

Climate change policy in Latvia

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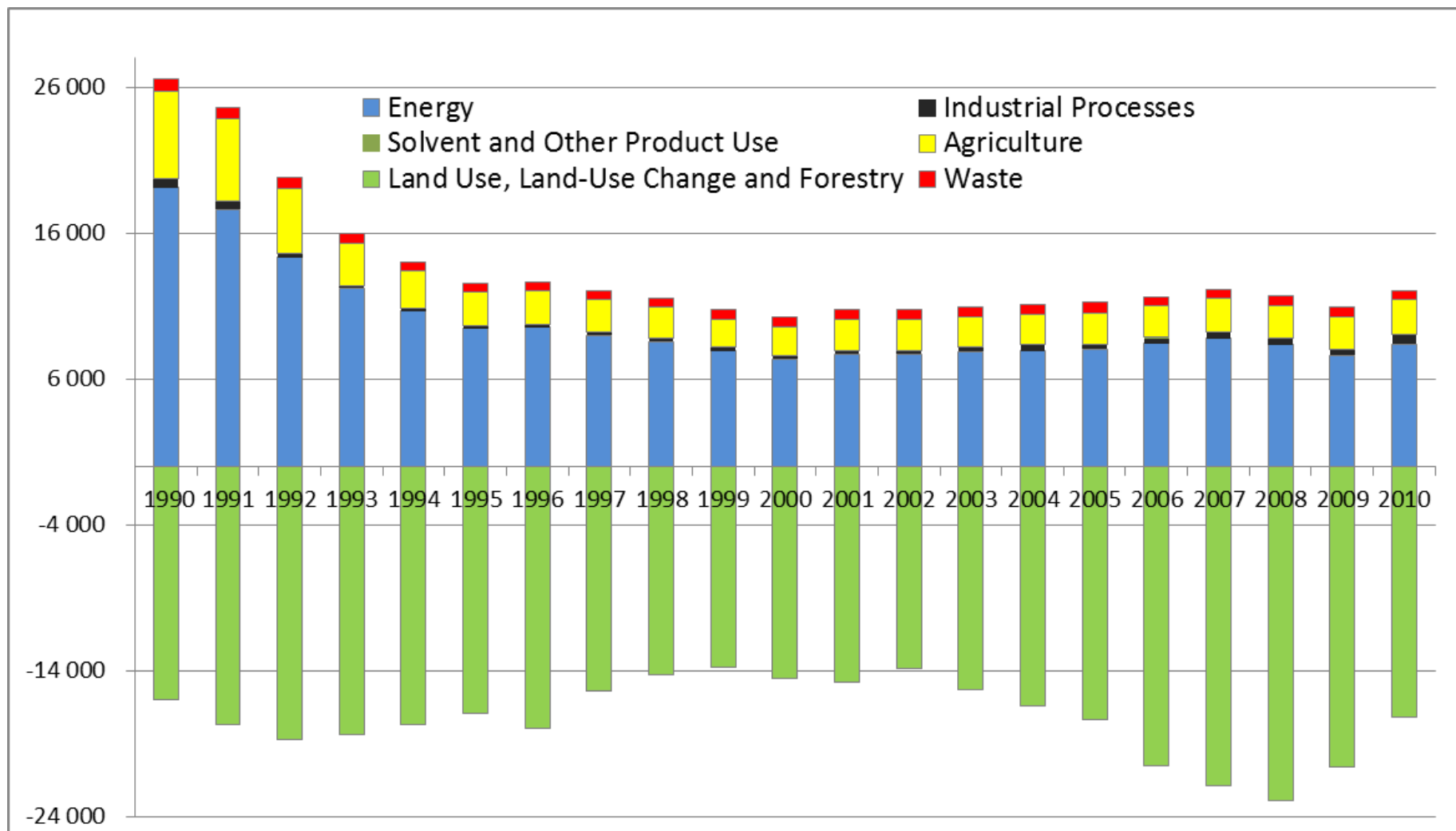
Latvia`s binding targets

- **Kyoto Protocol 1st commitment period 2008-2012:**
minus 8% (of base year 1990) emission reduction;
- **EU Climate and Energy Package by 2020:**
 - **ETS -21% to 2005.** Common EU target, because ETS is EU level mechanism
 - **non-ETS* +17%** compared to 2005 in 2020. (current projections show +23%)
 - **40% RES** in final energy consumption in 2020 (30% in 2009)
 - **10% RES in transport** (current state 0,4%)

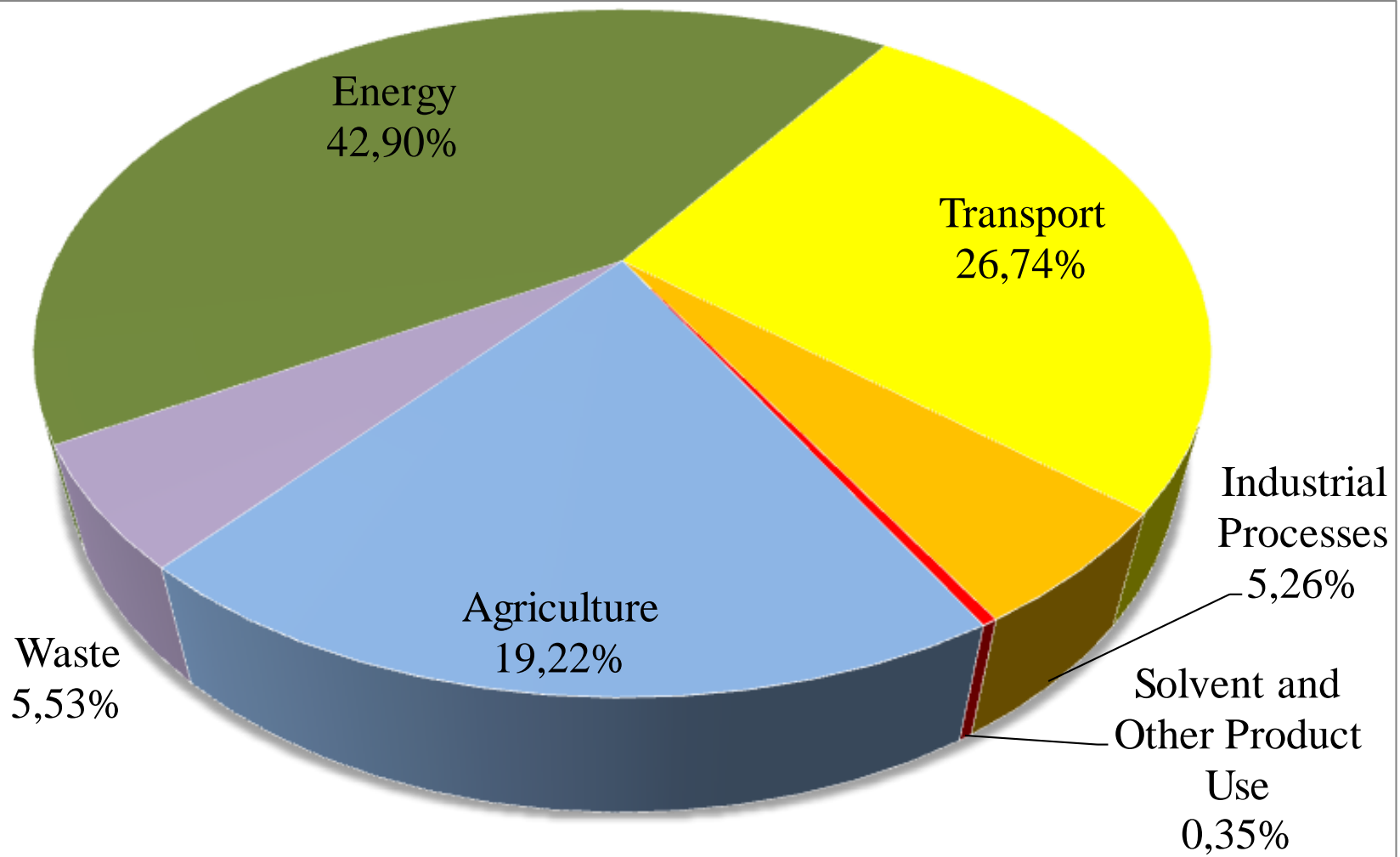
** non-ETS: transport, small industry, agriculture, households, small energy installations*

Latvia's GHG emission, 1990-2010

trends by sectors, Gg CO₂ eq



Emissions by sector (2010)



Latvia's emission trends

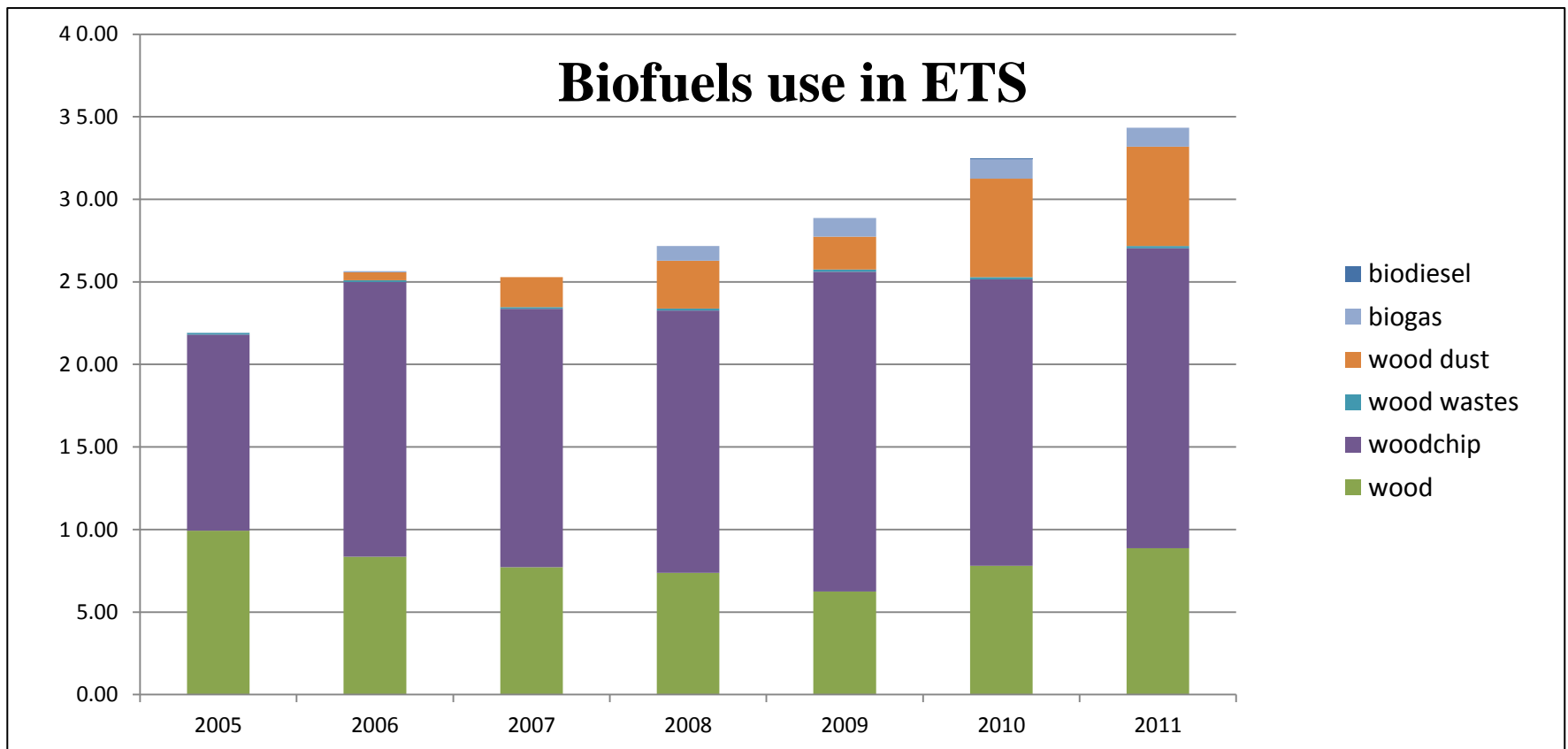
- **Total GHG emissions (excluding LULUCF sector) in 2010 were 12.08 Mt CO₂ eq**

In comparison to 2009, total GHG emissions are increased by 10.16% in 2010.

- Currently the GHG emission of Latvia is considerably below the target of the Kyoto Protocol. That allows to estimate Latvia will be able to achieve the set target.
- **The removals are 1.5 times as large as total emissions**
- **Largest GHG emission decrease in EU – decrease of 55% comparing to the base year 1990**
- **Emissions per capita – one of the lowest in EU (5.8 t CO₂/capita (2010))**

Reasons – low energy consumption per capita and high share of RES

	2005	2006	2007	2008	2009	2010	2011
ETS operators	93	99	92	85	79	77	75
ETS annual allocation	4 070 285	4 475 757	4 950 056	3 727 535	4 638 435	4 529 599	4 400 829
ETS emissions (kilotonnes)	2 854	2 941	2 849	2 743	2 490	3 240	2 923
ETS in total LV emissions	25%	25%	23%	23%	23%	27%	
ES ETS biomass (TJ)	2191.67	2563.8	2528.01	2717.76	2887.6	3248.2	3433.84



Policy directions

- **Operation of EU ETS** (maintenance of administration of the EU common register, GHG permits, control of GHG reports, etc.);
- **Limitation of the non-ETS sector emissions** (priority sectors: transport, waste management, households, services and industrial small-sized enterprises. Probably preventive reduction or reduction of already existing sources of GHG emissions);
- **Research, innovations, informing the society** (development and introduction of low-carbon technologies, education programmes and campaigns, state research programme);
- **Adaptation to climate changes** (include in the measures of other policies and local government plans, develop an insurance system, development of research/data/forecast base in order to plan the measures);
- **Improvement of reporting requirements** according to international and EU requirements (annual GHG inventory, national communications, biennial reports on policies, measures and projections).

Peculiarities and challenges reach GHG emission limitation targets

- Sectors covered by EU emission trading system (EU ETS) - the lowest in EU – 23%
- Non-ETS sectors are of crucial importance
- Difficult to achieve reduction in traditional sectors of fuel switching – small centralized heat supply, services, small industry, households:
 - these sectors comprise only $\frac{1}{4}$ of non-ETS emissions
 - these sectors are mainly using fuel with low GHG emissions (biomass and natural gas)
- High share of transport and agricultural sectors :
 - the highest share (62%) of non-ETS emissions
 - in these sectors national level measures are often inefficient and require large investments
- The emission reduction costs in Latvia are one of the highest in the EU.
- At the same time the co-financing available to the private and public sector has decreased significantly in comparison with the pre-crisis period;
- The use of RES in electricity production in small plants does not contribute directly to the reduction of the non-ETS emissions.

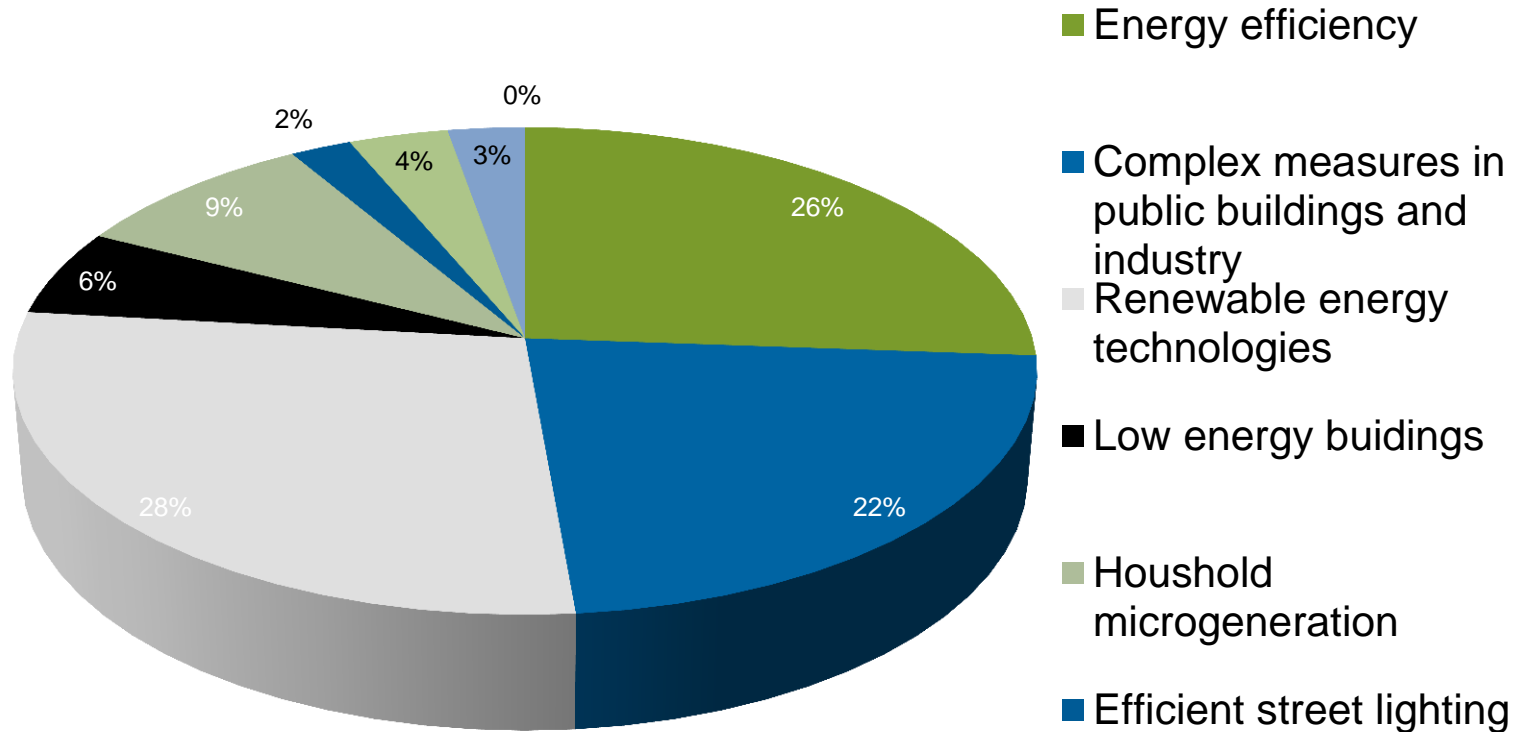
Policy documents

- **Environmental Policy Strategy 2009-2015**
 - includes section CLIMATE defining climate policy objectives and measures
- **Sustainable Development Strategy of Latvia until 2030 (2010)**
 - Development of innovative and eco-efficient economy: Renewable and Safe Energy
 - Nature as future capital: Sustainable Management of Natural Values and Services
 - Spatial development perspective: Transport infrastructure, Rural development, Areas of nature, landscape and cultural and historical territories)
- **National reform programme of Latvia for implementation of the “Europe 2020” strategy (2011)**
 - Energy efficiency, RES and GHG emissions targets for 2020
- **National Development Plan 2014-2020 (*under development*)**
- **Sectoral policy documents (RES, Energy, Waste Management, Forestry, Agriculture etc.)**

Finance sources for climate and RES measures in Latvia

- **EU funds** (supports RES, co-generation and energy efficiency measures)
- **Rural Development programme** (supports production and use of biogas, production of woody fuel products)
- **Climate Change Financial Instrument** (supports emission reduction in non-ETS sectors, low carbon technologies, raising of public awareness)

Climate Change Financial Instrument investment portfolio



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