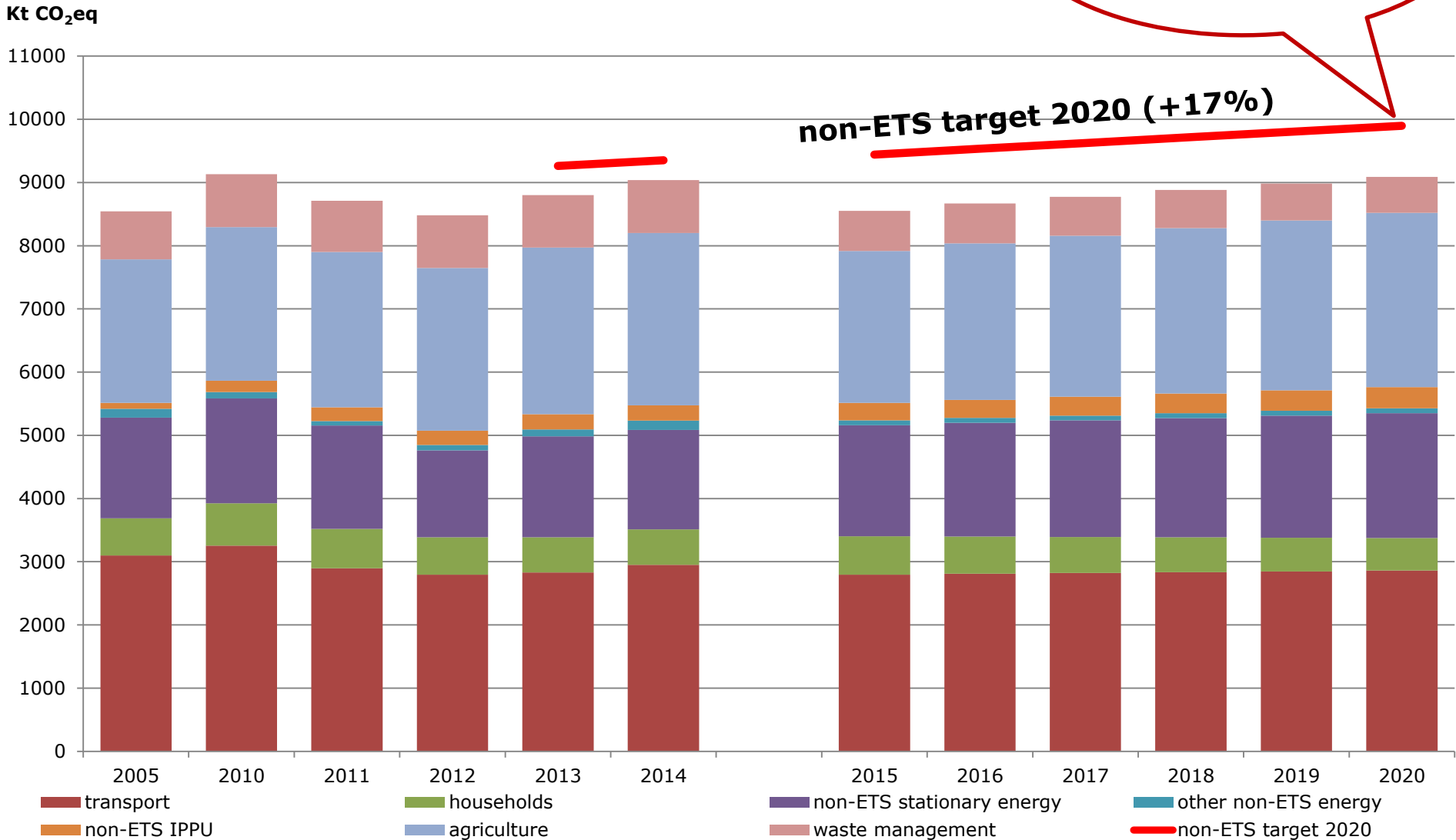
kt CO<sub>2</sub>eq





# Latvia's progress in reaching non-ETS target

Latvia shall reach its non-ETS target (GHG increase expected 10% lower than allowed)





# Latvia's tools for GHG emission reduction

**Legislation and policy based on EU climate policy**

**EU ETS**

**Investment support programmes**

**Green public procurement**

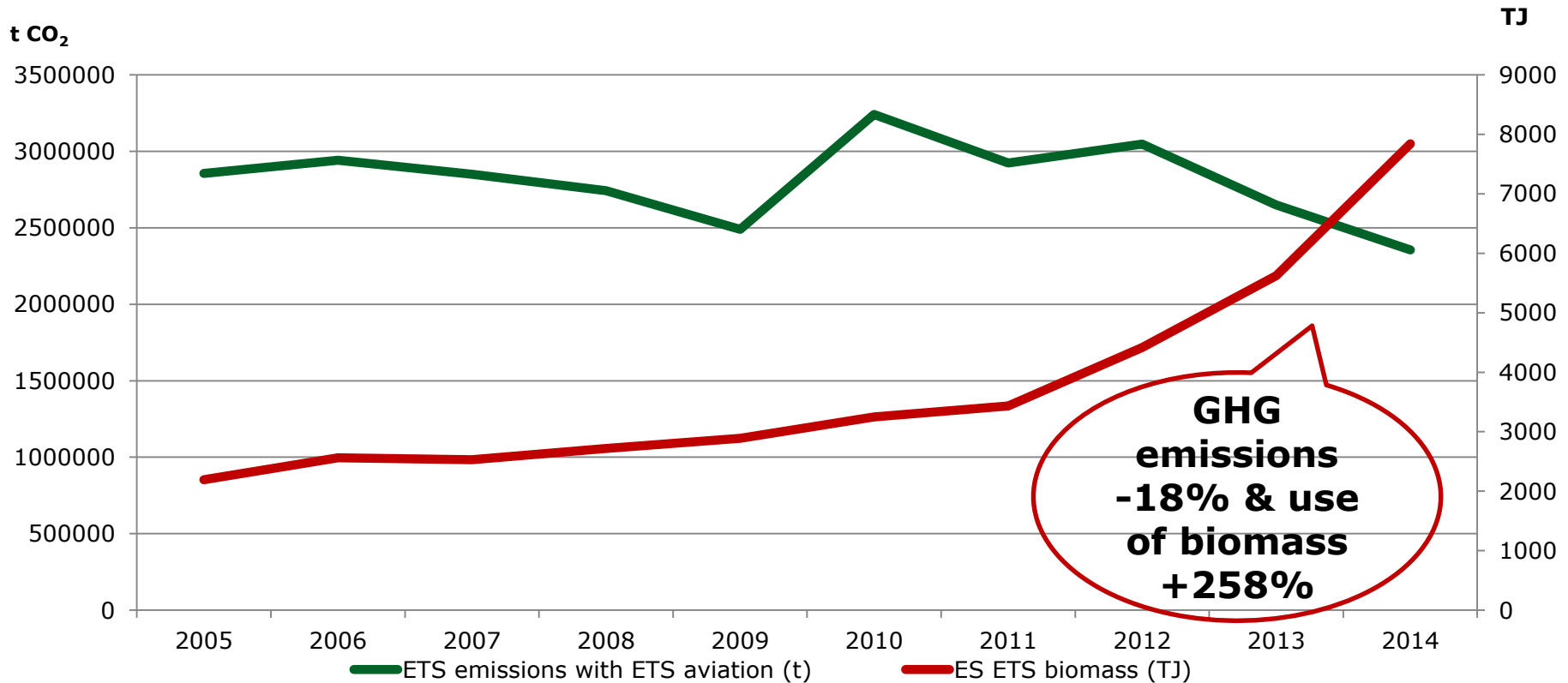
**Taxes**

**Research and Development**

**Education & public awareness**



# Drivers of Latvia's GHG emission reduction – Improvements within the EU ETS



## Useful practices:

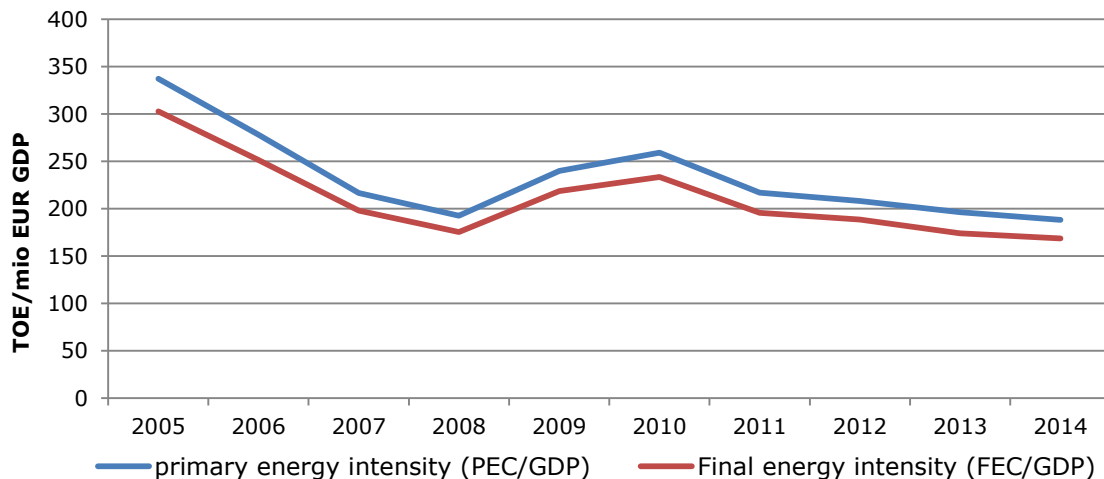
- In Latvia all **revenues** from government's sales of allowances within the EU ETS are **to be used only for GHG emission reduction** and adaptation measures.
- Since 2016 in Latvia also participants (operators) of the EU ETS can use **revenues** from selling allocated EU ETS allowances only **for GHG emission reduction**.



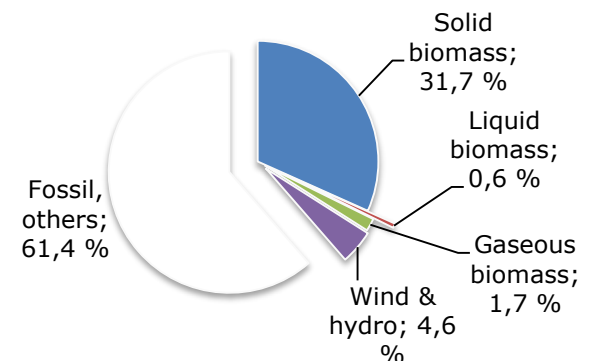


# Drivers of Latvia's GHG emission reduction – Energy efficiency and renewables

- **Improvement of energy efficiency** in 1640 buildings in 2010-2016.
- **Final energy intensity decreased** by ~44% in 2005-2014.
  - Final heat energy consumption decreased by 16% in 2005–2014
  - Final electricity consumption decreased by 21% compared to 1990;
- **Total energy consumption in households** in 2015 (including fuel use in private transport) **decreased** by 29% since 2005.
- **Share of renewables** in final energy consumption in 2014 increased to 38,6%



## Share of renewables in final energy consumption (2014)





# Drivers of Latvia's GHG emission reduction – Taxes

## Natural resource tax on CO<sub>2</sub> emissions

- Since 2006 natural resource tax includes a tax on CO<sub>2</sub> emissions (carbon tax).
- **Mandatory for all installations**, including, power and heat generation, oil refineries, steel works and production of iron, aluminium, metals, cement, lime, glass, ceramics, pulp, paper, cardboard, acids and bulk organic chemicals.

## CO<sub>2</sub> levy in vehicle taxes

- Currently CO<sub>2</sub> is taken into account in the **Passenger Vehicle and Motorcycle tax** (for vehicles first registered abroad after 1 January 2009).
- There is an intention to cancel Passenger Vehicle and Motorcycle tax and integrate CO<sub>2</sub> component into the annual vehicle exploitation tax.

## Exemptions from taxes contributing to GHG emissions reductions

- **Electric vehicles** are exempted from the payment of vehicle exploitation tax and tax on light automobiles and motorcycles.
- **Rape seed oil** which is used as fuel or petrol and biodiesel that is solely made from rape seed oil is exempted from excise tax.
- **Blends of fossil fuels with biofuels** have reduced rates of excise tax.



Vidzeme winter



Zemgale spring

Thank you  
for your  
attention!



Latgale summer



Kurzeme autumn