Latvia’s challenges and achievements towards low carbon and climate resilient development

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Baltic Pathway Towards Low Carbon and Climate Resilient Development

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Content / Latvia’s Challenges

#1 Climate change **awareness**

#2 Climate change **mitigation**

#3 **Adaptation** to climate change

#4 **Perception** & behaviour
Latvia’s climate change policy and its context

- **Sustainable Development Strategy of Latvia until 2030**
- **National Development Plan of Latvia for 2014–2020**
- Latvia’s national reform programme for EU2020 strategy implementation
- **Environmental Policy Guidelines 2014–2020**

& currently working on:

- **Latvia’s Low Carbon Development Strategy 2050**
- **Latvia’s National Adaptation Strategy 2030**

+ Sectoral policies
+ Regional/local policies
1# Climate change awareness in Latvia

- Many in Latvia **don’t believe** in climate change.
- Some are even **of an opinion that it is something positive** (because they don’t like cold winters).

... BUT THIS IS NOW CHANGING AS:

- **We are providing a lot more information** about climate change in Latvia and related risks, communication about climate change is more frequent and more comprehensive.
- **There are more and more evidences** of climate change in Latvia and for people it is becoming more and more difficult to explain them otherwise than with climate change.
Main developed communication tools

Climate change analysis tool
www2.meteo.lv/klimatariks/

Special twitter account @klimatam

Climate portal
www.klimatam.lv

Investment projects, especially, GIS

Special events

Close cooperation with Eco-schools, NGOs etc
2# Climate change mitigation in Latvia

- Latvia in 1990 had very high emissions, low efficiency
- Since then total greenhouse gas (GHG) emissions have been reduced by almost 57%:
  - Partly because of transition from a centrally planned economy to a market economy
  - Partly as a result of improving efficiency, switching to renewables
- But future targets are even more challenging, because
  - There is need for fast decoupling of gross domestic product (GDP) and radical further reduction of GHG emissions
  - There are very many small sources of emissions & most are not from energy sector (2/3 are from transport and agriculture)
Structure of Latvia’s GHG emissions (2015)

Stationary energy 34.2%

- Road transportation 25.5%
- Other transportation 2.1%
- Manure management 1.7%
- Solvents and greenhouse gases use 2.3%
- Industrial processes (use of carbonates) 4.4%
- Other energy 1.1%
- Other transportation 2.1%
- Enteric fermentation 7.6%
- Cultivation of agricultural soils, liming, use of fertilizers etc 14.9%
- Solid waste treatment / incineration 3.8%
- Wastewater treatment and discharge 2.2%

Public electricity and heat production 15.7%
- Manufacturing industries and construction 6.0%
- Commercial / institutional activities 4.1%
- Residential 4.7%
- Agriculture/forestry/fishing 3.8%

Source: Latvia’s GHG inventory, 2017
Increase of Latvia’s non-ETS GHG emissions has been slowed, but still is an increase.

Additional measures needed to fulfil climate targets beyond 2020!

Source: Latvia’s GHG inventory, 2017
From land sector (LULUCF) GHG emissions are increasing & CO$_2$ sinks are decreasing.

Additional measures needed to fulfil climate targets both till 2020 and beyond!

CO$_2$ removals target in forestry - **16,30 Mt CO$_2$ eq** every year in the period 2013-2020 (NB! Target to be recalculated after 2020).

Source: Latvia’s GHG inventory, 2017
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% in 1990-2014;
- **Total energy consumption in households** (including fuel use in private transport) decreased by 29% in 2005-2015.
- **Share of renewables** in final energy consumption in 2015 was 37.6%

![Renewable energy production, GWh](chart1)

![Renewable energy share in gross final energy consumption](chart2)
Drivers of Latvia’s GHG emission reduction – Taxes

Natural resource tax on CO₂ emissions

• Since 2006 natural resource tax includes a tax on CO₂ emissions (carbon tax). It is 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.

CO₂ levy in vehicle taxes

• Law On the Vehicle Operation Tax is calculated on the basis of CO₂ emissions (only for vehicles with first registration from 2009).

• The tax rate for Vehicles under 50g CO₂ per km is 0 euros

Exemptions from taxes contributing to GHG emissions reductions

• The carbon tax is not paid by operators of stationary technological installations and aircraft operators that are participants in the EU ETS

• Electric vehicles are exempted from the payment of vehicle exploitation tax.

• 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.
3# Adaptation to climate change in Latvia

- A decade ago almost nobody thought of a need to adapt to climate change
- However, year by year adaptation needs were becoming more and more required.

... DURING THE LAST FEW YEARS THIS HAS SIGNIFICANTLY CHANGED!

- we have been actively raising capacity and engaging more stakeholders
- we have been actively developing national adaptation to climate change system

! Draft of Latvia’s Adaptation Strategy 2030 is under public consultations
• Many consider that Latvia is already very green and there are no more possibilities / there is no need to become greener.
• Many believe that Latvia due to its size cannot make a difference to climate change.
• Many believe that it is not possible to influence climate change.
• Many believe that climate change mitigation and adaptation is not their responsibility.

... this is changing, but has to change more!
Thank you for Your attention!