

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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Deputy State Secretary



Area: 64 569 km²

Population: 2 million

EU Member State: since 2004

GHG emissions: 11393,29 kt CO₂eq

0,27% from EU total

GHG per capita: 5,7 t CO₂ eq/cap.

(25th of the EU28)

GHG per GDP: 482,6 t CO₂eq/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).

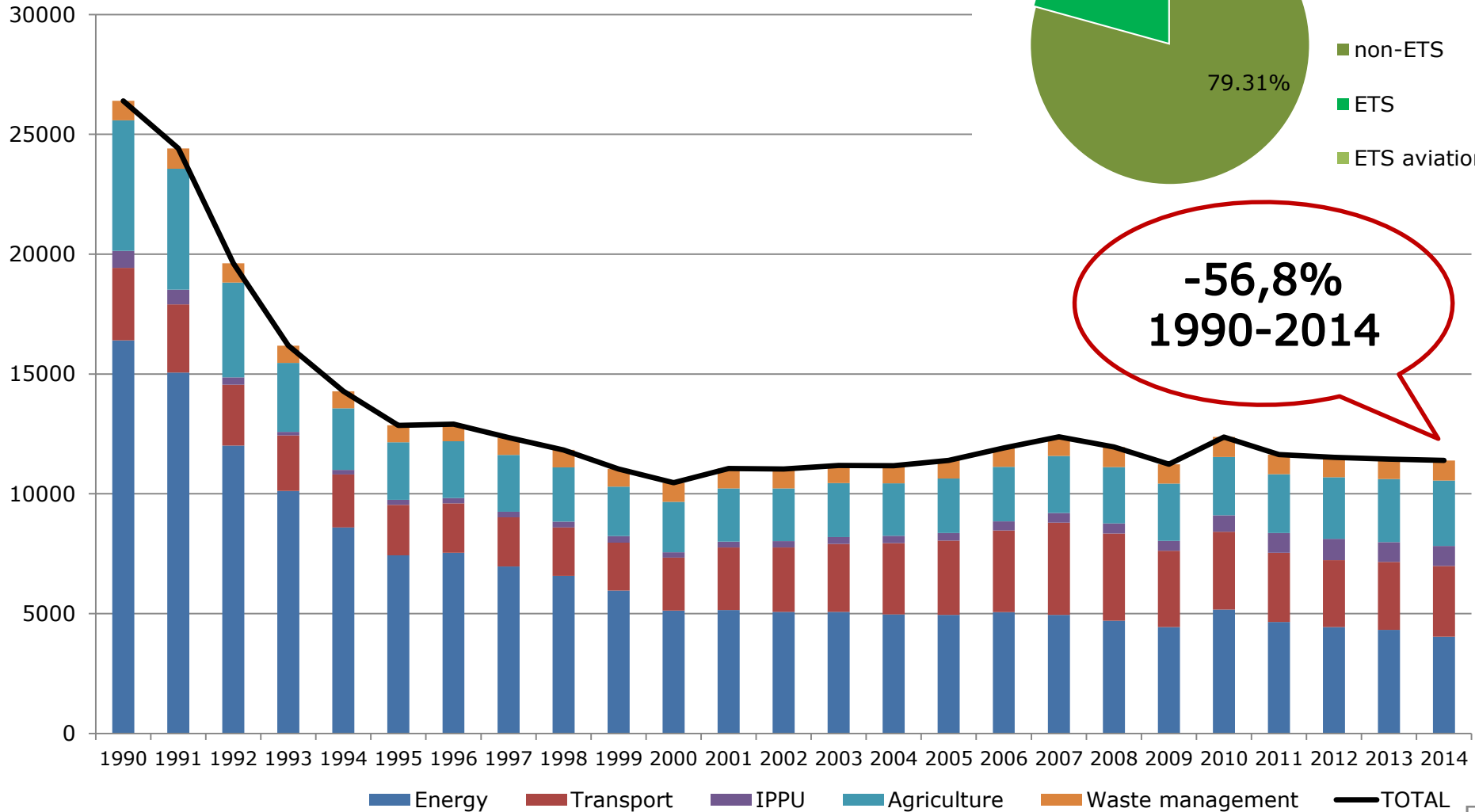
- GHG emissions in 2020 not to exceed **12,16** MtCO₂ eq
 - Non-ETS GHG emissions in 2020 not to exceed **9,9** MtCO₂ eq
 - ETS GHG emissions in 2020 not to exceed **2,26** MtCO₂ eq
- in 2030 GHG emission intensity of the economy **742,03** tCO₂ eq/mio EUR GDP.



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Total Latvia's GHG emissions

kt CO₂eq



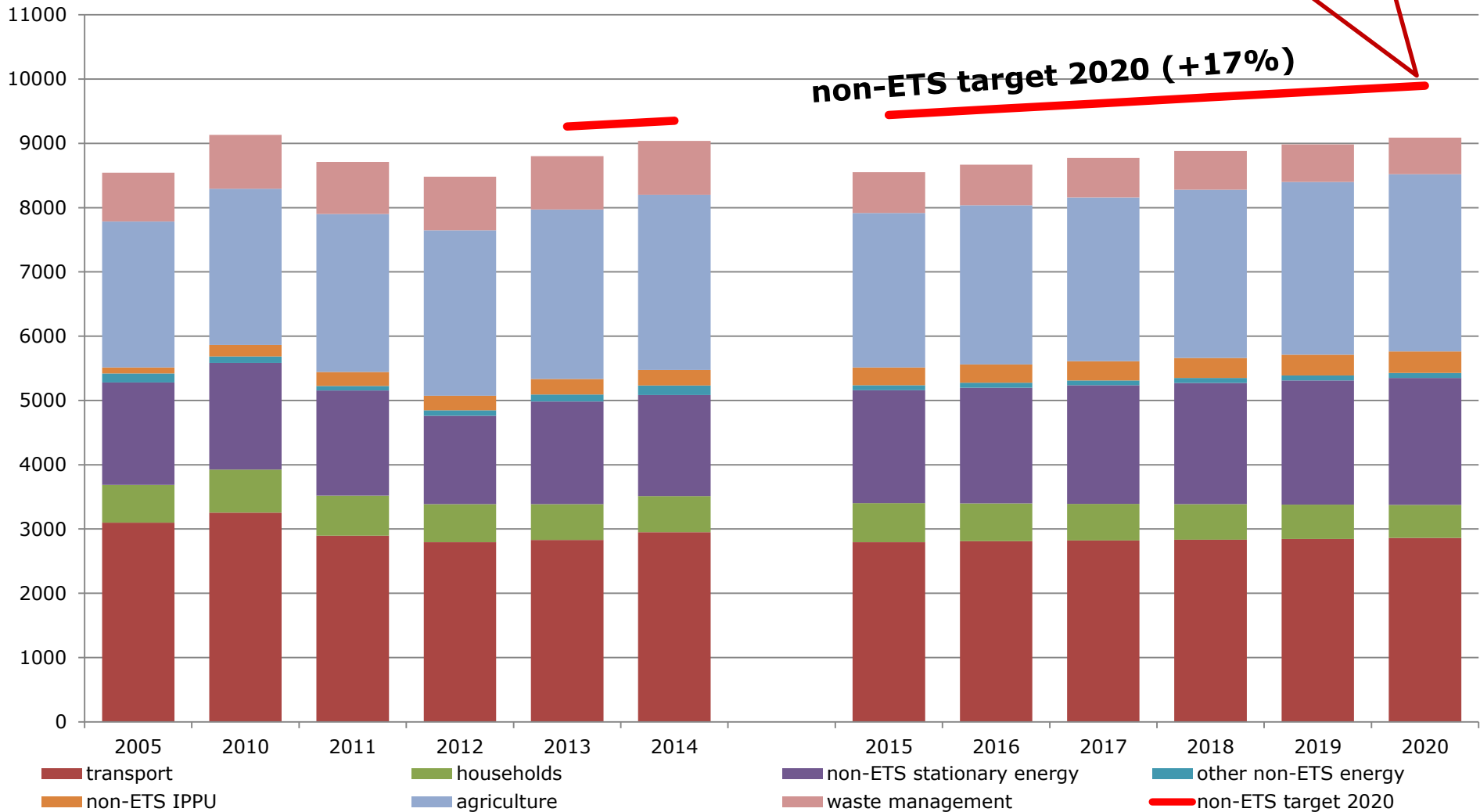


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Latvia's progress in reaching non-ETS target

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

Kt CO₂eq



non-ETS target 2020 (+17%)

Data source: 2016 GHG inventory



Latvia's tools for GHG emission reduction

Legislation and policy based on EU climate policy

EU ETS

Investment support programmes

Green public procurement

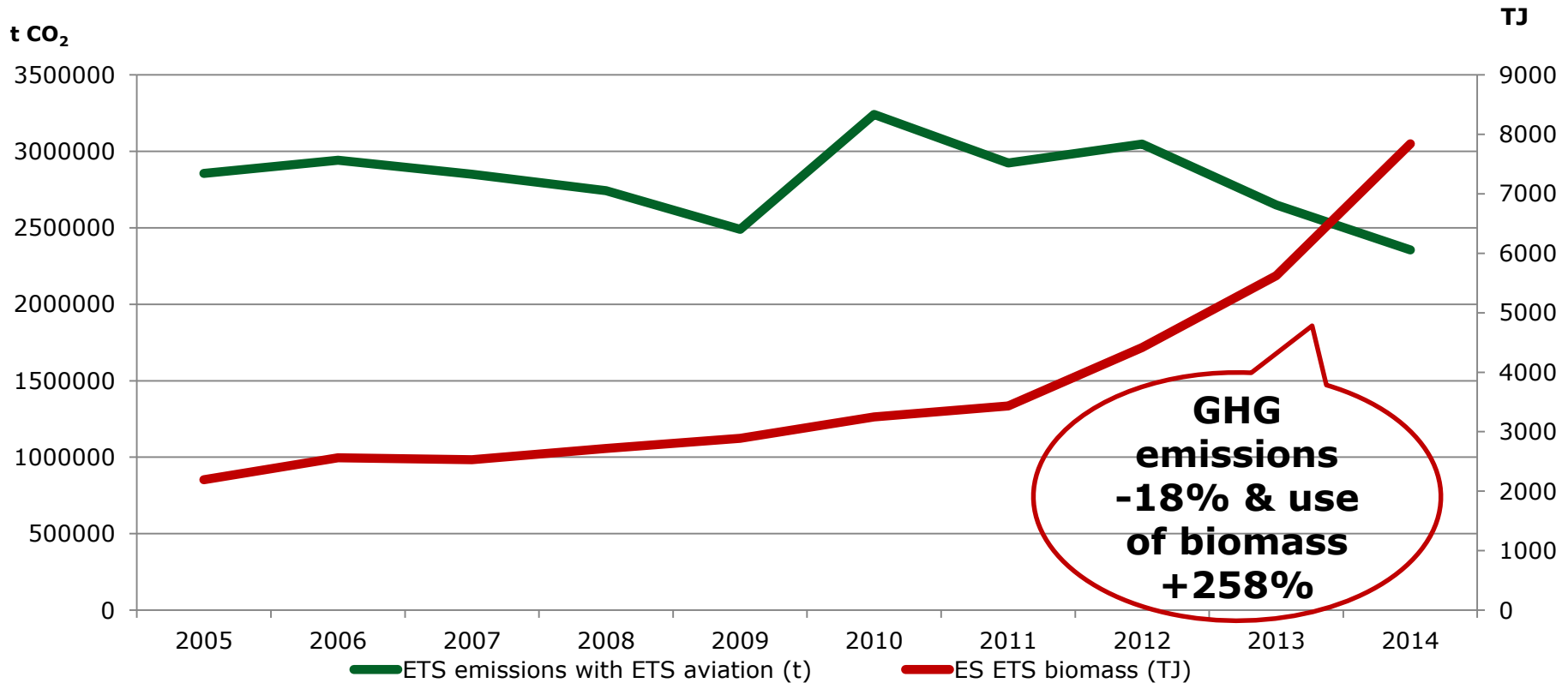
Taxes

Research and Development

Education & public awareness



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



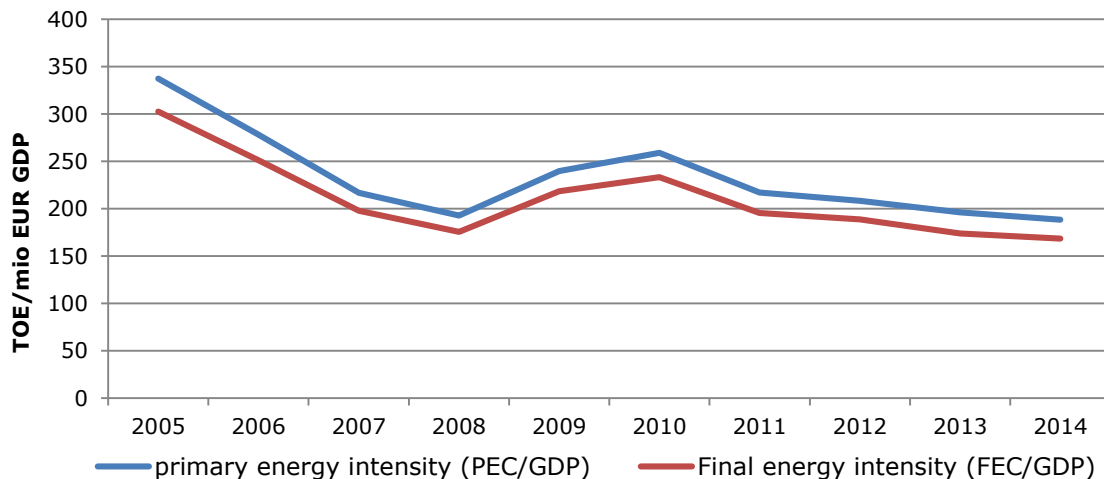
Useful practices:

- 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**.

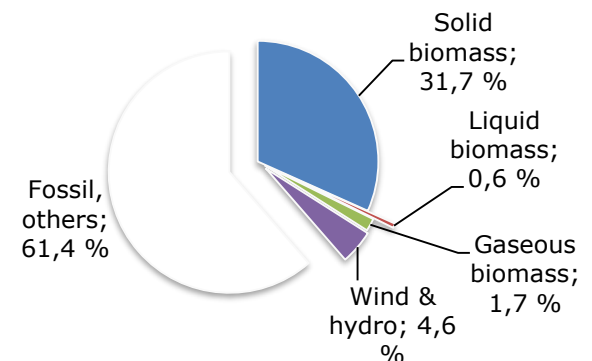


Drivers of Latvia's GHG emission reduction – Energy efficiency and renewables

- **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 CO₂ emissions

- Since 2006 natural resource tax includes a tax on CO₂ 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.

CO₂ levy in vehicle taxes

- Currently CO₂ 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 CO₂ 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