KPFI
CLIMATE CHANGE
FINANCIAL INSTRUMENT

Climate Change Financial Instrument

Climate and Environmental Policy
Integration Department

Riga, 29th August 2013

MINISTRY OF ENVIRONMENTAL
PROTECTION AND REGIONAL DEVELOPMENT

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CCFI status

Climate Change Financial Instrument is a state budgetary programme of the Republic of Latvia**.**

Internationally known as Green Investment Scheme (GIS)

The aim of CCFI is the reduction of greenhouse gas (GHG)* emissions.

*Carbon dioxide, methane, nitrous oxide, and F-gases (sulphur hexafluoride, perfluorocarbons, hydrofluorocarbons).

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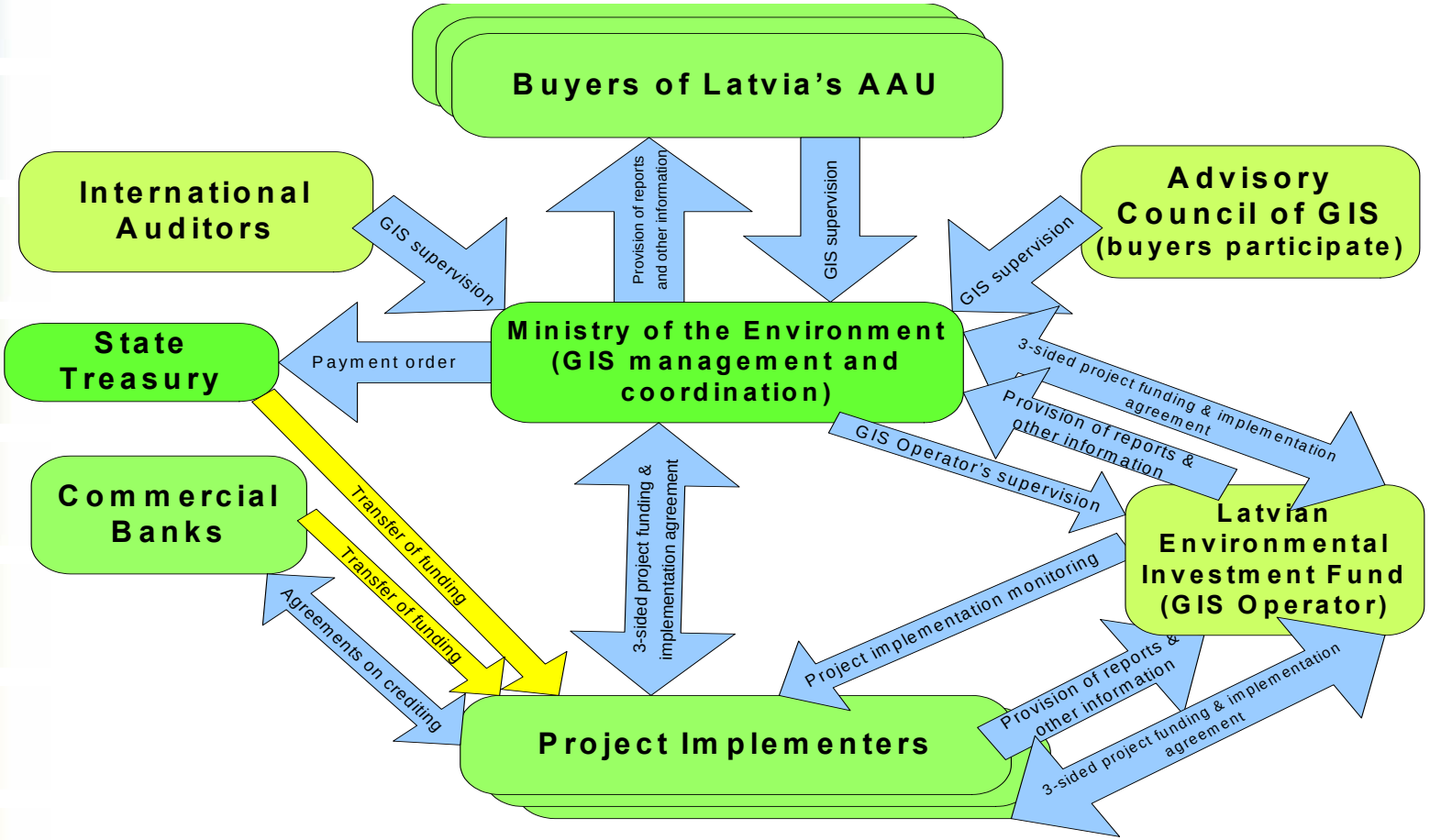
CCFI Regulatory Framework

Law "On Participation of the Republic of Latvia in the Flexible Mechanisms of the Kyoto Protocol" in force since 8 November 2007

Regulations of Cabinet of Ministers No. 644 of 25 June 2009 "Procedures for Implementation of Projects Financed by the Climate Change Financial Instrument, the Submission and Examination of Reports Thereof"

Regulations of the Opens Tenders

CCFI Implementation Mechanism



CCFI Internal Control System

- Approved:
  - On 24 August 2009 in accordance with the Order No.265 of the Ministry of the Environment.
- Aim:
  - Ensures continuous, economic, effective and appropriate operations of the Ministry of the Environment in the implementation of the Climate Change Financial Instrument.
- Objectives:
  - Ensures the achievement of CCFI goals;
  - Ensures the performance of CCFI tasks in accordance with the procedures and plans determined by the Ministry of the Environment;
  - Ensures effective operation of CCFI, taking into consideration the requirements specified in the regulatory enactments;
  - Ensures continuous supervision and assessment of the performance risks;
  - Ensures the resource protection against losses;
  - Ensures the elaboration and maintenance of control measures.

Mechanism for the Allocation of CCFI Funds is Open tenders of project applications

- KPFI-1 “Increase of Energy Efficiency in Municipal Buildings”;
- KPFI-2 “Development of Technologies Reducing Greenhouse Gas Emissions”;
- KPFI-3 “Increase of Energy Performance in Higher Education Establishment Buildings”;
- KPFI-4 “Technology Conversion from Fossil to Renewable Energy Sources”;
- KPFI-5 “Complex Solutions for Greenhouse Gas Emission Reduction in State and Municipal Vocational Education Establishment Buildings”;
- KPFI-6 “Complex Solutions for Greenhouse Gas Emission Reduction in Manufacturing Buildings”;
- KPFI-7 “Complex Solutions for Greenhouse Gas Emission Reduction in Municipal Buildings”;
- KPFI-8 “Raising of Public Awareness Regarding the Importance and Possibilities of Greenhouse Gas Emission Reduction”;
- KPFI-10 “Low Energy Consumption Buildings”;
- KPFI-11 “Use of Renewable Energy Resources in Household Sector”;
- KPFI-12 “Use of Renewable Energy Resources for Reduction of Greenhouse Gas Emission”;
- KPFI-13 “Reduction of Greenhouse Gas Emission in the Lighting Infrastructure of Public Territories of Municipalities”;
- KPFI-14 “Development of Technologies Reducing Greenhouse Gas Emissions and Implementing of Pilot Projects”.
- KPFI-15 “Complex Solutions for Greenhouse Gas Emission Reduction”.

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Activities to be Supported and Beneficiaries within the framework of Open Tenders (I)

The following measures are being implemented within the framework of the projects:

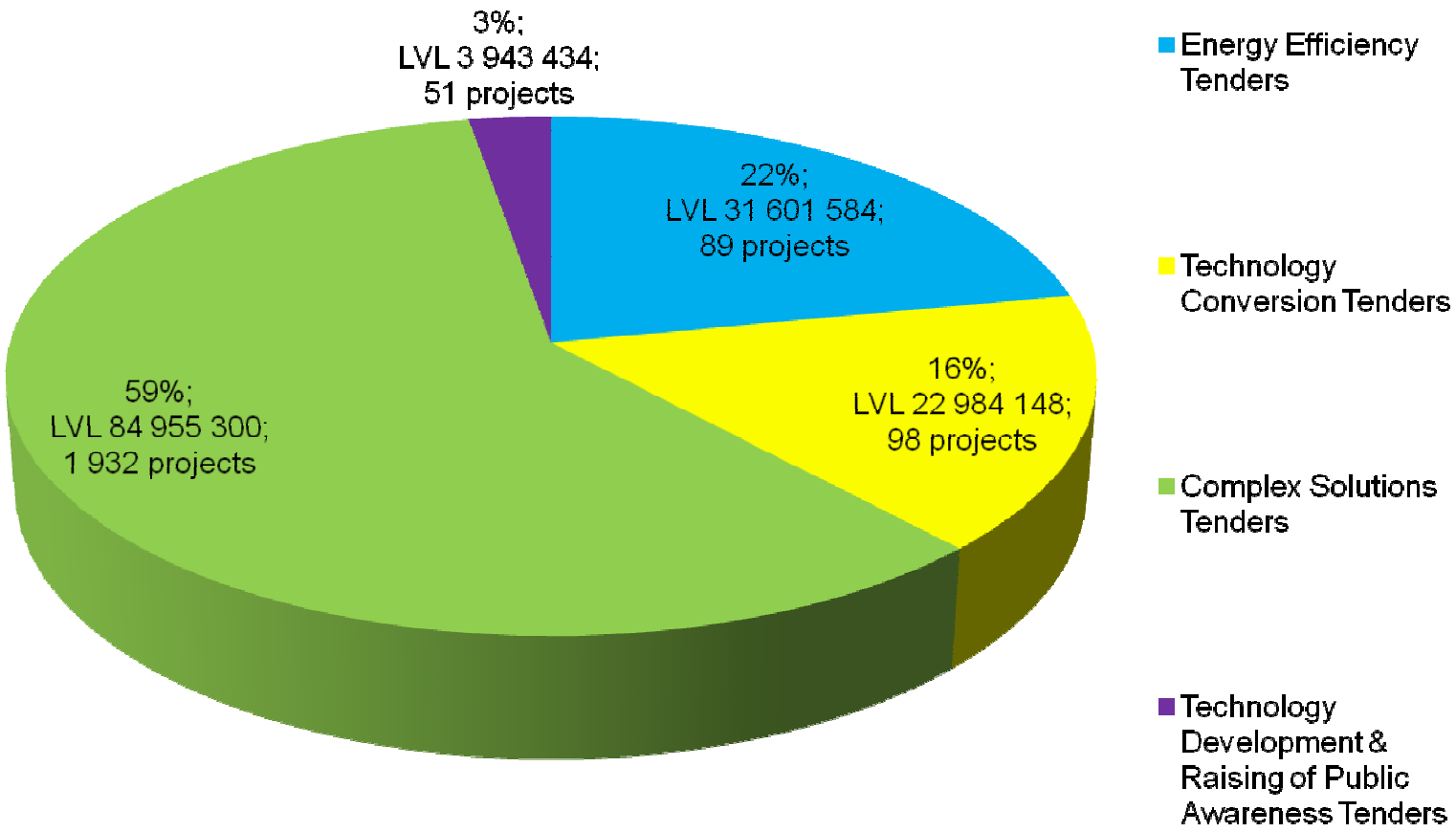
- increase of energy efficiency;
- development of technologies reducing GHG emissions;
- technology conversion from fossil to renewable energy resources;
- providing information to the society regarding the importance and possibilities of GHG emission reduction;
- increase of energy efficiency in the lighting infrastructure

Activities to be Supported and Beneficiaries within the framework of Open Tenders (II)

Target audience:

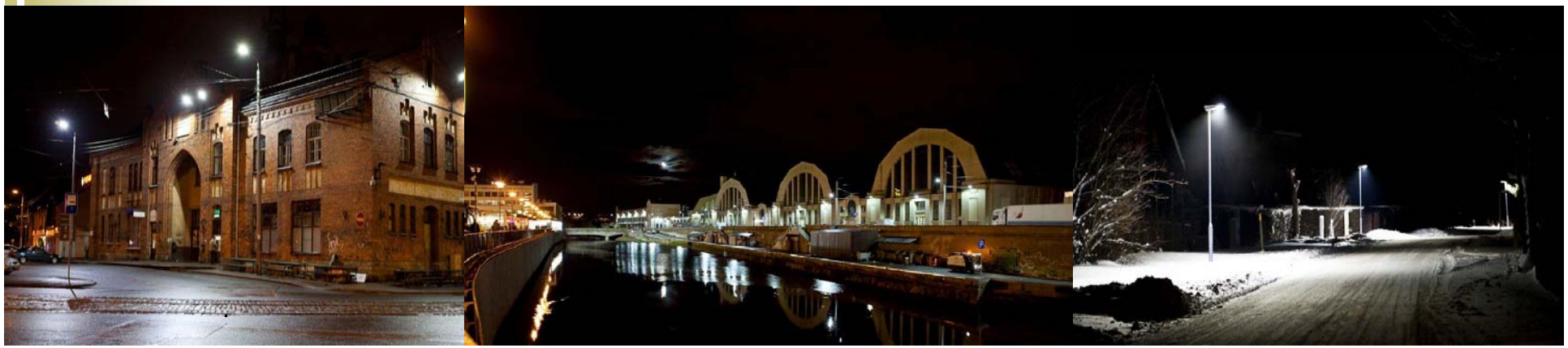
- direct or indirect administration authorities (e.g. universities, state and municipal vocational education establishments)
- derived public persons (e.g. municipalities, higher educational institutions)
- enterprises registered in the Republic of Latvia
- private/natural persons

Activities supported within the framework of the CCFI as of 1st July 2013



Summary on the Implementation of CCFI Tenders

- Project implementation is ongoing in **12** Open Tenders
- The implementation of **2045** projects as of 1st July 2013 is completed
- There are **125** projects in the implementation stage
- As of 1st July 98,9 million Lats have been committed for project implementation from CCFI (sum of contracts entered into), and additional **44,6** million Lats are available for re-allocation to project implementation in next stages of Open Tenders



Summary on Project Contracts Status

No.	Contracts entered into (as of 1st July 2013)	Completed projects
KPFI-1	56	56
KPFI-2	14	14
KPFI-3	13	11
KPFI-4	30	22
KPFI-5	23	17
KPFI-6	41	38
KPFI-7	39	33
KPFI-8	22	19
KPFI-10	20	6
KPFI-11	861+900	861+900
KPFI-12	46	43
KPFI-13	22	20
KPFI-14	15	5
KPFI-15	68	0
Total:	**2170**	**2045**

Summary on Utilization of CCFI Financing

(as of 1 July 2013, in LVL)

No.	Contracted CCFI financing	Disbursed CCFI financing		Total disbursed CCFI financing	CCFI financing to be disbursed
		Year 2009 to 2012	Year 2013 to 01.07.13.		
KPFI-1	22 247 516	21 687 065	381 292	22 068 357	179 159
KPFI-2	1 152 944	1 124 766	28 178	1 152 944	0
KPFI-3	4 790 091	4 200 791	521 622	4 722 413	67 678
KPFI-4	3 877 737	2 791 446	151 777	2 943 223	934 514
KPFI-5	9 406 146	8 826 944	520 527	9 347 471	58 675
KPFI-6	6 331 607	6 047 118	268 046	6 315 164	16 443
KPFI-7	13 766 376	10 902 524	1 524 280	12 426 803	1 339 573
KPFI-8	458 293	458 293	44 904	458 293	17 009
	71 973	10 060		54 964	
KPFI-9	-	-	-	-	-
KPFI-10	4 563 977	1 963 962	818 959	2 782 920	1 781 057
KPFI-11	3 074 853	2 983 485	91 368	3 074 853	0
	2 949 018	2 222 164	726 853	2 949 018	
KPFI-12	12 061 349	7 157 103	4 521 594	11 678 698	382 651
KPFI-13	2 292 639	463 781	1 476 106	1 939 887	352 752
KPFI-14	2 260 224	96 998	1 034 484	1 131 482	1 128 742
KPFI-15	1 949 587	-	637 195	637 195	1 312 392
	7 674 287		904 504	904 504	6 769 783
Total:	**98 928 617**	**70 936 500**	**13 651 689**	**84 588 189**	**14 340 428**

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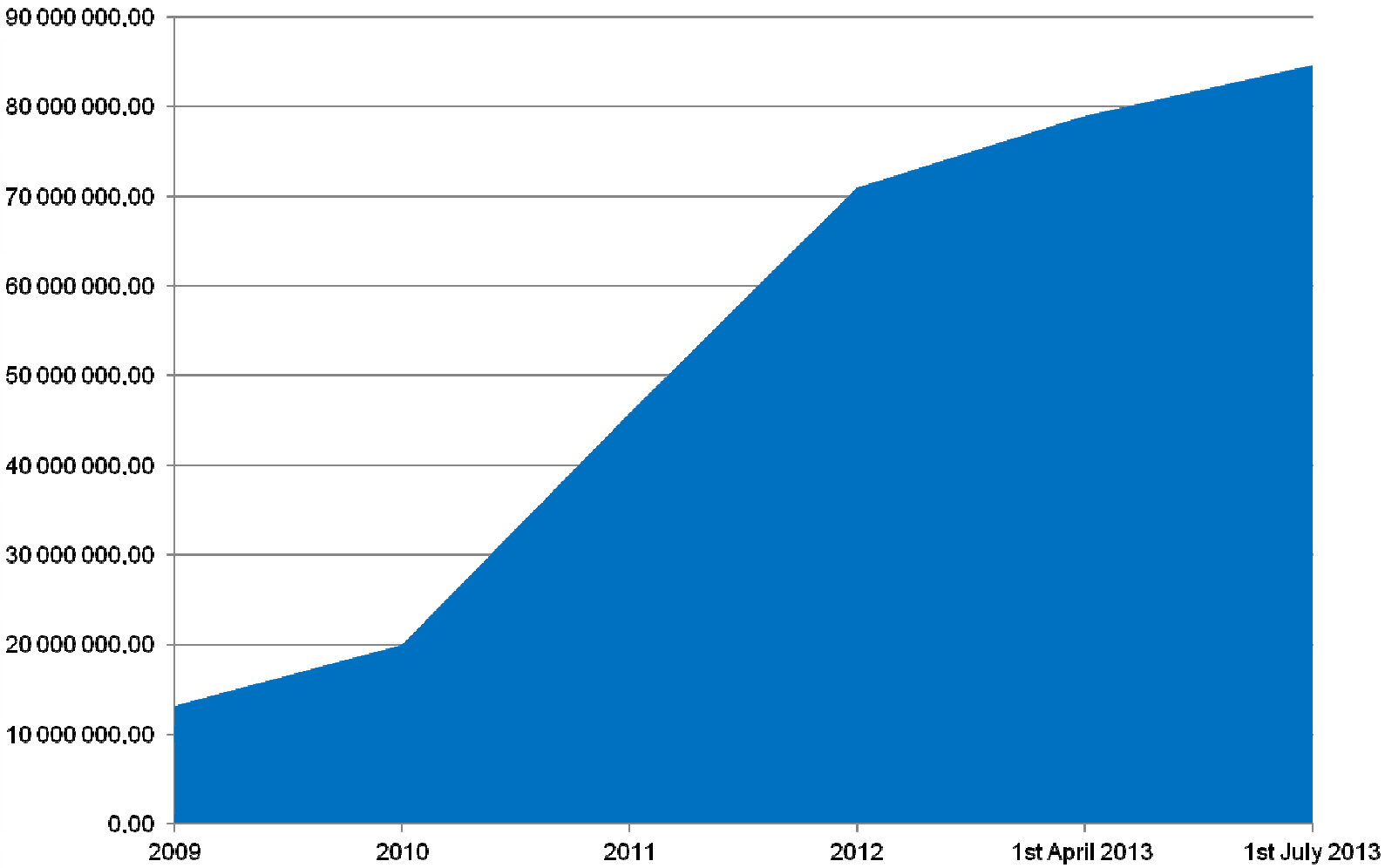
Progress of the Disbursement of CCFI Financing as of 1st July 2013



Summary of the Monitoring of Project Results in 2012

No.	Number of projects completed by 31.12.2011. (Monitoring period equals a full year)	Monitoring reports received/ approved	Average achieved (% expected CO_2 emission reduction)	Monitoring started in 2012 (Monitoring period is less than a year)
KPFI-1	55	45/41	125,9%	10
KPFI-3	6	-	-	5
KPFI-4	18	2/2	98.8%	16
KPFI-5	10	1/1	219.7%	9
KPFI-6	34	11/10	129.2%	23
KPFI-7	16	3/3	112.4%	12
KPFI-10	1	-	-	1
KPFI-12	26	1/1	85.0%	23
KPFI-13	8	-	-	7
KPFI-15	0	-	-	-
Totals:	174	63/58	-	110

Note. In 47 projects, where the CO_2 reduction has been achieved in 2012, it on average **exceeds the estimated CO_2 emission reduction for 42.0%**.

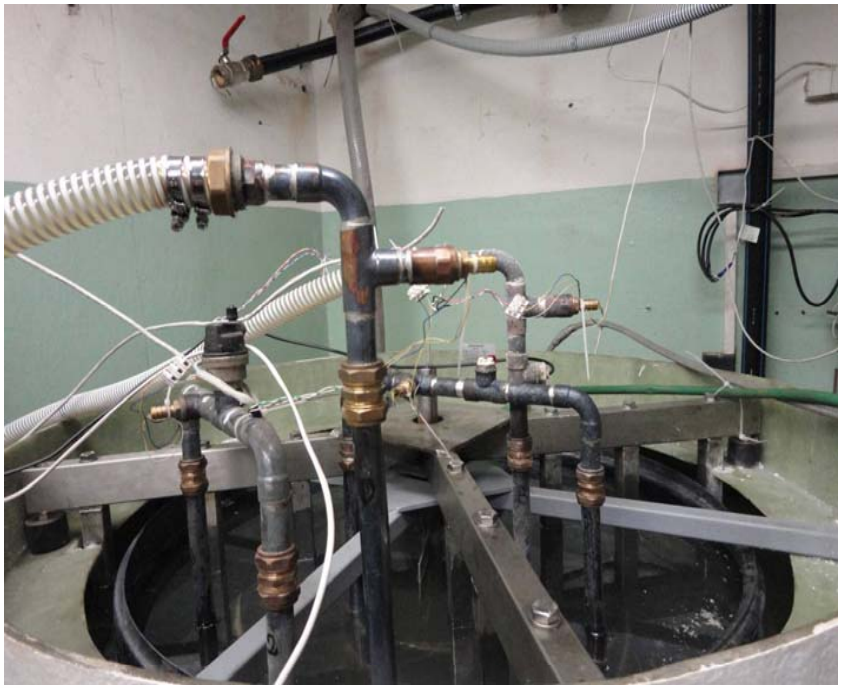
Example of Implemented Project (KPFI-5)

Title: Renovation of the service hotel of Vecbebri Vocational secondary school in compliance to energy efficiency requirements and using environmentally friendly construction materials and products (Vecbebri Vocational secondary school)
Total eligible costs: 186 389.76 lats
CCFI financing: 158 431.30 lats
Reduction of CO_2 emissions: 72.88 tons per year

- Insulation of facade
- Insulation of foundation
- Insulation of attic
- Improvement of heating system

Example of Implemented Project (KPFI-2)

Title: Elaboration of prototype of sewerage sewage heat recuperation device (2K ENERGY Ltd.)
Total eligible costs: 117 960.23 lats
CCFI financing: 70 776.13 lats
Reduction of CO_2 emissions: 83.983 tons per year



- Development of new technology for heat recuperation in two dwelling houses in Jelgava

Example of Implemented Project (KPFI-6)

Title: Measures for improvement of energy efficiency at the manufacturing site of LLC “Piebalgas alus” (Piebalgas alus LLC)
Total eligible costs: 287 143.66 lats
CCFI financing: 157 779.01 lats
Reduction of CO_2 emissions: 47.96 tons per year

- Insulation of window aisles with glass blocks
- Insulation of floor at the ground level, external (concrete) walls, roof sloping roof and end walls
- Installation of new entrance doors
- Installation of energy efficient lighting
- Installation of energy efficient air heating device
- Creation of suspended ceiling construction
- Insulation of roof coating above the production premises on the 1st floor

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Example of Implemented Project (KPFI-6)

Title: Reconstruction-improvement of energy efficiency of the polyethylene processing line of LLC “Nordic Plast” (Nordic Plast LLC)

Total eligible costs: 287 143.66 lats

CCFI financing: 157 779.01 lats

Reduction of CO_2 emissions: 194.31 tons per year

- Conversion of the existing drying unit to a new, energy effiecient technology

The company produces qualitative LDPE granules by recycling used polyethylene films. The granules are then used for polyethylene film secondary production and, in smaller amounts, as additives to plastic goods.

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Thank You for Your Attention!