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signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 31 July 2019

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of  
the European Union

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The EU Environmental Implementation Review 2019 Country Report -  
LATVIA  
*Accompanying the document*  
Communication from the Commission to the European Parliament, the  
Council, the European Economic and Social Committee and the  
Committee of the Regions  
Environmental Implementation Review 2019: A Europe that protects its  
citizens and enhances their quality of life

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Delegations will find attached document SWD(2019) 124 final/2.

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**CORRIGENDUM**

This document corrects document SWD(2019) 124 final of 04.04.2019

Footnote 193 modified

The text shall read as follows:

**COMMISSION STAFF WORKING DOCUMENT**

**The EU Environmental Implementation Review 2019  
Country Report - LATVIA**

*Accompanying the document*

**Communication from the Commission to the European Parliament, the Council, the  
European Economic and Social Committee and the Committee of the Regions**

**Environmental Implementation Review 2019:  
A Europe that protects its citizens and enhances their quality of life**

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## Table of Contents

<b>EXECUTIVE SUMMARY</b> .....	3
<b>PART I: THEMATIC AREAS</b> .....	4
<b>1. TURNING THE EU INTO A CIRCULAR, RESOURCE-EFFICIENT, GREEN AND COMPETITIVE LOW-CARBON ECONOMY</b> .....	4
Measures towards a circular economy .....	4
Waste management .....	6
Climate change .....	8
<b>2. PROTECTING, CONSERVING AND ENHANCING NATURAL CAPITAL</b> .....	10
Nature and biodiversity .....	10
Maintaining and restoring ecosystems and their services .....	10
Estimating natural capital .....	11
Invasive alien species .....	12
Soil protection .....	12
Marine protection .....	13
<b>3. ENSURING CITIZENS' HEALTH AND QUALITY OF LIFE</b> .....	15
Air quality .....	15
Industrial emissions .....	16
Noise .....	17
Water quality and management .....	17
Chemicals .....	19
Making cities more sustainable .....	20
<b>PART II: ENABLING FRAMEWORK: IMPLEMENTATION TOOLS</b> .....	22
<b>4. GREEN TAXATION, GREEN PUBLIC PROCUREMENT, ENVIRONMENTAL FUNDING AND INVESTMENTS</b> .....	22
Green taxation and environmentally harmful subsidies .....	22
Green public procurement .....	23
Environmental funding and investments .....	23
<b>5. STRENGTHENING ENVIRONMENTAL GOVERNANCE</b> .....	27
Information, public participation and access to justice .....	27
Compliance assurance .....	29
Effectiveness of environmental administrations .....	30
International agreements .....	31
Sustainable development and the implementation of the UN SDGs .....	32

## Executive summary

### Latvia and the Environmental Implementation Review (EIR)

In the 2017 EIR report, the main challenges identified for Latvia for the implementation of EU environmental policy and law were:

- to improve **waste management**, particularly increasing recycling, rolling out separate collection and reducing landfilling;
- to reduce **resource intensity**, which would lessen the exposure of Latvian businesses to rising resource costs.

Latvia organised an **EIR national dialogue** in December 2017, with particular focus on waste management.

In 2017 the Commission launched the TAIEX-EIR Peer-to-Peer (**EIR P2P**) tool to facilitate peer-to-peer learning between experts from environmental authorities. Latvia participated in an EIR P2P workshop on the exchange of knowledge and experience of effective measures and good practices to reduce emissions from domestic heating.

### Progress on meeting challenges since the 2017 EIR

**Waste management** remains a challenge for Latvia, particularly in terms of not being able to divert waste from landfilling. According to the Commission's 'Early Warning Report' (2018), Latvia remains at risk of not attaining the 2020 municipal waste recycling target and of not meeting the 2020 landfill diversion target for biodegradable waste.

The circular (secondary) **use of material** in Latvia was well below the EU-28 average in 2016. However, the country performs above the EU-28 average in terms of how many people are employed in the circular economy. The proportion of SMEs that have taken **resource-efficiency** measures is below the EU average, even though the proportion of SMEs that have benefited from public support measures for the production of green products is well above the average. Latvia ranks rather low on **eco-innovation**, despite it being the 5th fastest growing innovator.

Latvia has a relatively high density of **green infrastructure** natural areas compared to other EU Member States. Latvia currently expects to implement further plans and activities directly relating to green infrastructure, e.g. flood management in cities and Natura 2000 development. Latvia has pioneered a **MAES (mapping and assessment of ecosystems and their services)** assessment for its marine waters. This confirms the substantial progress Latvia has made since January 2016 on implementing MAES.

Latvia aims to maintain a good level of environmental protection, particularly for air and water quality. It scores well on the quality of its **bathing waters**, 91.1 % of which were of excellent quality in 2017. However, for the vast majority of rivers and lakes the ecological status or potential as set out in the Water Framework Directive is less than good.

Latvia is making further progress in complying with the EU Urban **Waste Water Treatment** rules. However, there is an on-going infringement procedure against Latvia as it still does not ensure that waste water is collected and treated in accordance with the Directive in 15 larger agglomerations.

### Examples of good practice

- Two projects in Latvia are outlined as best practices and showcases. These are: (i) the LIFE Nature project 'Protection and management of coastal habitats in Latvia'; (ii) protected green infrastructure and water bodies in the Zemgale Region and northern Lithuania.
- Latvia grants the public, particularly individuals and NGOs, very broad access to justice in environmental cases. It has well-developed legislation on access to information and public participation. The action plan on open government partnership and the work of the Environmental Consultancy Board are good examples of how these rights are being put into practice.

## Part I: Thematic areas

### 1. Turning the EU into a circular, resource-efficient, green and competitive low-carbon economy

#### Measures towards a circular economy

The Circular Economy Action Plan emphasises the need to move towards a life-cycle-driven ‘circular’ economy, reusing resources as much as possible and bringing residual waste close to zero. This can be facilitated by developing and providing access to innovative financial instruments and funding for eco-innovation.

Following the adoption of the Circular Economy Action Plan in 2015 and the setting up of a related stakeholder platform in 2017, the European Commission adopted a new package of deliverables in January 2018<sup>1</sup>. This included additional initiatives such as: (i) an EU strategy for plastics; (ii) a Communication on how to address the interplay between chemical, product and waste legislation; (iii) a report on critical raw materials; and (iv) a framework to monitor progress towards a circular economy<sup>2</sup>.

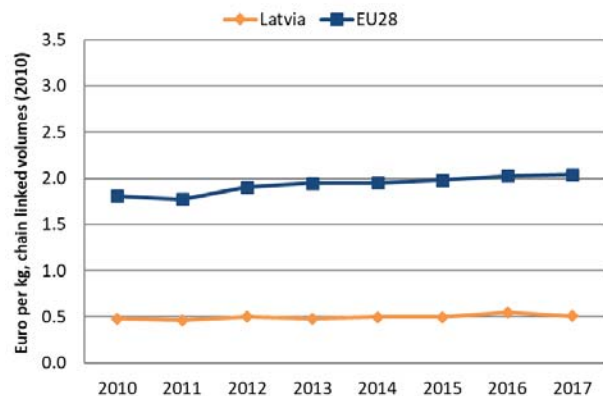
Based on the 10 indicators in the circular economy monitoring framework, Latvia was well below the EU average for circular (secondary) use of material, scoring 3.9 % in 2016 (EU average 11.7 %). Despite this, it did post an increase compared with previous years. In contrast, Latvia performs above the EU-28 average for the number of people employed in the circular economy (2.89 % of total employment in 2016, EU-28 average 1.73 %).

In the 2017 Special Eurobarometer 468 on attitudes of EU citizens towards the environment, 89 % of Latvian people said they were concerned about the effects of plastic products on the environment (EU-28 average 87 %). 90 % said they were worried about the impact of chemicals, in line with the EU-28 average<sup>3</sup>. In addition, 89 % of Latvian people support greater EU investment in environmental protection (EU-28 average 85 %).

Latvia’s resource productivity<sup>4</sup> (how efficiently the economy uses material resources to produce wealth), in terms of value produced per kg of resources used was 0.51 EUR/kg in 2017. This is far below the EU average of

2.04 EUR/kg<sup>5</sup>. Figure 1 shows that Latvia’s resource productivity has not improved since 2010.

Figure 1: Resource productivity 2010-2017



Targeted policy documents on the circular economy are in the early stages of development and are undergoing academic research<sup>7</sup>. The report on the necessity of and opportunities for transitioning towards a circular economy in Latvia is a first step towards a more comprehensive circular economy policy in the country.

In December 2017, the Ministry of Agriculture adopted the 2030 Latvian bioeconomy strategy. Ministries have been asked by the government to take the strategy’s fields of action into account when revising and developing policy planning documents.

The need to educate businesses on the circular economy has received some attention in Latvia, most notably through the organisation of an international conference on the subject in Riga in 2016<sup>8</sup>.

Latvia has also signed a 2018-2021 cooperation programme with Flanders (Belgium), which also covers the circular economy. As for EU Ecolabel products and

1 European Commission, [2018 Circular Economy Package](#).

2 [COM\(2018\) 029](#).

3 European Commission, 2017, [Special 486 Eurobarometer](#), ‘Attitudes of European citizens towards the environment’.

4 Resource productivity is defined as the ratio between gross domestic product (GDP) and domestic material consumption (DMC).

5 Eurostat, [Resource productivity](#).

6 Eurostat, [Resource productivity](#).

7 Tambovceva, T., Atstāja, D., Dimante, D. [Development of Circular Economy – a Case Study of Latvia](#). No: *12th Conference of the European Society for Ecological Economics: Programme & Abstract Book*, Ungārija, Budapest, 20.-23. jūnijs, 2017. Budapest: Corvinus University of Budapest, 2017, p. 466.-467.

8 Development of Business Education for Circular Economy in Latvia in [New Challenges of Economic and Business Development](#), May 2016.

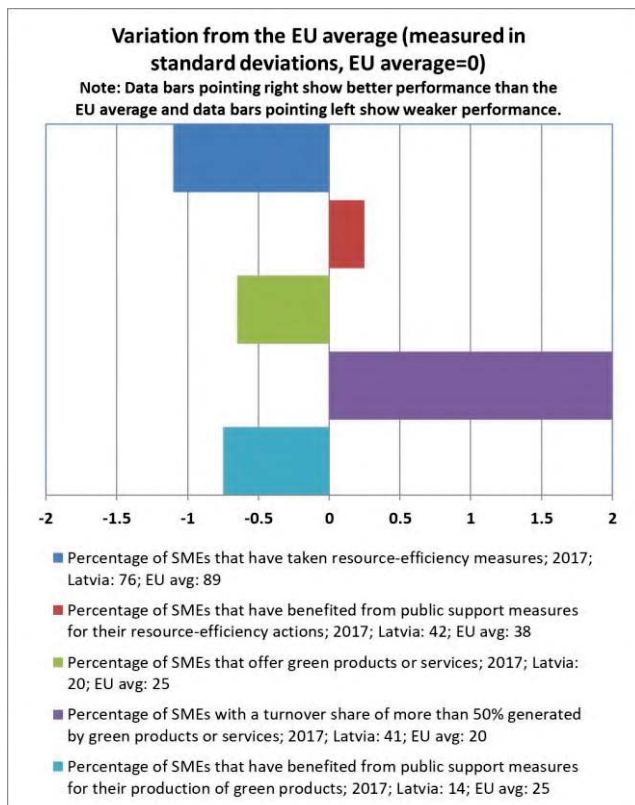
## Environmental Implementation Review 2019 – Latvia

EMAS-licensed organisations<sup>9</sup>, as of September 2018 Latvia had only 15 products and 4 licences registered in the EU Ecolabel scheme out of a total of 71 707 products and 2167 licences in the EU<sup>10</sup>. Moreover, Latvia and Croatia are the only EU countries<sup>11</sup> with no organisations registered on EMAS. However, the ISO 14001 environmental management system has gained popularity in Latvia. The number of certificates has steadily grown from 90 in 2005 to 373 in 2017<sup>12</sup>.

### SMEs and resource efficiency

Latvian SMEs score in line with the EU average on environmental issues, as shown in Figure 2. A below-average proportion of SMEs in Latvia have taken resource-efficiency measures and offer green products or services. Conversely, Latvia has a far above average percentage of SMEs which have a turn-over of more than 50% generated by green products or services.

**Figure 2: Environmental performance of SMEs<sup>13</sup>**



The 2018 Eurobarometer on ‘SMEs, resource efficiency and green markets<sup>14</sup>’ showed that Latvian companies’

intentions to invest in resource efficiency were about the same as in 2015, similar to the EU average. A notable exception is minimising waste and increasing recycling inside the company, for which awareness is significantly below the EU average.

Only 7 % of Latvian companies relied on external support in their efforts to be more resource efficient, compared to an EU average of 22 % covering a range of 3 % to 38 %. 42 % of Latvian companies collaborated with business associations.

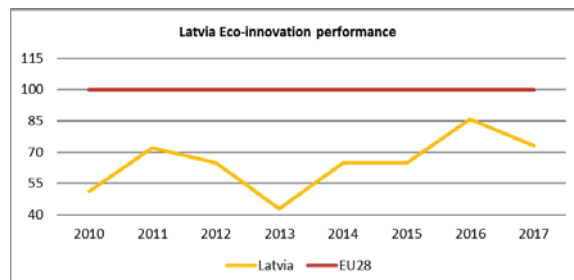
Of the Latvian companies surveyed, 33 % did not identify any form of external assistance as useful in helping them become resource efficient. Less importance is assigned to assistance on better cooperation among companies along value chains (11 %).

There is potential to raise awareness and ambition among SMEs in Latvia about becoming more resource efficient. Many SMEs have already recognised the potential of the market for green products and services. The challenge is to reach out to the more mainstream businesses.

### Eco-innovation

In 2018, Latvia ranked 24th on the European Innovation Scoreboard 2018, being the 5th fastest growing innovator (11.6 % increase since 2010<sup>15</sup>). However, the country’s overall position on the 2017 Eco-innovation index has declined (see Figure 3), and continues to be below the EU average. It ranks the 22<sup>nd</sup>. (see Figure 4).

**Figure 3: Latvia’s eco-innovation performance**



The main impetus for eco-innovation and the circular economy in Latvia continues to come from the energy and resource-efficiency targets of the EU’s Europe 2020 strategy. Investments in bioeconomy, smart materials, sustainable energy solutions and research are a high priority in Latvia’s smart specialisation strategy<sup>16</sup>.

<sup>9</sup> EMAS is the European Commission’s Eco-Management and Audit Scheme – a programme to encourage organisations to behave in a more environmentally sustainable way

<sup>10</sup> European Commission, [Ecolabel Facts and Figures](#).

<sup>11</sup> As of May 2018. European Commission, [Eco-Management and Audit Scheme](#).

<sup>12</sup> [ISO Survey of certifications to management system standards](#).

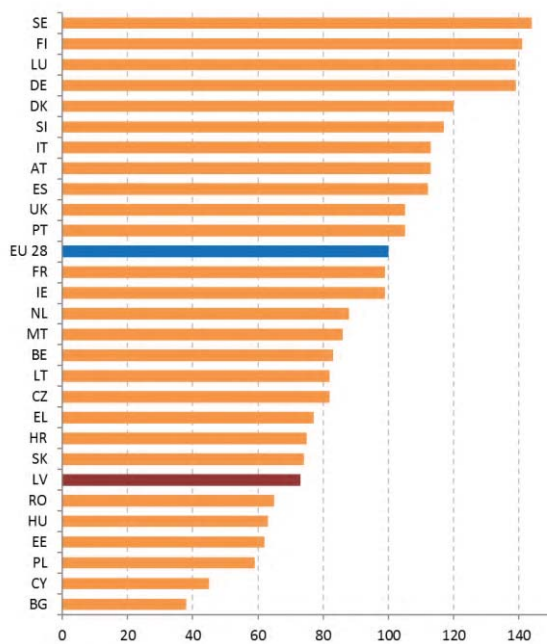
<sup>13</sup> European Commission, [2017-SBA factsheet](#): Latvia.

<sup>14</sup> Flash Eurobarometer 456 ‘SME, resource efficiency and green markets’ January 2018. The 8 dimensions were Save energy; Minimise waste; Save materials; Save Water; Recycle by reusing material internally; Design products easier to maintain, repair or reuse; Use renewable energy; Sell scrap materials to another company.

<sup>15</sup> European Commission, [European innovation Scoreboard 2018](#).

<sup>16</sup> Smart specialisation strategies were introduced as a way to increase efficiency in research and innovation investments by integrating policy

Figure 4: 2017 Eco-innovation index (EU=100)<sup>17</sup>



Assistance from the EEA/Norway Grants has also provided a very significant boost for eco-innovation in Latvia, as has the availability of natural resources such as forests, water and soil. However, overall developments in eco-innovation in Latvia are taking place in individual businesses and organisations rather than system-wide.

Businesses' relative lack of willingness and capacity to innovate can still be considered as factors hampering eco-innovation. Lack of understanding about the processes of eco-innovation is also a barrier. Furthermore, there is a lack of a targeted national policy framework in Latvia and fragmented support landscape.

The venture capital market has recognised the potential of eco-innovation. The Ministry of Education and Science has identified topics such as energy efficiency, sustainable transport and the knowledge-based bio economy as priority science sectors for the 2018-2021 period.

Research prioritisation and investment in these fields is beginning to deliver results. Circular economy and eco-innovation areas are also well covered by clusters such as the Smart City Cluster of Latvia, the Life Science Cluster of Latvia, the Green Tech Cluster and the Cleantech Cluster<sup>18</sup>.

areas - between regions, sectors and levels. These strategies have to be developed by Member States or regions to receive cohesion funding.

<sup>17</sup> European Commission, [Eco-innovation Observatory](#): Eco-Innovation scoreboard 2017.

<sup>18</sup> European Commission, Eco-Innovation Observatory: [Eco-innovation Country Profiles 2016-2017](#).

### 2019 priority action

- Develop a more coherent circular economy policy framework.

### Waste management

Turning waste into a resource is supported by:

- (i) fully implementing EU waste legislation, which includes the waste hierarchy, the need to ensure separate collection of waste, the landfill diversion targets, etc.;
- (ii) reducing waste generation and waste generation per capita in absolute terms; and
- (iii) limiting energy recovery to non-recyclable materials and phasing out landfilling of recyclable or recoverable waste.

This section focuses on management of municipal waste<sup>19</sup> for which EU law sets mandatory recycling targets.<sup>20</sup>

Municipal waste generated in Latvia amounted to 410 kg/y/inhabitant in 2016. This was below the EU average of 486 kg/y/inhabitant, but since 2012 the figure has been following a steep upward trend<sup>21</sup>.

Figure 5 depicts municipal waste by treatment in Latvia in kg per capita. In 2016, disposal by landfilling (the least preferred treatment in the waste hierarchy) remains the main treatment option for municipal waste, with Latvia landfilling 64 % of municipal waste, compared with the EU average of 24 %. While the landfilling rate continuously decreased since 2012, it increased by 2 % from 2015. Since 2014 Latvia has increased its composting rate from 6 % to 10 % (EU average 17 % in 2016), but material recycling remains at the very low level of 10 %.

Figure 6 depicts recycling rates for municipal waste. While the decrease in the recycling rate in 2016 seems to be influenced by improvements in waste data collection, Latvia's recycling performance is very weak. As a result, Latvia was listed in the Commission's 'Early Warning report'<sup>22</sup> among the countries at risk of not attaining the 2020 municipal waste recycling target. Latvia is also at risk of not meeting the 2020 landfill diversion target for biodegradable waste (a 75 % reduction from 1995 levels) and is lagging behind its 2013 target of 50 % reduction

<sup>19</sup> Municipal waste consists of mixed waste and separately collected waste from households and from other sources, where such waste is similar in nature and composition to waste from households. This is without prejudice to the allocation of responsibilities for waste management between public and private sectors.

<sup>20</sup> See Article 11.2 of Directive 2008/98/EC. This Directive was amended in 2018 by Directive (EU) 2018/851, and more ambitious recycling targets were introduced for the period up to 2035.

<sup>21</sup> European Commission, Eurostat, [Municipal waste and treatment, by type of treatment method](#).

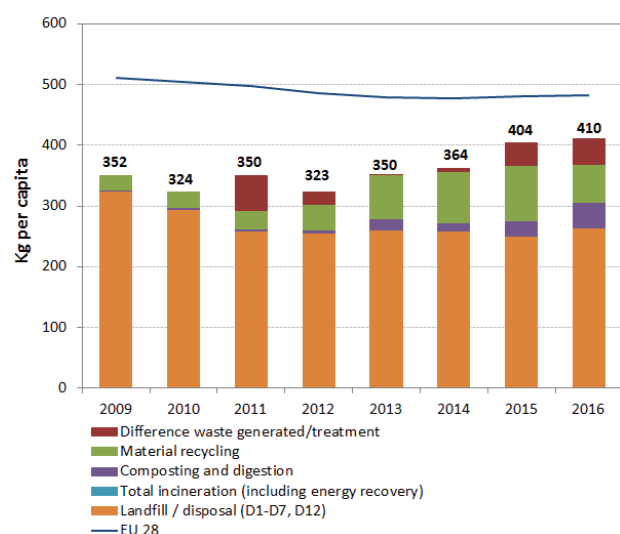
<sup>22</sup> [COM\(2018\) 656](#) and [SWD\(2018\)420](#).



## Environmental Implementation Review 2019 – Latvia

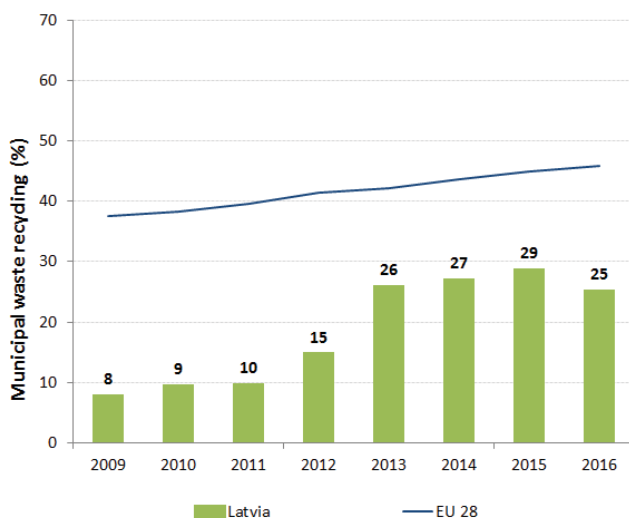
(by 2015 Latvia had reduced the amounts of such waste going to landfills by 32 %<sup>23</sup>).

**Figure 5: Municipal waste by treatment in Latvia 2009-2016**<sup>24</sup>



To help bridge the implementation gap in Latvia, the Commission's early warning report<sup>25</sup> recommended a set of detailed priority actions.

**Figure 6: Recycling rate of municipal waste 2009-2016**<sup>26</sup>



Separate collection at source of dry recyclables relies on systems that for now contribute insufficiently to Latvia's recycling performance. Recently adopted minimum requirements for municipalities to ensure adequate density of separate collection bring sites and collection points for household waste could improve the situation.

<sup>23</sup> Latvian report on the transposition and implementation of Directive 99/31/EC on the landfill of waste for 2013-2015.

<sup>24</sup> European Commission, Eurostat, [Municipal waste by waste operations](#).

<sup>25</sup> Adopted 24.9.2018.

<sup>26</sup> European Commission, Eurostat, [Recycling rate of municipal waste](#).

However, there is no clear vision on how to encourage people living in apartment blocks to separate waste at home.

Starting from 2021 there will be mandatory separate collection of bio-waste part of municipal waste, which makes up almost half of municipal waste generated. Until then it remains voluntary, but it is being incentivised through EU funds.



The focus so far has been on MBT (mechanical biological treatment) technology which, apart from stabilising and diverting small amounts of biodegradable waste from landfills, does very little to contribute towards recycling performance.

The Law on Natural Resource Tax foresees a gradual increase of the landfill tax from 20 EUR/tonne in 2017 to 50 EUR/t in 2020. As this tax will generate more revenues, it is important that these are channelled towards measures to improve waste management in line with the waste hierarchy. In addition, to make recycling economically viable and support implementation of the waste hierarchy, a tax on treatment of residual waste (e.g. via MBT) should be introduced albeit at a lower level than the landfill tax.

Data collection has improved somewhat in the past few years. All packaging data are now included in the reported municipal waste data and this largely explains the increase in the recycling rates since 2012. However, significant shortcomings in data collection remain and need to be urgently addressed.

The extended producer responsibility scheme for packaging operates on a competitive basis. While the scheme covers a large amount of the packaging put on the market, more coordination is needed in collection and infrastructure to make it more cost-efficient and to make the schemes cover all the costs of collection and treatment of packaging waste. Latvia is working towards setting up a mandatory deposit system for beverage packaging.

Despite the shorter term recommendations set out in the early warning report even more effort will be necessary

## Environmental Implementation Review 2019 – Latvia

to comply with the recycling targets set for the post-2020 period<sup>27</sup>.

Waste management was the main topic of discussion at the EIR national dialogue with Latvia in December 2017.

### 2019 priority actions

- Implement the landfill tax increase as planned to phase out landfilling of recyclable and recoverable waste. Channel those revenues towards measures to improve waste management in line with the waste hierarchy.
- Improve and extend separate collection of waste, including for bio-waste. Review and / or harmonise minimum service standards for separate collection (e.g. frequency of collections, types of containers etc.) in municipalities to ensure high capture rates of recyclable waste.
- Use economic instruments such as ‘pay as you throw’, and set mandatory recycling targets for municipalities with measures to tackle non-compliance (e.g. fines).
- Develop and run implementation support programmes for municipalities to help support efforts to organise separate collection and improve recycling performance.
- Improve the functioning of extended producer responsibility systems, in line with the general minimum requirements on EPR<sup>28</sup>.

### Climate change

The EU has committed to undertaking ambitious climate action internationally as well as in the EU, having ratified the Paris Climate Agreement on 5 October 2016. The EU targets are to reduce greenhouse gas (GHG) emissions by 20 % by 2020 and by at least 40 % by 2030, compared to 1990. As a long-term target, the EU aims to reduce its emissions by 80-95 % by 2050, as part of the efforts required by developed countries as a group. Adapting to the adverse effects of climate change is vital to alleviate its already visible effects and improve preparedness for and resilience to future impacts.

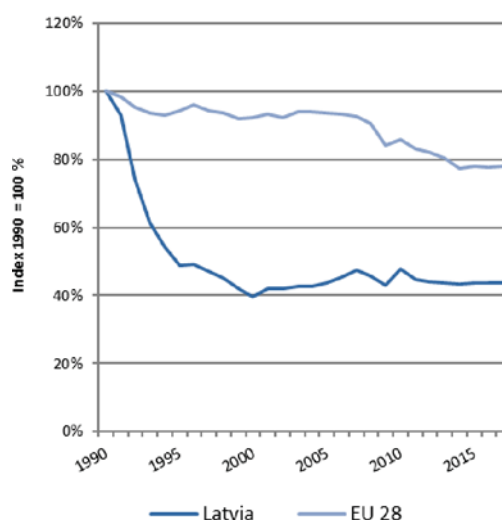
The EU emissions trading system (EU ETS) covers all large greenhouse gas emitters in the industry, power and aviation sectors in the EU. The EU ETS applies in all Member States and has a very high compliance rate. Each year, installations cover around 99 % of their emissions with the required number of allowances.

<sup>27</sup> [Directive \(EU\) 2018/851](#), [Directive \(EU\) 2018/852](#), [Directive \(EU\) 2018/850](#) and [Directive \(EU\) 2018/849](#) amend the previous waste legislation set more ambitious recycling targets for the period up to 2035. These targets will be taken into consideration to assess progress in future Environmental Implementation Reports.

<sup>28</sup> [Directive \(EU\) 2018/851](#).

For emissions not covered by the EU ETS, Member States have binding national targets under the Effort Sharing legislation. Latvia had lower emissions than its annual targets in each of the years 2013-2017. For 2020, Latvia's national target under the EU Effort Sharing Decision is to avoid increasing emissions by more than 17 % compared to 2005. For 2030, Latvia's national target under the Effort Sharing Regulation will be to reduce emissions by 6 % compared to 2005.

**Figure 7: Change in total greenhouse gas emissions 1990-2017 (1990=100%)<sup>29</sup>.**



The Sustainable Development Strategy of Latvia until 2030 sets a 55% greenhouse gas emissions reduction target compared to 1990 levels.

Transport represents almost a quarter of Europe's greenhouse gas emissions and is the main cause of air pollution in cities. In 2016, total GHG emissions in the transport sector, compared to 1990 level, have increased by 5.1% but have been decreased by 0.5% compared to 2015. The last 3 years, from 2013 to 2016, transport emissions increased by 10 %.

The F-gas Regulation requires Member States to run training and certification programmes, introduce rules for penalties and notify these measures to the Commission by 2017. Latvia has notified both measures.

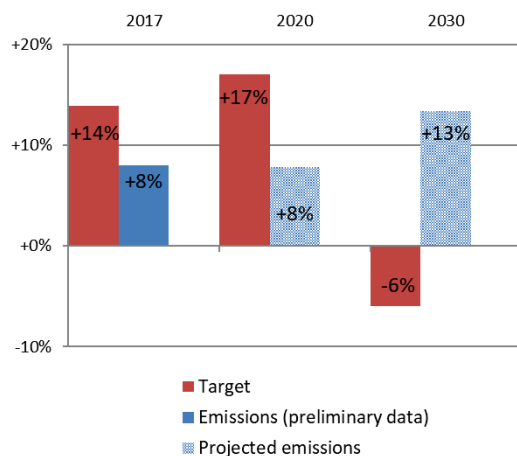
The accounting of GHG emissions and removals from forests and agriculture is governed by the Kyoto Protocol. A Preliminary accounting for 2013-2016 depicts net debits of, on average, 1.4 Mt CO<sub>2</sub>-eq per year, which corresponds to a negative contribution of -1.2% of the EU-28 accounted sink of -115.7 Mt CO<sub>2</sub>-eq. Latvia is one

<sup>29</sup> Annual European Union greenhouse gas inventory 1990–2016 ([EEA greenhouse gas data viewer](#)). Proxy GHG emission estimates for 2017 *Approximated EU greenhouse gas inventory 2017* (European Environment Agency). Member States national projections, reviewed by the European Environment Agency.

## Environmental Implementation Review 2019 – Latvia

of six EU Member States which show net debits in this preliminary accounting exercise.

**Figure 8: Targets and emissions for Latvia under the Effort Sharing Decision and Effort Sharing Regulation<sup>30</sup>.**



The EU Strategy on adaptation to climate change, adopted in 2013, aims to make Europe more climate-resilient, by promoting action by Member States, better-informed decision making, and promoting adaptation in key vulnerable sectors. By adopting a coherent approach and providing for improved coordination, it seeks to enhance the preparedness and capacity of all governance levels to respond to the impacts of climate change. While in 2013 only 15 Member States had an adaptation strategy, today all but three have adopted one, with the three remaining Member States actively working on it. In 2016, the Commission launched an evaluation of this strategy. The evaluation examines the actual implementation and the achievement of the objectives of the strategy. The evaluation is currently underway, with findings to be published in autumn 2018.

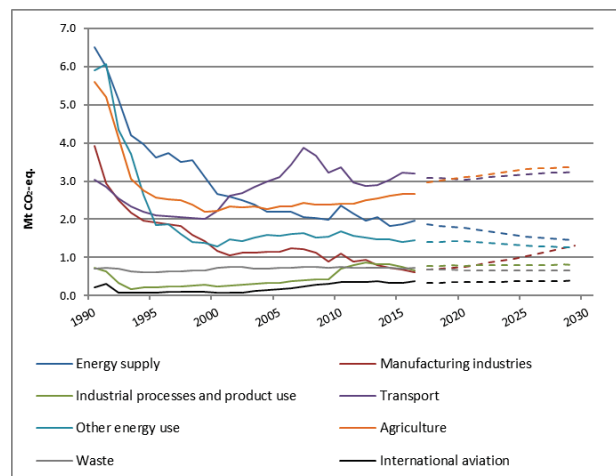
Latvia is expected to finalise its National Adaptation Strategy (NAS) to climate change up to 2030 in early 2019. Climate change risk and vulnerability assessments, cost-benefit and cost-effectiveness assessments for adaptation measures were developed in 2017 for the most vulnerable sectors, which include biodiversity and ecosystem services, forestry and agriculture, tourism and landscape planning, health and welfare, building and infrastructure planning, civil protection and emergency planning. The draft NAS includes an adaptation monitoring, reporting and evaluation system with 18 adaptation indicators and 24 climate change parameters.

The total revenues from the auctioning of emission allowances under the EU ETS over the years<sup>31</sup> 2013-2017

<sup>30</sup> Proxy GHG emission estimates for 2017 *Approximated EU greenhouse gas inventory 2017* (European Environment Agency). Member States national projections, reviewed by the European Environment Agency.  
<sup>31</sup> Auctions of allowances for the EU ETS 3rd period started in 13 November, 2012.

were over EUR 63 million. National legislation - The Law on Pollution, prescribes that revenues derived from the auctions of EU emission allowances must be spent for climate-related measures, therefore in 2016 new national green investment scheme for tackling global climate change, supporting adaptation to the consequences of climate change and reducing greenhouse gas emissions has been established. Four calls for projects have been organized since 2016 with overall co-funding in amount of 50 MEUR. All unspent revenues from the auctions of allowances from previous years are accumulated and earmarked for climate change-related open tenders for projects and measures in upcoming years.

**Figure 9: Greenhouse gas emissions by sector (Mt. CO<sub>2</sub>-eq.). Historical data 1990-2016 Projections 2017-2030<sup>32</sup>.**



### 2019 priority action

In this report, no priority actions have been included on climate action, as the Commission will first need to assess the draft national energy and climate plans which the Member States needed to send by end of 2018. These plans should increase the consistency between energy and climate policies and could therefore become a good example of how to link sector-specific policies on other interlinked themes such as agriculture-nature-water and transport-air-health.

<sup>32</sup> Annual European Union greenhouse gas inventory 1990–2016 ([EEA greenhouse gas data viewer](#)). *Proxy GHG emission estimates for 2017* *Approximated EU greenhouse gas inventory 2017* (European Environment Agency). Member States national projections, reviewed by the European Environment Agency.

## 2. Protecting, conserving and enhancing natural capital

### Nature and biodiversity

The EU biodiversity strategy aims to halt the loss of biodiversity in the EU by 2020. It requires full implementation of the Birds and Habitats Directives to achieve favourable conservation status of protected species and habitats. It also requires that the agricultural and forest sectors help to maintain and improve biodiversity.

#### Biodiversity strategy

Latvia's environmental policy concept (EPC) for 2014-2020<sup>33</sup> covers biodiversity protection issues linked to the implementation of the goals and objectives of the Convention on Biological Diversity.<sup>34</sup>



#### Setting up a coherent network of Natura 2000 sites

The situation has not changed since the 2017 EIR.

#### Designating Natura 2000 sites and setting conservation objectives and measures

New data on the conservation status of habitats and species will be available for the next EIR. The results from Latvia's last report under Article 12 of the Birds Directive show that short-term trends of breeding birds are improving for 19 % of species and are stable for 22 %, but are decreasing for 12 % of species. The same categories for long-term trends are 47 %, 18 % and 25 %. Although data under Article 12 do not provide pressure information for all bird species, Latvia reports that climate change, biological resource use other than agriculture & forestry and silviculture and forestry are

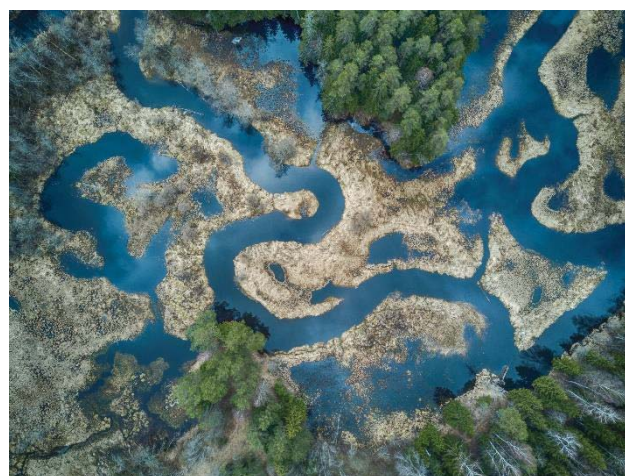
<sup>33</sup> Latvian Cabinet of Ministers, Environ\_

<sup>34</sup> THE EPC does not directly address implementation of target 2 of the EU Biodiversity Strategy.

pressures of high impact. Latvia elaborates guidelines for setting conservation objectives to get better acceptance.

#### Progress in maintaining or restoring favourable conservation status of species and habitats

Member States report every 6 years on the progress made under the Birds and Habitats Directives. As a result, no new information is available on the state of natural habitats and species in Latvia or on progress to improve the conservation status of species and habitats, as compared to the 2017 EIR Latvia country report.



Overall, it is acknowledged that improvements in the status of species and habitats have recently been reported in Latvia.

#### 2019 priority actions

- Complete the special areas of conservation (SAC) designation process and put in place clearly defined conservation objectives and the necessary conservation measures for sites.
- Improve incentives for foresters and farmers to better protect forest and grassland habitat. Ensure sustainable forest management and efficient use of biomass.

#### Maintaining and restoring ecosystems and their services

The EU biodiversity strategy aims to maintain and restore ecosystems and their services by including green infrastructure in spatial planning and restoring at least 15 % of degraded ecosystems by 2020. The EU green infrastructure strategy promotes the incorporation of green infrastructure into related plans and programmes.

## Environmental Implementation Review 2019 – Latvia

The EU has provided guidance on the further deployment of green and blue infrastructure in Latvia<sup>35</sup> and a country page on the Biodiversity Information System for Europe (BISE)<sup>36</sup>. This information will also contribute to the final evaluation of the EU Biodiversity Strategy to 2020.

Latvia's 2014-2020 national development plan<sup>37</sup> includes green infrastructure targets such as increasing the organic farming area, increasing forest coverage, promoting the sustainable use and biodiversity of land and other natural resources and species conservation measures. Latvia's sustainable development strategy covering the period until 2030<sup>38</sup> also mentions green corridors within the urban transport network. The strategy states that the government should introduce a plan to preserve and restore natural capital at state level. This would also include spatial planning of nature preservation and restoration.

Several LIFE projects in Latvia put in place green infrastructure. Examples of these are the projects to restore bittern habitats and protect coastal habitats. Green infrastructure has also been incorporated into Riga's 2014-2020 development programme and green infrastructure initiatives have been implemented in the city of Liepāja. In 2018, the Latvia-Lithuania cross border co-operation project "Enhancement of Green Infrastructure in the Landscape of Lowland Rivers (ENGRAVE)<sup>39</sup> was launched. Lead by Zemgale planning region, it will provide methodological guidelines on green infrastructure and landscape planning and test it at four case study areas.

However, further information is needed on the incorporation of green infrastructure in sector-specific policy areas and in spatial planning. Challenges include the lack of awareness of green infrastructure in general and the lack of a national strategy in this area. A mechanism for coordination between different sectors is needed, as well as capacity building and training of relevant stakeholders and development of an incentives system and instruments for green infrastructure development.

Latvia is encouraged to: (i) continue its efforts in deploying green and blue infrastructure and incorporating them across other policies consistent with the MAES framework; (ii) consider the recommendations

of the green infrastructure strategy review report<sup>40</sup>; and (iii) make full use of the EU guidance on a strategic framework for further supporting the deployment of EU-level green and blue infrastructure. It is also invited to provide regular updates on its green infrastructure-related developments via its country page on the Biodiversity Information System for Europe BISE<sup>41</sup>. This information will also contribute to the final evaluation of the EU biodiversity strategy to 2020, which will be communicated to the Council and Parliament in 2020.

Latvia is invited to provide information about: (i) progress on a restoration prioritisation framework as referred to in Action 6a of the EU biodiversity strategy; (ii) or other strategic approaches to restoration; and (iii) any information on practical implementation. As part of the LIFE+ project Nat-Programme, Latvia has established restoration priorities for habitats of community interest within its Natura 2000 sites<sup>42</sup>.

### Estimating natural capital

The EU biodiversity strategy calls on Member States to map and assess the state of ecosystems and their services<sup>43</sup> in their national territories by 2014, assess the economic value of such services and integrate these values into accounting and reporting systems at EU and national level by 2020.

Latvia has pioneered a MAES assessment for its marine waters, including internal marine waters, territorial waters and exclusive economic zone. The assessment was performed in 2016 as one of the steps for implementing an ecosystem-based approach in development of the national maritime spatial plan.

Latvia continues to be involved in two LIFE projects which are relevant for MAES. The LIFE Viva Grass<sup>44</sup> project aims to demonstrate opportunities for the multifunctional use of grasslands as a basis for strengthening the sustainability of rural areas and as a stimulus for local economies. LIFE Ecosystem services is about mapping ecosystems and carrying out an economic evaluation of the identified services in a number of pilot areas<sup>45</sup>.

In 2017 Latvia also started the biophysical mapping of habitats of EU importance. The aim is to set the baseline information on the extent, areas and quality of the habitat types listed in the Habitats Directive and present

<sup>35</sup> The [recommendations of the green infrastructure strategy review report](#) and the EU Guidance on a strategic framework for further supporting the deployment of EU-level green and blue infrastructure.

<sup>36</sup> [Biodiversity Information System for Europe](#).

<sup>37</sup> Cross-Sectoral Coordination Centre, [National Development Plan of Latvia for 2014–2020](#).

<sup>38</sup> Saeima of the Republic of Latvia, [Sustainable Development Strategy of Latvia until 2030](#).

<sup>39</sup> [Keep.eu](#) website.

<sup>40</sup> The [recommendations of the green infrastructure strategy review report](#)

<sup>41</sup> Biodiversity information system for Europe, [Green Infrastructure in Latvia](#).

<sup>42</sup> [National Conservation and Management Programme for Natura 2000 sites in Latvia](#).

<sup>43</sup> Ecosystem services are benefits provided by nature such as food, clean water and pollution on which human society depends.

<sup>44</sup> [LIFE Viva Grass project](#).

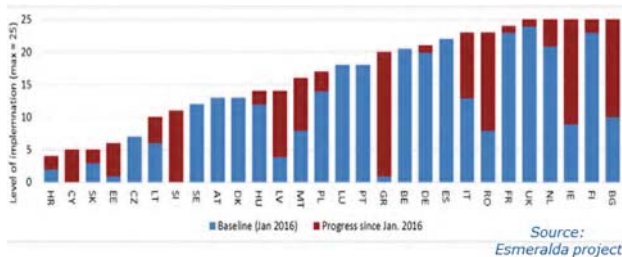
<sup>45</sup> European Commission, [LIFE EcosystemServices](#).

## Environmental Implementation Review 2019 – Latvia

in Latvia. The mapping will be done in the whole country, not only for Natura 2000 sites.

The MAES working group meeting held in Brussels in September 2018 noted that Latvia has made substantial progress since January 2016 in implementing MAES (Figure 10). This assessment was made by the ESMERALDA project<sup>46</sup> and is based on 27 implementation questions. The assessment is updated every 6 months.

**Figure 10: Implementation of MAES (September 2018)**



Business and biodiversity platforms, networks and communities of practice are key tools for promoting and facilitating natural capital assessments among business and financial service providers, for instance via the Natural Capital Coalition's protocol<sup>47</sup>. The assessments contribute to the EU biodiversity strategy by helping private businesses better understand and value both their impacts and dependence on nature. Biodiversity platforms have been established at EU level<sup>48</sup> and in a number of Member States.

Latvia has not yet established such a platform.

### Invasive alien species

Under the EU biodiversity strategy, the following are to be achieved by 2020:

- (i) invasive alien species identified;
- (ii) priority species controlled or eradicated; and
- (iii) pathways managed to prevent new invasive species from disrupting European biodiversity.

This is supported by the Invasive Alien Species (IAS) Regulation, which entered into force on 1 January 2015.

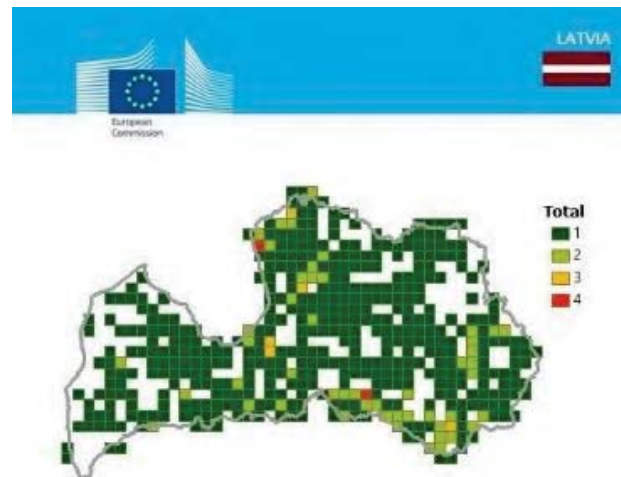
The report on the baseline distribution (Figure 11), for which Latvia reviewed its country and grid-level data, shows that out of the 37 species on the first Union list, 7 have been observed in the environment in Latvia, and all of them established. According to available data, Sosnowsky's hogweed (*Heracleum sosnowskyi*) is the most widely spread among them.

<sup>46</sup> European Commission, [Esmeralda project](#).

<sup>47</sup> Natural Capital Coalition, [Natural Capital Protocol](#).

<sup>48</sup> Business and Biodiversity, [The European Business and Biodiversity Campaign](#) aims to promote the business case for biodiversity in the EU Member States through workshops, seminars and a cross media communication strategy.

**Figure 11: Number of IAS of EU concern, based on available georeferenced information for Latvia<sup>49</sup>**



Between the entry into force of the Union list and 18 May 2018, Latvia did not notify any new appearances of IAS of Union concern, as provided for in Article 16(2) of the IAS Regulation.

Latvia has fulfilled all its notification obligations under the Directive.

### Soil protection

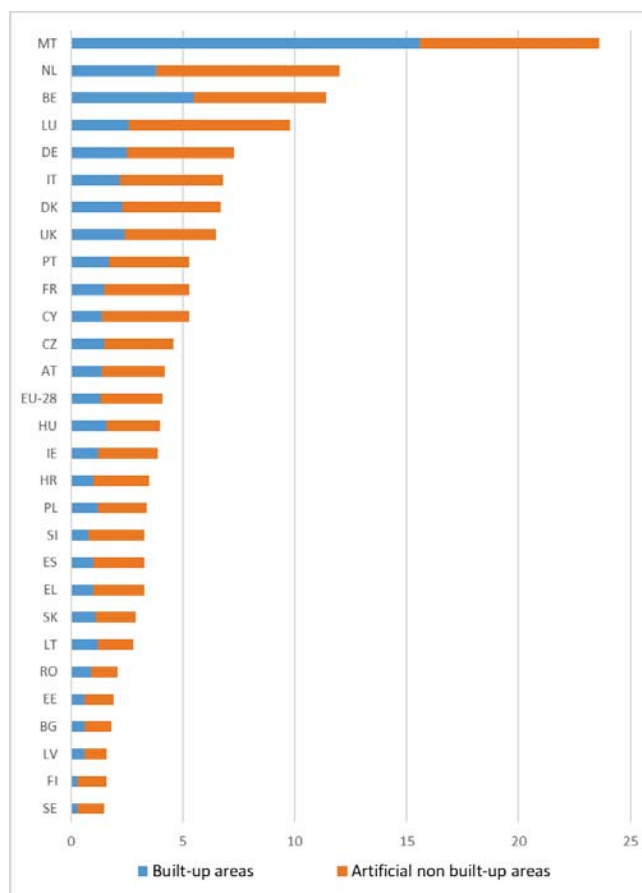
The EU soil thematic strategy underlines the need to ensure a sustainable use of soils. This entails preventing further soil degradation and preserving its functions, as well as restoring degraded soils. The 2011 Roadmap to a Resource Efficient Europe states that by 2020, EU policies must take into account their direct and indirect impact on land use.

Soil is an extremely fragile finite resource and it is increasingly degrading in the EU. The percentage of artificial land<sup>50</sup> in Latvia (Figure 12) is the 3rd lowest in the EU (after Sweden and Finland). This can be seen as a measure of the relative pressure on nature and biodiversity, and of the environmental pressure from people living in urbanised areas.

<sup>49</sup> Tsiamis K; Gervasini E; Deriu I; D'amico F; Nunes A; Addamo A; De Jesus Cardoso A. [Baseline Distribution of Invasive Alien Species of Union concern. Ispra \(Italy\): Publications Office of the European Union, 2017.](#)

<sup>50</sup> Artificial land cover is defined as the total of roofed built-up areas (including buildings and greenhouses), artificial non built-up areas (including sealed area features, such as yards, farmyards, cemeteries, car parking areas etc. and linear features, such as streets, roads, railways, runways, bridges) and other artificial areas (including bridges and viaducts, mobile homes, solar panels, power plants, electrical substations, pipelines, water sewage plants, and open dump sites).

Figure 12: Proportion of artificial land cover, 2015 51



Latvia ranks below the EU average for artificial land coverage, with 1.6 % of artificial land (EU-28 average: 4.1 %). The country's population density is 31/km<sup>2</sup>, significantly below the EU average of 11852.

Contamination can severely reduce soil quality and threaten human health or the environment. A recent report of the Joint Research Centre (JRC)<sup>53</sup> estimated that potentially polluting activities have taken or are still taking place on approximately 2.8 million sites in the EU. At EU level, 650 000 of these sites have been registered in national or regional inventories. 65 500 contaminated sites already have been remediated. Latvia has registered 3 574 sites where potentially polluting activities have taken or are taking place, and already has remediated or applied aftercare measures on 44 sites.

Soil erosion by water is a natural process, but this natural process can be aggravated by climate change and human activities such as inappropriate agricultural practices, deforestation, forest fires or construction works. High

levels of soil erosion can reduce productivity in agriculture and can have negative and transboundary impacts on biodiversity and ecosystem services. High levels of soil erosion can also have negative and transboundary effects on rivers and lakes (due to increased sediment volumes and transport of contaminants). According to the RUSLE 2015 model<sup>54</sup>, Latvia has an average soil loss rate by water of 0.32 tonnes per hectare per year (t ha<sup>-a</sup> yr<sup>-y</sup>) compared to the EU mean of 2.46 t ha<sup>-a</sup> yr<sup>-y</sup>. This indicates that soil erosion in Latvia is low on average. Note that these figures are the output of an EU-level model and therefore not be considered as locally measured values. The actual rate of soil loss can vary strongly within a Member State depending on local conditions.

Soil organic matter plays an important role in the carbon cycle and in climate change. Soils are the second largest carbon sink in the world after the oceans.

As part of the 2009-2014 EEA grants programme "National Climate Policy" a digital soil database has been developed. The dataset contains historical information about soil maps of agricultural lands (mapped from 1960 until 1991). Currently it is not possible to provide qualitative and up-to-date reliable soil information to various stakeholders (public bodies, farmers, researchers, international organizations).

With the support from the Kingdom of Norway (the Norwegian Financial Mechanism 2014-2020)<sup>55</sup> Latvia plans to establish a national soil carbon monitoring system as well to establish up-to-date information on land use management in the context of climate change.

## Marine protection

EU coastal and marine policy and legislation require that by 2020 the impact of pressures on marine waters be reduced to achieve or maintain good environmental status (GES) and ensure that coastal zones are managed sustainably.

The Marine Strategy Framework Directive (MSFD)<sup>56</sup> aims to achieve good environmental status of the EU's marine waters by 2020. To that end, Member States must develop a marine strategy for their marine waters, and cooperate with the EU countries that share the same marine (sub)region.

For Latvia, the Baltic Marine Environment Protection Commission (Helsinki Commission) plays an important

51 European Commission, Eurostat, [Land covered by artificial surfaces by NUTS 2 regions](#).

52 European Commission, Eurostat, [Population density by NUTS 3 region](#).

53 Ana Paya Perez, Natalia Rodriguez Eugenio, Status of local soil contamination in Europe: Revision of the indicator "Progress in the management Contaminated Sites in Europe", 2018.

54 Panagos, P., Borrelli, P., Poesen, J., Ballabio, C., Lugato, E., Meusburger, K., Montanarella, L., Alewell, C., The new assessment of soil loss by water erosion in Europe, (2015) Environmental Science and Policy, 54, pp. 438-447.

55 [Legal Acts of the Republic of Latvia](#).

56 [Directive 2008/56/EC](#).

## Environmental Implementation Review 2019 – Latvia

contribution to achieving the Directive's goals. Major gaps remain in Latvia regarding the good environmental status (GES) definitions for many aspects of the marine environment, namely hydrographical changes, contaminants, marine litter and underwater noise. The same applies for birds, mammals and fish species in biodiversity.

Latvia reports 'existing' measures in its programme, relating to an extensive list of existing international conventions, EU policies and national legislation and efforts. How these will address pressures on the marine environment, GES and targets is, however, not provided in detail. Latvia reports 'new' measures, specifically designed for the purposes of the Marine Strategy Framework Directive (MSFD), in its programme of measures, which mainly raise awareness or aim to fill knowledge gaps and support the identification of future needs for measures to achieve GES. These do not directly address pressures.

The programme of measures covers some relevant pressures on its marine environment and targets to be achieved. It does not, however, address some pressures, activities and associated impacts identified as important at sub-regional level, such as the introduction of non-indigenous species through shipping and pressures on all biodiversity species and habitats. There are no specific measures for hydrographical changes and underwater noise, reportedly because of data gaps.

One shortcoming in the measures is their implementation timeline, as Latvia reports it will implement them in 2018, 2019 and 2020. This is not in line with MSFD requirement to reach GES by 2020. Overall, the Latvian programme of measures does not address MSFD needs to progress towards GES, with significant weaknesses noted in coverage of pressures for several descriptors and delayed implementation of new measures.

### 2019 priority actions

- Define good environmental status and targets where these do not exist, as well as timelines for achieving GES, when these have not been reported.
- Provide more information about measures, establish more measures with a direct impact on pressures and quantify how far the measures are expected to reduce pressure, and monitor progress.
- Ensure regional cooperation with Member States sharing the same marine (sub) region to address the main pressures.
- Ensure reporting of the different elements under the Marine Strategy Framework Directive by the set deadline.



### 3. Ensuring citizens' health and quality of life

#### Air quality

EU clean air policy and legislation require the significant improvement of air quality in the EU, moving the EU closer to the quality recommended by the World Health Organisation. Air pollution and its impacts on human health, ecosystems and biodiversity should be further reduced with the long-term aim of not exceeding critical loads and levels. This requires strengthening efforts to reach full compliance with EU air quality legislation and defining strategic targets and actions beyond 2020.

The EU has developed a comprehensive body of air quality legislation<sup>57</sup>, which establishes health-based standards and objectives for a number of air pollutants.

According to a special report from the European Court of Auditors<sup>58</sup>, EU action to protect human health from air pollution has not had its expected impact. There is a risk that air pollution is being underestimated in some instances. Member States are now required to report both real-time and validated air quality data to the Commission<sup>59</sup>. Upgrading its air quality monitoring system, which is planned in 2019, will put Latvia in a position to report also real-time air quality data.



Emissions of several air pollutants have decreased significantly in Latvia<sup>60</sup>. The emission reductions between 1990 and 2014 mentioned in the previous EIR continued between 2014 and 2016. Emissions of sulphur

<sup>57</sup> European Commission, 2016. [Air Quality Standards](#).

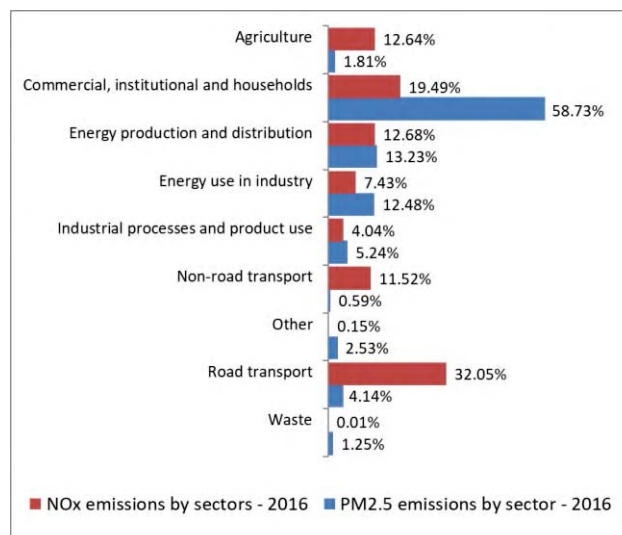
<sup>58</sup> European Court of Auditors, Special report no 23/2018: Air pollution: [Our health still insufficiently protected](#).

<sup>59</sup> Article 5 of Commission Implementing Decision 2011/850/EU of 12 December 2011 laying down rules for Directives 2004/107/EC and 2008/50/EC of the European Parliament and of the Council as regards the reciprocal exchange of information and reporting on ambient air quality (OJ L 335, 17.12.2011, p. 86) requires Member States to provide Up-To-Date data.

<sup>60</sup> See [EIONET Central Data Repository](#) and [Air pollutant emissions data viewer \(NEC Directive\)](#).

oxides (SO<sub>x</sub>) fell by 11 %, emissions of ammonia (NH<sub>3</sub>) by 2.34 %, emissions of volatile organic compounds (NMVOCs) by 8.22 %, emissions of fine particulate matter PM<sub>2.5</sub> by 10.65 % and emissions of nitrogen oxides (NO<sub>x</sub>) by 3.76 % between 2014 and 2016 (see also Figure 13 on the total PM<sub>2.5</sub> and NO<sub>x</sub> emissions per sector).

Figure 13: PM<sub>2.5</sub> and NO<sub>x</sub> emissions by sector in Latvia<sup>61</sup>



Despite these emission reductions, additional efforts are needed to attain the emission reduction commitments (compared with 2005 emission levels) laid down in the new National Emissions Ceilings Directive 62 for 2020 to 2029 and for any year from 2030.

For 2016, Latvia does not report having exceeded any air quality limit values<sup>63</sup>. Air quality in Latvia is reported to be generally good, with exceptions. For 2015, the European Environment Agency estimated that about 1 600 premature deaths could be attributed to fine particulate matter<sup>64</sup> concentrations, 50 to ozone concentration<sup>65</sup> and over 130 to nitrogen dioxide<sup>66</sup> concentrations in Latvia<sup>67</sup>.

<sup>61</sup> 2016 NECD data submitted by Member State to the EEA.

<sup>62</sup> [Directive 2016/2284/EU](#).

<sup>63</sup> EEA, Eionet, [Central Data Repository](#).

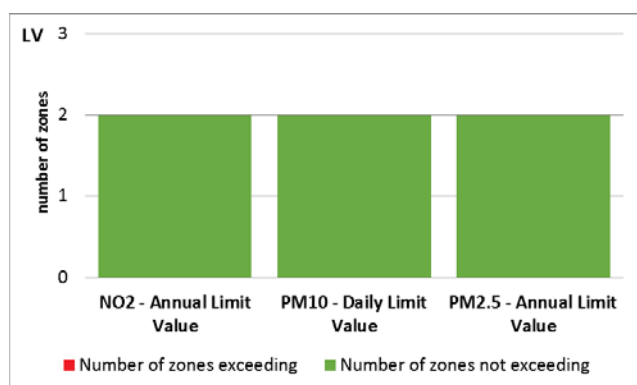
<sup>64</sup> Particulate matter (PM) is a mixture of aerosol particles (solid and liquid) covering a wide range of sizes and chemical compositions. PM<sub>10</sub> (PM<sub>2.5</sub>) refers to particles with a diameter of 10 (2.5) micrometres or less. PM is emitted from many anthropogenic sources, including combustion.

<sup>65</sup> Low level ozone is produced by photochemical action on pollution.

<sup>66</sup> NO<sub>x</sub> is emitted during fuel combustion e.g. from industrial facilities and the road transport sector. NO<sub>x</sub> is a group of gases comprising nitrogen monoxide (NO) and nitrogen dioxide (NO<sub>2</sub>).

<sup>67</sup> EEA, [Air Quality in Europe – 2018 Report](#), p. 64. Please see details in this report as regards the underpinning methodology).

**Figure 14: Air quality zones exceeding EU air quality standards in 2017**<sup>68</sup>



2019 priority action

- Take action, in the context of the forthcoming national air pollution control programme, to reduce the main emission sources.

### Industrial emissions

The main objectives of EU policy on industrial emissions are to:

- (i) protect air, water and soil;
- (ii) prevent and manage waste;
- (iii) improve energy and resource efficiency; and
- (iv) clean up contaminated sites.

To achieve this, the EU takes an integrated approach to the prevention and control of routine and accidental industrial emissions. The cornerstone of the policy is the Industrial Emissions Directive<sup>69</sup> (IED).

The overview below on industrial activities regulated by the IED is based on the 'industrial emissions policy country profiles' project<sup>70</sup>.

In Latvia, around 90 industrial installations are required to have a permit under the IED<sup>71</sup>. In 2015, the industrial sectors in Latvia with the most IED installations were the intensive rearing of poultry or pigs (42 %), followed by the energy-power sector (19 %) and waste management (19 %).

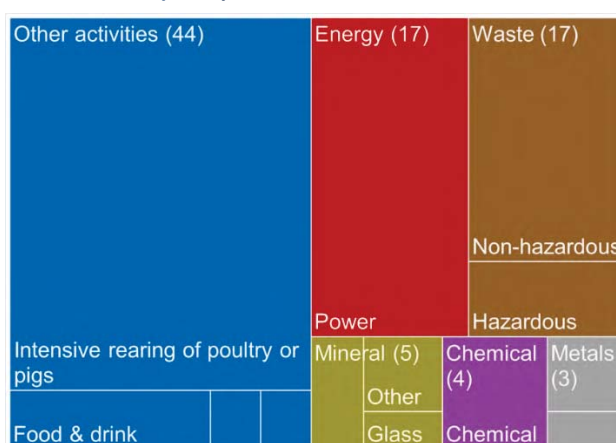
<sup>68</sup> EEA, [EIONET Central Data Repository](#). Data reflects the reporting situation as of 26 November 2018.

<sup>69</sup> Directive 2010/75/EU covers industrial activities carried out above certain thresholds. It covers energy industry, metal production, mineral and chemical industry and waste management, as well as a wide range of industrial and agricultural sectors (e.g. intensive rearing of pig and poultry, pulp and paper production, painting and cleaning).

<sup>70</sup> European Commission, [Industrial emissions policy country profile – Latvia](#).

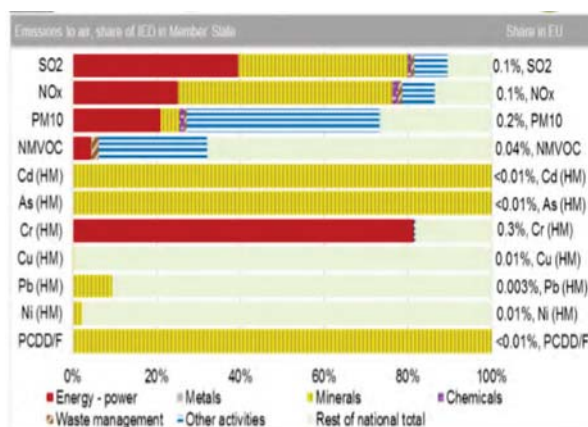
<sup>71</sup> This overview of industrial activities regulated by IED is based on the project on Industrial Emissions policy Country profiles: [Industrial emissions policy country profiles](#)

**Figure 15: Number of IED industrial installations by sector, Latvia (2015)**<sup>72</sup>



The industrial sectors identified contributing the most emissions to air in Latvia are: (i) the energy-power sector for pollutants such as sulphur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), particulate matter (PM<sub>10</sub>) and chromium (Cr); (ii) the minerals sector for sulphur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), cadmium (Cd), arsenic (As) and polychlorinated dibenzodioxins and polychlorinated dibenzofurans (PCDD/F); and (iii) 'other activities' (intensive rearing of poultry or pigs and surface treatment) for non-methane volatile organic compounds (NMVOCs) and particulate matter (PM<sub>10</sub>). The breakdown is shown in the following graph.

**Figure 16: Emissions to air from IED sectors and all other national total air emissions, Latvia (2015)**



Regarding water emissions, the energy-power sector was identified as having a significant environmental burden due to its generation of non-hazardous waste. The waste management sector mainly contributes to hazardous waste generation.

The EU enforcement approach under the IED creates strong rights for citizens to have access to relevant information and to participate in the permitting process.

<sup>72</sup> European Commission, [Industrial emissions policy country profile – Latvia](#).

## Environmental Implementation Review 2019 – Latvia

This empowers NGOs and the general public to ensure that permits are appropriately granted and their conditions met.

Best available techniques (BAT) reference documents (BREFs) and BAT conclusions are developed through the exchange of information between Member States, industrial associations, NGOs and the Commission. This ensures a good collaboration with stakeholders and a better application of the IED rules.

Thanks to the national competent authorities' efforts to apply the legally binding BAT conclusions and associated BAT emission levels in environmental permits, pollution has decreased considerably and continuously in the EU.

For example, by applying the recently adopted BAT emission levels for large combustion plants, emissions of sulphur dioxide will be cut on average by between 25 % and 81 %, nitrogen oxide between 8 % and 56 %, dust between 31 % and 78 % and mercury between 19 % and 71 % at EU level. The extent of the reduction depends on the situation in individual plants.

The challenges identified for Latvia were odour from the intensive rearing of poultry and pigs and air pollution from waste incineration.

### 2019 priority actions

- Review permits to ensure that they comply with new adopted BAT conclusions.
- Strengthen control and/or enforcement to ensure compliance with the BAT conclusions.
- Address pollution in the form of: (i) odour from the intensive rearing of poultry and pigs; and (ii) air pollution from waste incineration.

### Noise

The Environmental Noise Directive<sup>73</sup> provides for a common approach to avoiding, preventing and reducing the harmful effects of exposure to environmental noise.

Excessive noise from aircrafts, railways and roads is one of the main causes of health problems in the EU<sup>74</sup>.

Based on a limited set of data<sup>75</sup>, the European Environment Agency calculated that environmental noise causes at least around 20 premature deaths in Latvia and is responsible for around 100 hospital admissions per year. Noise also disturbs the sleep of some 40 000 people in Latvia.

The noise mapping for the previous reporting round

<sup>73</sup> [Directive 2002/49/EC](#).

<sup>74</sup> Fritschi, L., Brown, A.L., Kim, R., Schwela, D., Kephelopoulou, S. (eds), *Burden of disease from environmental noise*, WHO/JRC, World Health Organization, Regional Office for Europe, Copenhagen, Denmark, 2011.

<sup>75</sup> EEA, [Noise Fact Sheets 2017](#).

(reference year 2011), is complete, as are the action plans (reference year 2013). These instruments adopted after consultation of a relevant public, should include measures to keep noise low or reduce it. It is for each EU country to establish the noise limits.

These instruments, adopted after a public consultation had been carried out, should include measures to keep noise low or reduce it.

### Water quality and management

EU legislation and policy requires that the impact of pressures on transitional, coastal and fresh waters (including surface and ground waters) be significantly reduced. Achieving, maintaining or enhancing a good status of water bodies as defined by the Water Framework Directive will ensure that EU citizens benefit from good quality and safe drinking and bathing water. It will further ensure that the nutrient cycle (nitrogen and phosphorus) is managed in a more sustainable and resource-efficient way.

The existing EU water legislation<sup>76</sup> puts in place a protective framework to ensure high standards for all water bodies in the EU and addresses specific pollution sources (for example, from agriculture, urban areas and industrial activities). It also requires that the projected impacts of climate change are integrated into the corresponding planning instruments e.g. Flood Risk Management Plans and River Basin Management Plans, including Programme of Measures which include the actions that Member States plan to take in order to achieve the environmental objectives.

#### Water Framework Directive

The **most significant pressures** on surface water bodies in Latvia are unknown anthropogenic pressures (27% of surface water bodies), followed by urban wastewater (22%) and physical alteration of channels and dams, barriers and locks (15%).

Nutrient pollution was the most significant impact on surface water (47% of surface water bodies) followed by 26% with an unknown impact type from anthropogenic pressures and pressures due to altered habitats due to morphological changes (26%).

Latvia has developed more assessment methods but the confidence in the classification of **ecological status or potential** of rivers and lakes has deteriorated since the first river basin management plans. The ecological status

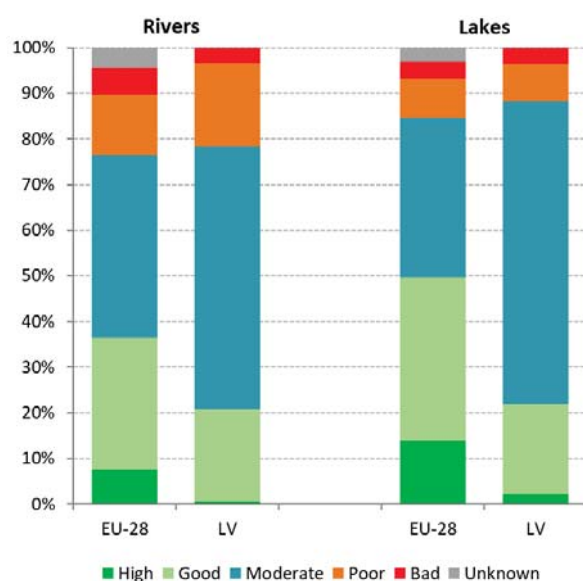
<sup>76</sup> This includes the [Bathing Waters Directive \(2006/7/EC\)](#), the [Urban Waste Water Treatment Directive \(91/271/EEC\)](#) (on discharges of municipal and some industrial wastewaters), the [Drinking Water Directive \(98/83/EC\)](#) (on potable water quality), the [Water Framework Directive \(2000/60/EC\)](#) (on water resources management), the [Nitrates Directive \(91/676/EEC\)](#) and the [Floods Directive \(2007/60/EC\)](#).

## Environmental Implementation Review 2019 – Latvia

or potential is less than good for the vast majority of water bodies in rivers (57-92 %) and lakes (77-90 %) as illustrated in Figure 17. This shows that Latvia has a long way to go to achieve the objectives set down in the Water Framework Directive.

The proportion of natural water bodies in good or better ecological status or potential in 2015 is much lower (21 %) than anticipated in the first plans (almost 90 %). It appears that the achievement of objectives is postponed from 2015 to 2021 or even 2027 for the vast majority of water bodies.

**Figure 17: Ecological status or potential of surface water bodies in Latvia<sup>77</sup>**



There are more surface water bodies with **good chemical status**, (up from 6 to 10 %), but also more failing to achieve good status (up from 0 to 5 %). There appear to be more monitoring sites but less surveillance.

Groundwater bodies are not at risk of failing good **quantitative status** although some 14% are not monitored for quantitative status.

Significant pressures are identified in the second river basin management plans and addressed by measures. Some measures have been completed since the first programme of measures but obstacles such as governance and lack of finance have occurred during implementation.

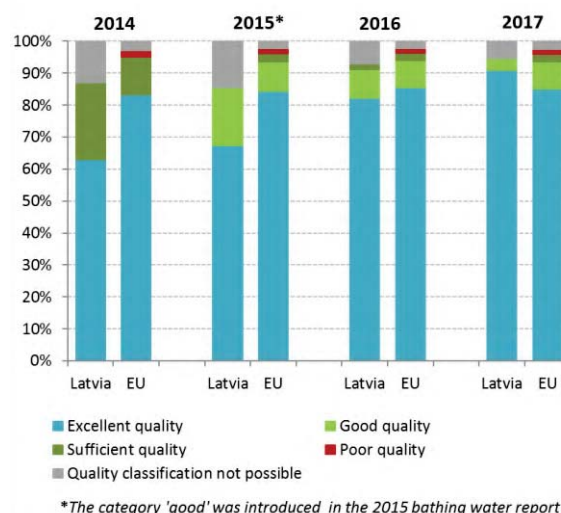
### Bathing Water Directive

Figure 18 shows that in 2017, out of Latvia's 56 **bathing waters**, 91.1 % were of excellent quality, 3.6 % of good quality and 0 % of sufficient quality (the 2016 figures were 82.1 %, 8.9 % and 1.8 % respectively). In 2017,

<sup>77</sup> EEA, [WISE dashboard](#).

there was no bathing water of poor quality in Latvia<sup>78</sup>. Detailed information on Latvia's bathing waters is available on a national portal<sup>79</sup> and on an interactive map viewer designed and hosted by the European Environment Agency<sup>80</sup>.

**Figure 18: Bathing water quality 2014-2017<sup>81</sup>**



### Urban Waste Water Treatment Directive

On implementation of the **Urban Waste Water Treatment Directive**, the final deadline set in Latvia's Accession Treaty for reaching compliance was 31 December 2015. So far, the Commission has checked Latvia's compliance with the Accession Treaty deadlines of 2008 and 2011, but not yet those of 2015. On that basis, the Commission found that a number of agglomerations (i.e. population centres or places of economic activity) that should have been compliant since 2008 or 2011 are still non-compliant and launched an infringement procedure against Latvia as it still does not ensure that waste water is collected and treated in accordance with the Directive in 14 larger agglomerations, where reliance is placed on individual systems or other appropriate systems, such as septic tanks. In addition to that, in one agglomeration the Latvian authorities still have to ensure that the urban waste water entering collecting systems is subject to appropriate treatment.

The final deadline of end-2015 concerns an additional 52 smaller agglomerations.

The estimated investment needed to ensure adequate collection and treatment of the remaining agglomerations is EUR 64 million<sup>82</sup>.

<sup>78</sup> EEA, 2017. [European bathing water quality in 2016](#), p. 17.

<sup>79</sup> Ministry of Health of the Republic of Latvia, Health Inspectorate, [Bathing water](#).

<sup>80</sup> EEA, [State of bathing waters](#).

<sup>81</sup> European Environment Agency, 2018. [European bathing water quality in 2017](#), p. 21.

## Environmental Implementation Review 2019 – Latvia

### Floods Directive

The Floods Directive established a framework for the assessment and management of flood risks, aiming at the reduction of the adverse consequences associated with significant floods.

Latvia has adopted and reported its first flood risk management plans under the Directive, which the European Commission has assessed.

The Commission's assessment found that good efforts were made with positive results in setting objectives and devising measures focusing on prevention, protection and preparedness. The assessment also showed that, as was the case for other Member States, Latvia's Flood Risk Management Plans do not yet include a strong link between the objectives and the measures and identification of specific sources of funding. In addition, there is scope for reinforcing climate change consideration in the 2nd cycle of implementation of the Floods Directive and to apply cost-benefit analysis for the prioritisation of measures that lend themselves to this.

### 2019 priority actions

- Complete the development of assessment methods for all biological quality elements in accordance with the Water Framework Directive.
- Take steps to reinforce climate change consideration in the 2<sup>nd</sup> Flood Risk Management Plan
- Take steps to clarify the method for the prioritisation of measures, including the assessment of costs and benefits in relation to the Flood Risk Management Plan.
- Ensure compliance with Urban Waste Water Directive in all agglomerations.

### Chemicals

The EU seeks to ensure that by 2020 chemicals are produced and used in ways that minimise any significant adverse effects on human health and the environment. An EU strategy for a non-toxic environment that is conducive to innovation and to developing sustainable substitutes, including non-chemical options, is being prepared.

The EU's chemicals legislation<sup>83</sup> provides baseline protection for human health and the environment. It also ensures stability and predictability for businesses operating within the internal market.

In 2016, the European Chemicals Agency (ECHA) published a report on REACH and the CLP84 Regulation that showed that enforcement activities are still evolving. Member States cooperate closely in the Forum for Exchange of Information on Enforcement<sup>85</sup>. This dialogue has shown that there is scope to increase the effectiveness of enforcement activities, in particular for registration obligations and safety data sheets where the level of non-compliance is still relatively high.

While progress has been made, there is room to further improve and harmonise national enforcement activities across the EU, including controls on imported goods. Enforcement remains weak in some Member States, particularly for controls on imports and supply chain obligations. The enforcement architecture is complex in most EU countries and enforcement projects reveal differences in compliance between Member States (e.g. some tend to systematically report higher compliance than the EU average, while others report lower compliance).

A 2015 Commission study already emphasised the importance of harmonised market surveillance and enforcement when implementing REACH at Member State level, deeming it to be a critical success factor in the operation of a harmonised single market<sup>86</sup>.

In March 2018, the Commission published an evaluation of REACH<sup>87</sup>. The evaluation concludes that REACH delivers on its objectives, but that progress made is slower than anticipated. In addition, the registration dossiers often are incomplete. The evaluation underlines the need to enhance enforcement by all actors, including registrants, downstream users and in particular for importers, to ensure a level playing field, meet the objectives of REACH and ensure consistency with the actions envisaged to improve environmental compliance and governance. Consistent reporting of Member State enforcement activities was considered important in that respect.

The responsibility for REACH enforcement in Latvia is allocated to four enforcing authorities: the Health Inspectorate, the Consumer Rights Protection Centre, the State Environmental Service and the State Labour Inspectorate. Responsibility for CLP enforcement is allocated to three enforcement authorities — the Health Inspectorate, the State Environmental Service and the State Labour Inspectorate, while responsibility for biocides enforcement is allocated to five enforcement authorities — the Health Inspectorate, the State Environmental Service, the State Labour Inspectorate,

<sup>82</sup> OECD, [Financing investments in the water sector](#).

<sup>83</sup> Principally for chemicals: REACH (OJ L 396, 30.12.2006, p.1.); for Classification, Labelling and Packaging, the CLP Regulation (: OJ L 252, 31.12.2006, p.1.), together with legislation on biocidal products and plant protection products.

<sup>84</sup> ECHA, [Report on the Operation of REACH and CLP 2016](#).

<sup>85</sup> ECHA, On the basis of the projects [REF-1](#), [REF-2](#) and [REF-3](#).

<sup>86</sup> European Commission, [Monitoring the Impacts of REACH on Innovation, Competitiveness and SMEs, Final Report](#), 2015.

<sup>87</sup> [COM\(2018\) 116](#).

## Environmental Implementation Review 2019 – Latvia

the Consumer Rights Protection Centre, and the Food and Veterinary Service<sup>88</sup>. In order to promote cooperation of the involved authorities in the field of enforcement of REACH, CLP and biocides regulations, the Ministry of Environmental Protection and Regional Development has organised regular meetings for exchanging information and sharing experiences. The responsibility for enforcement of requirements on plant protection products belongs to the State Plant Protection Service.

### Making cities more sustainable

EU policy on the urban environment encourages cities to put policies in place for sustainable urban planning and design. These should include innovative approaches to urban public transport and mobility, sustainable buildings, energy efficiency and urban biodiversity conservation.

The population living in urban areas in Europe is projected to rise to just over 80% by 2050<sup>89</sup>. Urban areas pose particular challenges for the environment and human health, but they also provide opportunities for using resources more efficiently. The EU encourages municipalities to become greener through initiatives such as the Green Capital Award<sup>90</sup>, the Green Leaf Award<sup>91</sup> and the Green City Tool<sup>92</sup>.

### Financing greener cities

Latvia has assigned EUR 230 million, or 9.5 % of its allocation under the European Regional Development Fund (ERDF for sustainable urban development actions)<sup>93 94</sup>. Nine Latvian cities are to receive these funds.

Latvia participates in the European Urban Development Network (UDN<sup>95</sup>), which includes more than 500 cities across the EU. The network is responsible for implementing integrated actions based on sustainable urban development strategies financed by ERDF in the 2014-2020 period. In June 2018, a workshop was organised in Latvia in the context of the network. The workshop was open to cities in Estonia, Latvia and Lithuania implementing sustainable urban development, to organisations active in urban development in these countries as well as to managing authorities. The aim of the event was to exchange ideas and find solutions to

common challenges in sustainable urban development in the cities of the Baltic States.

### Participation in EU urban initiatives and networks

Latvian municipalities are generally involved in EU initiatives on environment protection and climate change.

A total of six Latvian municipalities are involved in the URBACT initiative to support sustainable urban development, through 14 different thematic networks<sup>96</sup>. None of these networks are currently led by Latvian cities.



Several Horizon 2020 network projects have also contributed to the sustainability of Latvian cities. The CIVITAS project includes the Riga municipality, which represents Latvia in a common effort to achieve cleaner and better transport in cities<sup>97</sup>.

Three projects in Latvia are supported through EU regional policy programmes. These are: the Baltic Biogas Bus project to increase biogas use in city buses, the 'A breath of fresh air for Baltic arts and crafts' project and the 'Spikeri quarter transformed into cultural, educational and recreational space' project.

Some 21 Latvian towns and cities are involved in the EU Covenant of Mayors under the coordination of the Latvian Environmental Investment Fund<sup>98</sup>. As of July 2018, Jelgava, Jēkabpils, Jūrmala, Liepāja and Līvāni have already implemented their action plans and their results are being monitored. The remaining towns and cities have at least presented their climate action plan and commitments to be implemented by 2020 or 2030<sup>99</sup>.

These urban initiatives and networks should be welcomed and encouraged, as they contribute to a better urban environment. In 2017, 21 % of the Latvian population living in urban areas considered that their residential area was affected by pollution, grime or other environmental problems, a more or less stable figure

<sup>88</sup> ECHA, [National Inspectorates - Latvia](#).

<sup>89</sup> European Commission, Eurostat, [Urban Europe](#), 2016, p.9.

<sup>90</sup> European Commission, [European Green Capital](#).

<sup>91</sup> European Commission, [European Green Leaf Award](#).

<sup>92</sup> European Commission, [Green City Tool](#).

<sup>93</sup> European Commission, [Latvian Operational Programme 2014-2020](#).

<sup>94</sup> [Partnership Agreement with Latvia 2014-2020](#).

<sup>95</sup> European Commission, [The Urban Development Network](#).

<sup>96</sup> URBACT, [Associated Networks by country](#).

<sup>97</sup> European Commission, [Horizon 2020 Civitas Project](#).

<sup>98</sup> [Convent of Mayors](#).

<sup>99</sup> Covenant of Mayors for Climate and Energy, [Country signatories](#).

## Environmental Implementation Review 2019 – Latvia

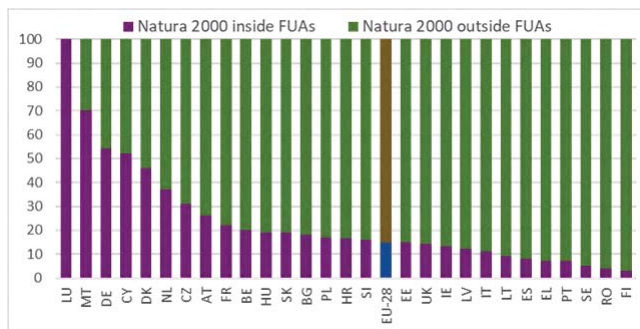
compared to previous years: 2016 (23.4 %) and 2015 (22.6%). These figures are slightly higher than the EU-28 averages for the same years (20 % in 2017, 18.9 % in 2016 and 19.2 % in 2015)<sup>100</sup>.

Nine municipalities in Latvia and Lithuania came together to jointly implement the motto ‘Let’s make our cities greener’. The project focuses on urban areas and improving their green infrastructure. Great emphasis was placed on collaboration between architects and city planners in both countries, trying to find the best way to balance the aesthetics, ecology and functionality of green areas<sup>101</sup>.

### Nature and cities

More than 12 % of the Natura 2000 network in Latvia is found in urban areas<sup>102</sup>. This is close to the EU average of 15 % (see Figure 19).

**Figure 19: Proportion of Natura 2000 network in Functional Urban Areas (FUA)** <sup>103</sup>



There are currently few plans or activities in Latvia directly relating to green infrastructure, e.g. flood management in cities and Natura 2000 development. However, there is high potential for green infrastructure to be further developed through several existing programmes and policy areas.

A 2016 study on green infrastructure <sup>104</sup> identified specific challenges for Latvia in this area. These were: (i) the lack of a general strategic framework for green infrastructure policy development; and (ii) the lack of know-how and awareness (especially at municipal level) and of public participation.

Latvia has a relatively high density of green infrastructure natural areas compared to other EU Member States. The current Latvian Natura 2000 network has 333 sites (including seven marine areas), with terrestrial Natura 2000 sites occupying 12 %, or 787 729 ha, of the national

territory. This is the third-lowest coverage of Natura 2000 areas in the EU.

Several ‘nature-cities’ projects can be cited as best practices. These are: (i) ‘Protection and management of coastal habitats in Latvia’; (ii) ‘Protected green infrastructure and water bodies in the Zemgale Region and northern Lithuania’<sup>105</sup>.

### Urban sprawl

Latvia had a low weighted urban proliferation (WUP), with 0.93 UPU/m<sup>2</sup> in 2009, compared to a European average (EU-28+EEA-4) of 1.64 UPU/m<sup>2</sup>. The figure remained relatively stable compared to 2006 (0.9 UPU/m<sup>2</sup>)<sup>106</sup><sup>107</sup>.

### Traffic congestion and urban mobility

Traffic congestion is not one of the main environmental issues affecting Latvia. In 2016 the total number of road vehicles in Latvia was around 664 000, while 21.31 hours were spent by the average driver in road congestion in Latvia<sup>108</sup>. Latvian cities generally have low levels of traffic congestion, apart from Riga which has a congestion level of 23 %<sup>109</sup>.

<sup>100</sup> European Commission, Eurostat, [Pollution, grime or other environmental problems by degree of urbanisation](#).

<sup>101</sup> Biodiversity Information system for Europe: [Latvia](#).

<sup>102</sup> European Commission, Eurostat, [Definition of Functional Urban Areas](#).

<sup>103</sup> European Commission, [the 7<sup>th</sup> Report on Economic, Social and Territorial Cohesion](#), 2017, p. 121.

<sup>104</sup> European Commission, [Green Infrastructure in Latvia](#).

<sup>105</sup> European Commission, [Green Infrastructure in Latvia](#).

<sup>106</sup> EEA, [Urban Sprawl in Europe, Annex I](#), 2014, pp.4-5.

<sup>107</sup> Urban Permeation Units measure the size of the built-up area as well as its degree of dispersion throughout the region.

<sup>108</sup> [Hours spent in road congestion annually](#).

<sup>109</sup> TOMTOM, [TOMTOM Traffic Index](#).

## Part II: Enabling framework: implementation tools

### 4. Green taxation, green public procurement, environmental funding and investments

#### Green taxation and environmentally harmful subsidies

Financial incentives, taxation and other economic instruments are effective and efficient ways to meet environmental policy objectives. The circular economy action plan encourages their use. Environmentally harmful subsidies are monitored in the context of the European Semester and the energy union governance process.

Latvia's revenue from environmentally relevant taxes remains higher than the EU average. Environmental taxes accounted for 3.48 % of GDP in 2017 (EU-28 average: 2.4 %) (Figure 20), and energy taxes for 2.97 % of GDP (EU average 1.84 %<sup>110</sup>). In the same year, environmental tax revenues were 11.11 % of total revenues from taxes and social security contributions, a proportion considerably higher than the EU-28 average of 5.97 %.

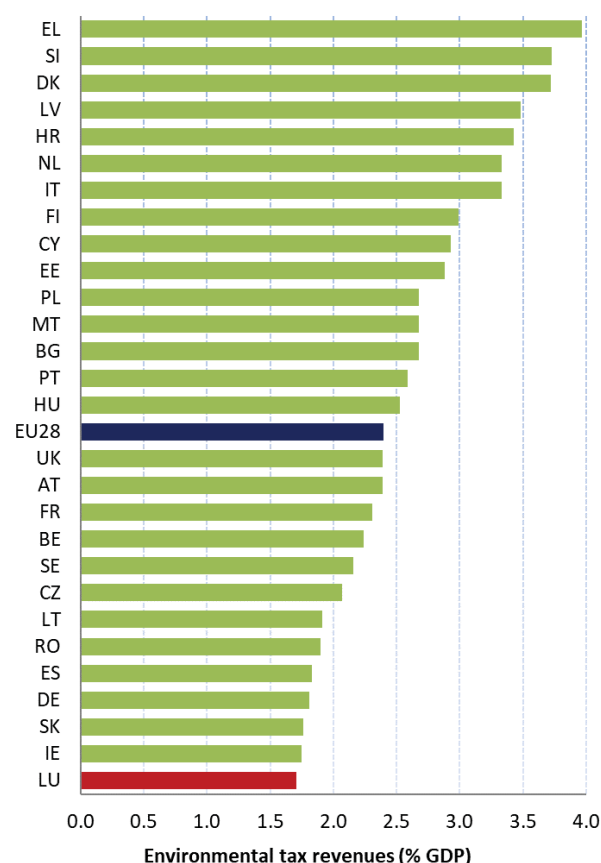
The structure of taxation shows a share of revenues from labour tax in total tax revenues in line with the EU average, with 45.6 % in 2016, while the implicit tax burden on labour was 29.8 %<sup>111</sup>. Consumption taxes remained relatively high (42.8 %, 3rd highest in the EU-28), pointing to limited potential for shifting taxes from labour to consumption.

The Commission has repeatedly stated during its 'European Semester' economic surveillance process that there is potential to change the Latvia's taxation system. The country report on Latvia for 2018 stated that the government planned to further increase excise duties on fuels<sup>112</sup>. There has indeed been a further increase in excise duty on oil products used as fuel from 1 January 2018 and another is planned from 1 January 2020<sup>113</sup>.

There are several instances of Latvia taking sound tax measures to benefit the environment. A good example is the packaging tax, which is an all-inclusive natural resource tax. The packaging tax is the main economic instrument used to stimulate lower consumption of packaging materials and greater recovery of such

materials<sup>114</sup>. However, elsewhere in the waste sector taxes need to be increased (e.g. landfill taxes), as described earlier.

Figure 20: Environmental tax revenues as % of GDP (2017)<sup>115</sup>



Meanwhile, fossil fuel subsidies have increased in the past decade, mainly due to the expansion of payments for cogeneration plants using natural gas. Several tax exemptions remain in place in Latvia for the use of fossil fuels from sectors such as agricultural transport, importation of own consumption oil products, heating, industry, domestic shipping and poultry breeding<sup>116</sup>. These exceptions amounted to EUR 70 million in 2016, and the budgetary transfers and subsidies amounted to over EUR 117 million.

<sup>110</sup> European Commission Eurostat, [Environmental tax revenues, 2018](#).

<sup>111</sup> European Commission, [Taxation Trends Report](#), 2017.

<sup>112</sup> European Commission, [European Semester Country Report 2018](#), p. 20.

<sup>113</sup> European Commission, [Taxation Trends in the European Union](#), 2018, p.110.

<sup>114</sup> Institute for European Environmental Policy, Case Studies on Environmental Fiscal Reform, Packaging tax in Latvia.

<sup>115</sup> European Commission, Eurostat, [Environmental tax revenues, 2019](#).

<sup>116</sup> OECD, [Inventory of Support Measures for Fossil Fuels](#), 2018.



## Environmental Implementation Review 2019 – Latvia

No progress has been made on reducing the ‘diesel differential’ (i.e. the difference in taxing diesel and petrol) since 2005. In 2016 there was still a 27 % gap between petrol and diesel tax rates, up from 17 % in 2005<sup>117</sup>. The tax treatment for company cars is also a cause for concern<sup>118</sup> new tax measures have been introduced for this type of car in 2018<sup>119</sup>.

CO<sub>2</sub>-based motor vehicle taxes are in place. Rates vary from EUR 12 for vehicles emitting between 51 and 95 g/km to EUR 756 for vehicles emitting more than 350 g/km<sup>120</sup>.

Incentives to encourage the purchase of cars with lower CO<sub>2</sub> emissions were common in 2016, linked to annual circulation taxes, road tolls and congestion or low emission zone charges, as well as the acquisition of cleaner vehicles. There are no incentives connected to the preferential use of public infrastructure (i.e. installations of refuelling and charging facilities for low emission vehicles<sup>121</sup>). New vehicles purchased in Latvia are among the least environmentally friendly in the EU, with average CO<sub>2</sub> emissions of 128.9 grams per kilometre, above the EU average of 118 grams in 2016<sup>122</sup>.

The use of alternative fuels in new passenger cars sold in Latvia has considerably decreased over the past few years. The proportion of new passenger cars using alternative fuels in 2016 was only 20 % of that in 2013. Most of these vehicles are electric vehicles. This is particularly noteworthy when one considers that Latvia has particularly high CO<sub>2</sub> emissions from its passenger car fleet<sup>123</sup>.

### Green public procurement

The EU green public procurement policies encourage Member States to take further steps to apply green procurement criteria to at least 50 % of public tenders. The European Commission is helping to increase the use of public procurement as a strategic tool to support environmental protection.

The purchasing power of public procurement amounts to around EUR 1.8 trillion in the EU (approximately 14% of

GDP). A substantial proportion of this money goes to sectors with a high environmental impact such as construction or transport. Therefore, green public procurement (GPP) can help to significantly lower the negative impact of public spending on the environment and can help support sustainable innovative businesses. The Commission has proposed EU GPP criteria<sup>124</sup>.

As mentioned in the 2017 EIR, Latvia has its 2015-2017 green procurement promotion plan in place. Since October 2014, the application of green public procurement criteria is mandatory in Latvia for procuring food supply and catering services in state and local government institutions. The current regulation (in force since 1 July 2017) extends the scope of mandatory application to additional six product groups and services, namely: copying and graphic paper, office IT equipment, office furniture, food and catering services, cleaning products and services, indoor lighting, street lighting and traffic signals. At the same time, the Regulation sets the GPP requirements and criteria for the groups of products, services and works, where GPP application is voluntary.

Public procurement in Latvia accounts for 20 % of GDP. In turn, green public procurement in financial terms reached 19 % from all public procurements in 2015, but decreased to 13-14 % in 2016 and 2017 respectively. The statistics on GPP are collected each year by the Procurement Monitoring Bureau. The proportion of GPP is highly dependent on common procurement contracts for projects financed by EU financial instruments<sup>125</sup>.

A European Parliament study shows that Latvia has partially implemented the GPP national action plan<sup>126</sup>.

### Environmental funding and investments

European Structural and Investment Fund (ESIF) rules oblige Member States to promote environment and climate in their funding strategies and programmes for economic, social and territorial cohesion, rural development and maritime policy.

Achieving sustainability involves mobilising public and private financing sources<sup>127</sup>. Use of the European Structural and Investment Funds (ESIFs)<sup>128</sup> is essential if

117 EEA, [Environmental taxation and EU environmental policies](#), 2017, p.27.

118 European Commission, [Taxation of commercial cars in Belgium](#), 2017, p.3, graph 1 has Latvia with a low imputation rate for calculating taxable benefit-in-kind.

119 FleetEurope, [Major changes to company car taxation in Europe](#).

120 ACEA, [CO<sub>2</sub> based motor vehicle taxes in Europe](#).

121 EEA, [Appropriate taxes and incentives do affect purchases of new cars](#), 18 May 2018.

122 EEA, [Average CO<sub>2</sub> emissions from new passenger cars sold in EU-28 Member States plus Norway, Iceland and Switzerland in 2016](#).

123 European Commission, [Transport in the European Union Current Trends and Issues](#), 2018, pp.27-28.

124 In the Communication ‘Public procurement for a better environment’ ([COM\(2008\) 400](#)) the Commission recommended the creation of a process for setting common GPP criteria. The basic concept of GPP relies on having clear, verifiable, justifiable and ambitious environmental criteria for products and services, based on a life-cycle approach and scientific evidence base.

125 The Ministry of Environmental Protection and Regional Development, [Promoting Green Public Procurement](#).

126 European Parliament, [Green Public Procurement and the Action Plan for the Circular Economy](#), 2017, pp. 79-80.

127 See, for example, Action plan on financing sustainable growth ([COM\(2018\) 97](#)).

128 i.e. the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the European Social Fund (ESF), the European Agricultural

## Environmental Implementation Review 2019 – Latvia

countries are to achieve their environmental goals and integrate these into other policy areas. Other instruments such as Horizon 2020, the LIFE programme<sup>129</sup> and the European Fund for Strategic Investments (EFSI)<sup>130</sup> may also support the implementation and spread of good practices.

### European Structural and Investment Funds 2014-2020

Through seven national and regional operational programmes, Latvia has been allocated EUR 5.63 billion from ESIFs over the period 2014-2020. With a minimum national contribution of EUR 1.27 billion, a total budget of EUR 6.9 billion is to be invested in areas such as creating jobs and growth, promoting innovation, protecting the environment and supporting social inclusion<sup>131</sup>.

A vital part of ensuring successful and efficient investment of EU funds is the administrative capacity in Member States, including human resources, relevant knowledge and skills, systems and tools. The importance of administrative capacity is given appropriate attention in Latvia. For example, in 2015 a seminar on anti-fraud and anti-corruption measures relating to ESIFs was organised in Riga, while in 2017 Latvian representatives participated in an Integrity Pact stakeholder event in Bucharest. Latvia also actively participates in TAIEX REGIO peer-to-peer events. Since 2015, seven Latvian experts have participated in six events and provided their expertise to other Member States in nine events<sup>132</sup>.

### Cohesion policy

For 2014-2020, Latvia has been allocated around EUR 4.51 billion in total cohesion policy funding. The funding breaks down as follows:

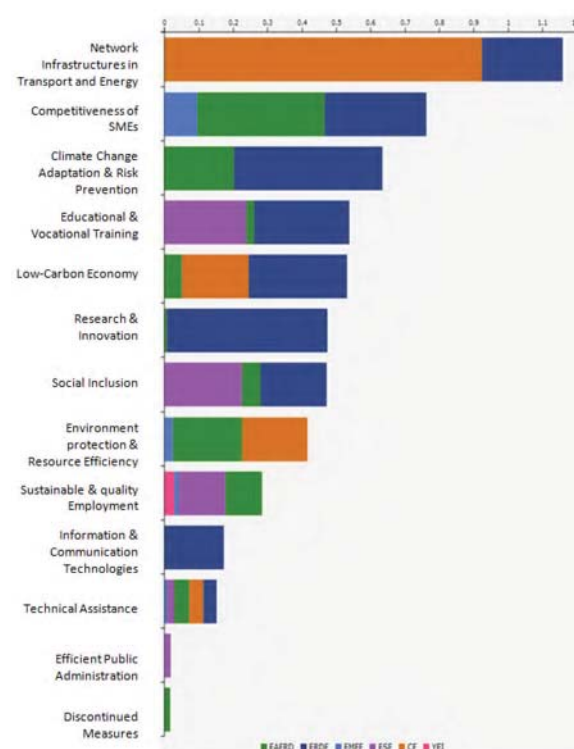
- EUR 3.04 billion from the ERDF and the ESF for less developed regions (the entire country is classified as a less developed region);
- EUR 1.35 billion through the Cohesion Fund;
- EUR 93.6 million for European Territorial Cooperation;
- EUR 29 million for the Youth Employment Initiative.

The ERDF allocation for the low carbon economy is EUR 286 million, along with a contribution of EUR 65 million to climate adaptation and EUR 367 million for environmental measures (as well as allocation of 190

million EUR from the CF for environment protection)<sup>133</sup>. In addition, around 10 % of the ERDF budget is being used for sustainable urban development.

The ERDF and CF are supporting projects such as: (i) investment in additional and improved waste management capacity; (ii) additional population served by improved wastewater treatment; (iii) flood protection measures; (iv) rehabilitation of land; and (v) habitats conservation<sup>134</sup>.

**Figure 21: ESIF 2014-2020 – EU allocation by theme, Latvia (EUR billion)<sup>135</sup>**



The EU funds for the 2007-2013 period were fully spent<sup>136</sup> by Latvia. It was one of four Member States that benefited most from cohesion policy funds in terms of per capita allocations to direct environmental investments<sup>137</sup>.

### Rural Development

Between 2014 and 2020 Latvia will also receive 1.1 billion from EU sources for rural development. The budget for the agri-environmental/climate measure represents

Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF). The ERDF, the CF and the ESF are referred to as the 'cohesion policy funds'.

<sup>129</sup> European Commission, [LIFE programme](#).

<sup>130</sup> European Investment Bank, [European Fund for Strategic Investments](#), 2016.

<sup>131</sup> European Commission, [European Structural and Investment Funds \(Country factsheet Latvia\)](#), 2017.

<sup>132</sup> [TAIEX REGIO PEER 2 PEER](#).

<sup>133</sup> European Commission, [Partnership agreement with Latvia, 2014-2020](#).

<sup>134</sup> European Commission, European Structural and Investment Funds, [Country Data for Latvia](#).

<sup>135</sup> European Commission, [European Structural and Investment Funds, Data By Country](#).

<sup>136</sup> European Commission, European Structural and Investment Funds, [SF 2007-2013 Funds Absorption Rate](#), 2018.

<sup>137</sup> European Commission, COWI-MILIEU, [Study on the integration of environmental concerns in the Cohesion Policy funds \(ERDF, ESF, CF\)](#), 2017, p.246.

## Environmental Implementation Review 2019 – Latvia

6.62 % of the total allocation, while the measure on natural constraints takes up 13.34 %, with approximately 0.3 % allocated to Natura 2000 and the Water Framework Directive. Latvia has recently focused on afforestation, specifically supporting afforestation in areas of low fertility and unused areas (e.g. depleted quarries, sandy areas). Improvements have also been made in relation to beekeeping and beehives.

### European Maritime and Fisheries Fund

Latvia receives around EUR 184 million in co-financing for the fisheries and maritime sector, with a EU contribution of EUR 139 million<sup>138</sup>. Latvia's operational programme also includes environmental aspects such as promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge-based fisheries (planned funding: EUR 41.9 million) and aquaculture (planned funding EUR 46.3 million).

### The Connecting Europe Facility

The Connecting Europe Facility (CEF) is a key EU funding instrument developed specifically to direct investment into European transport, energy and digital infrastructure to address identified missing links and bottlenecks and promote sustainability.

By the end of 2017, under the Connecting Europe Facility Latvia had signed agreements worth EUR 266.8 million covering 10 transport projects and EUR 177.4 million covering 7 energy projects<sup>139 140</sup>.

### Horizon 2020

Latvia has benefited from Horizon 2020 funding since the programme started in 2014. As of January 2019, 117 participants have been granted a maximum amount of EUR 18.7 million for projects from the Societal Challenges work programmes dealing with environmental issues<sup>141 142</sup>.

In addition to the abovementioned work programmes, climate and biodiversity expenditure is present across the entire Horizon 2020. In Latvia, projects accepted for funding in all Horizon 2020 working programmes until December 2018 included EUR 18 million destined to climate action (32.6 % of the total Horizon 2020 contribution to the country) and EUR 2 million for

<sup>138</sup> European Commission, [Press release](#), 2014.

<sup>139</sup> European Commission, [CONNECTING EUROPE FACILITY \(CEF\) – Transport grants 2014-2017](#).

<sup>140</sup> European Commission, [CEF-energy, Latvia](#).

<sup>141</sup> European Commission [own calculations based on CORDA \(COmmon Research DAta Warehouse\)](#). A maximum grant amount is the maximum grant amount decided by the Commission. It normally corresponds to the requested grant, but it may be lower.

<sup>142</sup> i.e. (ii) Food security, sustainable agriculture and forestry, marine and maritime and inland water research and the bioeconomy; (iii) Secure, clean and efficient energy; (iv) Smart, green and integrated transport; and (v) Climate action, environment, resource efficiency and raw materials.

biodiversity-related actions (3.1 % of the Horizon 2020 contribution to the country)<sup>143</sup>.

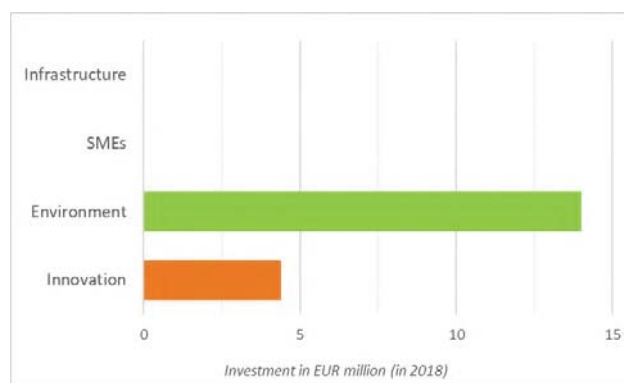
### LIFE programme

Since 1992, when the LIFE programme was launched, a total of 46 projects have been co-financed in Latvia<sup>144</sup>. Altogether they represent a total investment of EUR 53 million, of which EUR 33 million came from the EU. Of these projects, 14 projects funded under the LIFE 'environment and resource efficiency priority' have covered a wide range of themes, such as coastal protection, noise pollution abatement and sustainable tourism. Another 28 projects funded under LIFE 'nature and biodiversity priority' focused on the conservation, restoration and management of habitats, and on the conservation of species (priority beetle species and protected bird species in the 'Adazi' Natura 2000 site, and the lesser spotted eagle). One project, focusing on the sustainable and responsible management and reuse of degraded peatlands in Latvia, is supported under the LIFE climate change mitigation and LIFE climate change adaptation priorities.

### European Investment Bank

EIB loans in Latvia amounted to nearly EUR 443.5 million from 2013 to 2017. In 2018 the EIB Group<sup>145</sup> loaned Latvian businesses and public institutions EUR 18.4 million, as shown in Figure 22. Of this amount, around EUR 14 million (76%) went directly to environment-related projects<sup>146</sup>.

Figure 22: EIB Loans to Latvia in 2018<sup>147</sup>



### European Fund for Strategic Investments

The European Fund for Strategic Investments (EFSI) is an initiative to help overcome the current investment gap in the EU and boost economic growth. The EFSI has mobilised EUR 229 million in Latvia as of January 2019, and the secondary investment triggered by the funds is

<sup>143</sup> European Commission [own calculations based on CORDA \(COmmon Research DAta Warehouse\)](#).

<sup>144</sup> European Commission, [LIFE in Latvia, 2017](#).

<sup>145</sup> The EIB Group includes EIB and EFSI investments and loans.

<sup>146</sup> EIB, [Latvia and the EIB, 2018](#).

<sup>147</sup> EIB, [Latvia and the EIB, 2018](#).

## Environmental Implementation Review 2019 – Latvia

expected to amount to EUR 960 million<sup>148</sup>. No specific projects have been launched in the environment sector so far.

### National environmental financing

Latvia spent EUR 134.7 million on environmental protection as general government expenditure in 2016, a decrease of 17 % from 2015. 64 % of these payments were allocated to waste management activities (EU average: 49.7 %), with EUR 8.4 million going to wastewater management (6 % of total) and EUR 23.5 million to pollution abatement (17 % of total). 4.6 % of environmental expenditure was allocated to protection of biodiversity and landscape (EUR 6.2 million). Between 2012 and 2016 general government funding for environmental protection amounted to EUR 769 million<sup>149</sup>.

Part of the national funding is operated by the Administration of Latvian Environmental Protection Fund<sup>150</sup>. The fund promotes sustainable economic development by integrating environmental protection into all sectors of the economy and taking action to conserve biodiversity and protect ecosystems<sup>151</sup>.

In addition, local municipalities are also required to reinvest their income from natural resource tax revenues to invest in the environmental protection. In this context, the Riga municipality has established its own environmental fund<sup>152</sup>.

As it has been mentioned in the report, one of the challenges for Latvia is to ensure that environmental financing remains at an adequate level. Existent financial gaps in areas such as water quality and waste management are delaying the correct implementation of EU environmental law and policies. Therefore, ensuring financial resources to reduce the implementation gap should be considered as a priority for the country.

### 2019 priority actions

- Take steps to identify sources of funding to facilitate the implementation of the Water Framework Directive objectives.
- Prepare for the next financing period 2021-2027 to ensure the sufficient funding for implementation of environment protection, particularly in the areas of waste and water.

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<sup>148</sup> European Investment Bank, [EFSI project map](#).

<sup>149</sup> European Commission, Eurostat, [General Government Expenditure by function](#), 2018.

<sup>150</sup> The State Enterprise “[Latvian Environmental Investment Fund](#)”.

<sup>151</sup> [Latvian Environmental Protection Fund Law](#).

<sup>152</sup> [Riga environmental protection fund](#).

## 5. Strengthening environmental governance

### Information, public participation and access to justice

Citizens can more effectively protect the environment if they can rely on the three ‘pillars’ of the Aarhus Convention:

- (i) access to information;
- (ii) public participation in decision making; and
- (iii) access to justice in environmental matters.

It is of crucial importance to public authorities, the public and business that environmental information is shared efficiently and effectively<sup>153</sup>. Public participation allows authorities to make decisions that take public concerns into account. Access to justice is a set of guarantees that allows citizens and NGOs to use national courts to protect the environment<sup>154</sup>. It includes the right to bring legal challenges (‘legal standing’)<sup>155</sup>.

#### Environmental information

Latvia has a mixed system for the active dissemination of environmental data. The Ministry of Environmental Protection and Regional Development has a website<sup>156</sup> in which all domains are mentioned, but for some of those domains the information (e.g. on industrial emissions) is limited and out of date. For water, air, waste and chemicals the website of the Latvian Environmental, Geological and Meteorological Centre<sup>157</sup> also provides information and data. Sometimes links between the two sites are provided. For biodiversity, most content was easily found via the Ministry’s main environmental site. For other domains it was more difficult to find content. A lot of items are difficult to find, but most of the the information is easily and openly accessible, and free of charge. In addition, the site’s usability can be further improved. Information was not always available on the main site, but on other sites, and these were often not properly linked.

<sup>153</sup> The Aarhus Convention, the Access to Environmental Information Directive, 2003/4/EC and the INSPIRE Directive, 2007/2 together create a legal foundation for the sharing of environmental information between public authorities and with the public. This EIR focuses on INSPIRE.

<sup>154</sup> The guarantees are explained in Commission Notice on access to justice in environmental matters, OJL 275, 18.8.2017 and a related Citizen’s Guide.

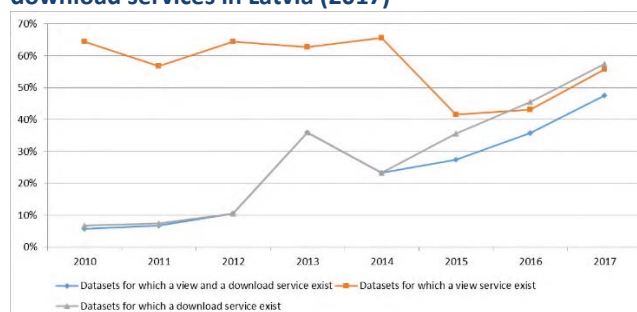
<sup>155</sup> This EIR looks at how well Member States explain access to justice rights to the public, and at legal standing and other major barriers to bringing cases on nature and air pollution.

<sup>156</sup> [The Ministry of Environmental Protection and Regional Development](#).

<sup>157</sup> State Ltd "[Latvian Environment, Geology and Meteorology Centre](#)".

Latvia’s performance on implementing the INSPIRE Directive leaves room for improvement. The country’s performance has been reviewed based on its 2016 implementation report<sup>158</sup> and the most recent monitoring data from 2017<sup>159</sup>. Latvia has achieved good progress and implementation for coordination, data identification, documentation of data and data sharing and reuse. However, additional efforts are needed to make the data accessible through services and to prioritise environmental datasets in implementation, in particular those identified as high-value spatial data sets for the implementation of environmental legislation<sup>160</sup>.

**Figure 23: Access to spatial data through view and download services in Latvia (2017)**



#### Public participation

In Latvia, public participation is provided for by several legal acts, in particular the Environmental Protection Law, the Law on Pollution, the Law on Environmental Impact Assessment and the Spatial Development Planning Law. Moreover, several cabinet of ministers regulations complement these laws.

All draft planning documents<sup>161</sup> and draft legal acts<sup>162</sup> are listed on the web site of the Ministry of Environment, where they can be commented on. Another body aiding more efficient participation in environmental decision-making is the Environmental Consultancy Board<sup>163</sup>, consisting of 20 annually elected environmental NGO representatives. Public participation in environmental impact assessment (EIA) and strategic environmental assessment (SEA) is facilitated by the Ministry of

<sup>158</sup> European Commission, INSPIRE LV [country sheet](#) 2017.

<sup>159</sup> INSPIRE [monitoring dashboard](#).

<sup>160</sup> European Commission, [List of high value spatial data sets](#)

<sup>161</sup> [The Ministry of Environmental Protection and Regional Development](#).

<sup>162</sup> [The Ministry of Environmental Protection and Regional Development](#).

<sup>163</sup> [The Ministry of Environmental Protection and Regional Development](#).

## Environmental Implementation Review 2019 – Latvia

Environment, which lists all public hearings<sup>164</sup>, and the State Environmental Bureau, which publishes information about the public hearings<sup>165</sup><sup>166</sup>.

On a wider scale, Latvia has included several initiatives on public participation in its second national action plan<sup>167</sup> for the open government partnership initiative. These include a single portal for the drafting and harmonisation of draft legislative acts. Public participation in producing the draft legislative acts is available<sup>168</sup>.

The Eurobarometer figures from 2017 show that there is a relatively strong agreement in Latvia (76 % of respondents) that an individual can play a role in protecting the environment which is the same as in 2014.

### Access to justice

Latvia needs to make further progress on informing the general public about effective remedies for individuals and environmental associations on access to justice in environmental matters under national and EU law. Even though the Ministry of Environment does not have a special section covering this area on its website, the country's judicial administration provides information on its web site<sup>169</sup> on various judicial aspects, including a guide on how to sue. However, there is room for improvement in how clear and understandable this guide is for ordinary people. Therefore, the public authorities need to make structured and user-friendly information available online.

Latvia grants the public, specifically individuals and NGOs, very broad access to justice in environmental cases (*actio popularis*, i.e. the right to defend common interests). Everyone has the right to lodge a complaint to the responsible administrative institution or an appeal before the administrative court in environmental matters without any other specific conditions. In other words, a complaint may be lodged if a person considers that an administrative decision, a real action or an omission violates the law protecting the environment and nature, or threatens to cause damage to the environment<sup>170</sup>. The right to lodge complaints and appeals purely on environmental grounds is the only exception allowed in administrative institutions or before the courts. In any

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<sup>164</sup> [The Ministry of Environmental Protection and Regional Development](#).

<sup>165</sup> [Environment State Bureau](#).

<sup>166</sup> [Environment State Bureau](#).

<sup>167</sup> Open Government Partnership, [Second National Action Plan of Latvia](#).

<sup>168</sup> News portal [ManaBalss.lv](#).

<sup>169</sup> News portal [tiesas.lv](#).

<sup>170</sup> According to Art.29 of Administrative Procedure Law, in cases provided for by law, public authorities have the right to submit a complaint to an administrative institution or an appeal to a court in order to defend the rights and legal interests of private persons. This may include also right of a private person to live in a benevolent environment.

other kind of legal dispute, claimants must prove that their own individual rights have been infringed in order to be entitled to lodge a complaint or appeal before the court.

Administrative procedures in institutions are free of charge. However, claimants submitting an appeal before the administrative court should take account of state fees. According to Administrative Procedure Law (Article 128(3)), the court, taking into account the financial situation of an individual, may decrease the amount of the fee or exempt that person from paying it. Both in administrative and court procedures claimants have to cover their own expenses, including the fees of legal advisers and experts.

If an appeal against an administrative decision or omission is successful fully or in part, the court will order the defendant (the State or a municipality) to reimburse the fee to the claimant. If the appeal has not been successful, the claimant will not recover the fee paid. The same principle applies to deposit payments. The court's decision to order reimbursement of expenses does not cover other kinds of expenses. Therefore, any other expenses (except state fees and deposit payments) incurred by the participants are not recovered. However, if the appeal against the administrative decision is successful, the claimant may seek to recover from the defendant all damages caused by the unlawful decision, and this may include previous payments to a legal adviser or experts. Fees for lawyers and experts can be high and only an individual can claim these fees back if the appeal is successful. Therefore, ensuring the necessary funding in such cases could be complicated for NGOs.

### 2019 priority actions

- Improve access to spatial data and services by making stronger linkages between the country INSPIRE portals, identify and document all spatial datasets required to implement environmental law, and make the data and documentation at least accessible 'as is' to other public authorities and the public through the digital services envisaged in the INSPIRE Directive.
- Better inform the public about their rights regarding access to justice, particularly in relation to air pollution and nature.

### Compliance assurance

Environmental compliance assurance covers all the work undertaken by public authorities to ensure that industries, farmers and others fulfil their obligations to protect water, air and nature, and manage waste<sup>171</sup>. It includes support measures provided by the authorities, such as:

- (i) compliance promotion<sup>172</sup>;
- (ii) inspections and other checks that they carry out, i.e. compliance monitoring<sup>173</sup>; and
- (iii) the steps that they take to stop breaches, impose sanctions and require damage to be remedied, i.e. enforcement<sup>174</sup>.

Citizen science and complaints enable authorities to focus their efforts better. Environmental liability<sup>175</sup> ensures that the polluter pays to remedy any damage.

### Compliance promotion and monitoring

Online information is given to farmers on how to comply with obligations on nitrates and nature. The quality of this information is an indicator of how actively authorities promote compliance in areas with serious implementation gaps.

The official website of the Ministry of Agriculture includes information for farmers about the obligations on nitrates and on how to prepare fertilization plans. It provides also guidelines on construction of manure storages, codes of good agricultural practices and other relevant information<sup>176</sup>.

The State Plant Protection Service (SPPS), the responsible authority for the controls of the distribution and use of fertilisers and plant protection products (PPPs) regularly updates its website [www.vaad.gov.lv](http://www.vaad.gov.lv) regarding current requirements that farmers need to comply with.

SPPS also hosts a separate homepage <http://noverojumi.vaad.gov.lv/> which promotes integrated pest managements practices, provides harmful organism monitoring data and materials concerning sustainable use of PPPs. A mandatory training system is in place for all professional users, distributors of PPPs and plant protection advisors which, inter alia, covers environmental protection requirements.

Furthermore, each year SPPS organises seminars for farmers all across Latvia to promote proper and

sustainable use of PPPs and fertilisers, as well as takes part in workshop events organised by the Latvian Rural Advisory and Training Centre and other organisations.

Major industrial installations can present serious pollution risks. Public authorities are required to have plans to inspect these installations and to make individual inspection reports available to the public<sup>177</sup>. Although some information about such plans and reports can be found on official websites in Latvia, it is not sufficiently comprehensive.

### Citizen science and complaint handling

Engaging the general public, including through citizen science, can promote knowledge about the environment and help the authorities in their work. There are several citizen science initiatives in Latvia, such as the public monitoring programme for nature objects developed by the Nature Conservation Agency<sup>178</sup> with the support of the 'Biodiversity protection in North Vidzeme Biosphere Reserve' GEF/UNDP co-financed project. A dedicated website has been created (<http://dabasdati.lv/en/>) to enable members of the public to report their observations and also to promote awareness and protection of nature values in Latvia, educate society and encourage dialogue between scientists and nature protection specialists.

The availability of clear online information about how to make a complaint is an indicator of how responsive authorities are to complaints from the public. Information on the possibility to complain about an environmental nuisance or environmental damage is easily available in Latvia on the website of the State Environmental Service. There is also the mobile application Vides SOS<sup>179</sup> developed to make complaints submission easier.

### Enforcement

When monitoring identifies problems, a range of responses may be appropriate. While some annual activity reports are publicly available in Latvia<sup>180</sup>, information is missing on the issuing of warnings, the application of penalties and on compliance after follow-up measures and enforcement action have been taken. No publicly available statistical information was found on prosecutions and penalties imposed for environmental crime or on responses to cross-compliance breaches on nitrates and nature<sup>181</sup>.

<sup>171</sup> [COM\(2018\)10](#), [SWD\(2018\)10](#).

<sup>172</sup> This EIR focuses on the help given to farmers to comply with nature and nitrates legislation.

<sup>173</sup> This EIR focuses on inspections of major industrial installations.

<sup>174</sup> This EIR focuses on the availability of enforcement data and co-ordination between authorities to tackle environmental crime.

<sup>175</sup> [Directive 2004/35/CE](#) creates the framework.

<sup>176</sup> [Ministry of Agriculture of Republic of Latvia](#).

<sup>177</sup> [Directive 2010/75/EU](#), article 23.

<sup>178</sup> [The Nature Conservation Agency](#).

<sup>179</sup> [The State Environmental Service of the Republic of Latvia](#).

<sup>180</sup> For instance, the State Environmental Service publishes [annual reports](#).

<sup>181</sup> Relevant information is provided in annual public reports of SPPS as well as published in the media.

## Environmental Implementation Review 2019 – Latvia

Tackling waste, wildlife crimes and other environmental offences is especially challenging. It requires close cooperation between inspectors, customs authorities, police and prosecutors. No information could be identified on the official Latvian websites on formal or informal cooperation arrangements between these authorities.

### Environmental liability

The Environmental Liability Directive (ELD) establishes a framework based on the ‘polluter pays’ principle to prevent and remedy environmental damage. The 2017 EIR focused on better information on environmental damage, financial security and guidance. The Commission is still collecting evidence on the progress made.

### 2019 priority actions

- Better inform the public about compliance promotion, monitoring and enforcement. At a minimum this should involve ensuring availability of detailed online information to farmers about how to comply with obligations on nitrates and nature and providing more online information on inspection plans and reports on industrial inspections.
- Publish information on outcomes of enforcement action and of the follow-up to detected cross-compliance breaches on nitrates and nature.
- Ensure more information on how professionals dealing with environmental crime work together.
- Improve financial security for liabilities and ELD-guidance and publish information on environmental damage.

### Effectiveness of environmental administrations

Those involved in implementing environmental legislation at EU, national, regional and local levels need to have the knowledge, tools and capacity to ensure that the legislation and the governance of the enforcement process bring about the intended benefits.

### Administrative capacity and quality

According to the Sustainable Governance Index (including economic, social and environmental policies), Latvia is ranked 19th among 41 countries worldwide (or 14th in the EU<sup>182</sup>). However, according to worldwide governance indicators, Latvia has the highest potential for improvement on political stability (which fell from 73 % in 2006 to 60 % in 2016) and corruption control

perception (which in 2016 remained at the same level as in 2006<sup>183</sup>).

Staff numbers in the Ministry of Environmental Protection and Regional Development and its subsidiary institutions are stable, at a little above 900 people<sup>184</sup>. The second largest employer in environmental matters, with 293 staff in 2016, was the State Environmental Service<sup>185</sup>.

Latvia’s score in the 2018 Environmental Performance Index is 66.12, placing the country 37 out of 180<sup>186</sup>.

It has been acknowledged that Latvia is making significant efforts towards wider use of centralised procurement. The amendments to the Code of Administrative Violations are expected to bring greater discipline and accuracy to public procurement decisions<sup>187</sup>.

### Coordination and integration

As mentioned in the 2017 EIR, the transposition of the revised Environmental Impact Assessment (EIA) Directive<sup>188</sup> provides an opportunity for countries to streamline their regulatory framework on environmental assessments. Latvia has transposed the revised Directive.

The Commission encourages the streamlining of environmental assessments to reduce duplication and avoid overlaps in environmental assessments for projects. Streamlining helps reduce unnecessary administrative burden. It also accelerates decision-making, without compromising the quality of the environmental assessment procedure<sup>189</sup>. Latvia has introduced streamlining of environmental assessments under the EIA and Habitats Directives.

In addition, the State Regional Development Agency has developed a one-stop shop concept for Latvia<sup>190</sup>.

There are a number of strategies and programmes in Latvia for financing environment-related projects. These are: the 2014-2020 national development plan, the sustainable development strategy for Latvia, set to run

<sup>183</sup> [Worldwide Governance Indicators](#)

<sup>184</sup> Baltic Institute of Social Sciences & O.D.A., [Study on the future role of governance and its development](#), 2015.

<sup>185</sup> [State Environmental Service, Reports on the results of the testing of category A equipment](#).

<sup>186</sup> Yale Center for Environmental Law & Policy, [Environmental Performance Index, Yale University](#), 2018, p. 4.

<sup>187</sup> European Commission, Public procurement, Study on administrative capacity in the EU, [Latvia Country Profile](#).

<sup>188</sup> [Directive 2014/52/EU](#).

<sup>189</sup> The Commission issued a guidance document in 2016 regarding the setting up of coordinated and/or joint procedures that are simultaneously subject to assessments under the EIA Directive, Habitats Directive, Water Framework Directive, and the Industrial Emissions Directive, OJ C 273, 27.7.2016, p. 1.

<sup>190</sup> State Regional Development Agency, [Approved One Stop Shop concept](#).

<sup>182</sup> [Sustainable Governance Indicators](#).



## Environmental Implementation Review 2019 – Latvia

until 2030, the sustainable development strategy for Riga, also set to run until 2030, and the 2014-2020 development programme for Riga.

### **Adaptability, reform dynamics and innovation (eGovernment)**

In a comparative overview of public administration characteristics and performance in the EU-28, Latvia's overall digitalisation and service delivery capacity and performance was ranked at 3/5191. In the DESI Report 2018, Latvia had a score of 65 out of 100 on digital public services, higher than the EU average of 58192.

For digital public services, Latvia has a score of 0.51/1 based on Europe's 2017 digital progress report. This is lower than the EU-28 average (0.55/1)193.

Latvia is planning further digitisation of services, in response both to the rapid increase in eGovernment use among the population and the development of a national e-governance strategy.

### **Enabling financing and effective use of funds**

The use of funds is usually encouraged through open calls for proposals and is promoted on the relevant webpages of the responsible institutions.

### **International agreements**

The EU Treaties require the EU environmental policy to promote measures at international level to deal with regional or worldwide environmental problems.

The EU is committed to strengthening environmental law and its implementation globally. It therefore continues to support the Global Pact for the Environment process, which was launched by the United Nations General Assembly in May 2018<sup>194</sup>. The EIR is one of the tools to ensure that the Member States set a good example by respecting European Union environmental policies and laws and international agreements.

Latvia has signed and ratified almost all Multilateral Environmental Agreements. However, it has neither signed nor ratified the International Convention for the Regulation of Whaling and the Nagoya Protocol.

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191 Hammerschmid, G., Thijs, N., *A Comparative Overview of Public Administration Characteristics and Performance in EU28*, report prepared for DG EMPL of the European Commission, 2017, p. 48, graph 29.

192 European Commission, *Digital Economy and Society Index Report 2018, Digital Public Services*.

193 European Commission, Europe's Digital Progress Report, *Trends in European Digital Public Services in the EU*, 2017, p.9.

194 *UN General Assembly Resolution 72/277* and *Organizational session of the ad hoc open-ended working group*.

### **Forests: EU Timber Regulation<sup>195</sup>/ Forest Law Enforcement, Governance and Trade (FLEGT) Regulation<sup>196</sup>**

In accordance with the EU Timber Regulation (EUTR), which prohibits the placing on the EU market of illegally harvested timber, competent authorities in EU Member States must conduct regular checks on operators and traders, and apply penalties in case of non-compliance.

Between March 2015 and February 2017, Latvia carried out 24 planned checks on operators importing timber. However, it has not reported on the number of checks conducted on operators of domestic timber. It is estimated that 140 000 Latvian operators placed domestic timber on the EU market for the first time in this period, and 290 imported timber. Although Latvia reported taking 11 enforcement actions against timber importers who infringed the due diligence requirement, it has not yet issued penalties.

Latvia has made efforts to improve the quality of inspections and due diligence systems, in particular by organising activities to gain more knowledge on third countries, e.g. study trips.

On cooperation (Article 12 EUTR), Latvia reported having collaborated with other government institutions within the country, e.g. customs, forest services, national police.

### **Genetic resources: Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising (ABS)<sup>197</sup>**

Latvia has delivered on its reporting obligations under the EU ABS Regulation, which transposes into the EU legal order the required compliance measures under the Nagoya Protocol. However, it has neither designated competent authorities nor imposed penalties for infringements of the EU ABS Regulation. As this is in breach of the EU ABS Regulation, the Commission sent a letter of formal notice in January 2018, inviting Latvia to comply with its obligations under the Regulation.

### **International wildlife trade: the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)<sup>198</sup>**

Latvia has established relevant national authorities for the international wildlife trade and regularly processes requests for import, export, re-export, and intra-EU trade documents.<sup>199</sup>

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195 *Regulation (EU) No 995/2010*.

196 *Regulation (EC) No 2173/2005*.

197 *Regulation (EU) No 511/2014*.

198 *The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)*.

199 *Council Regulation (EC) No 338/97*.

## Environmental Implementation Review 2019 – Latvia

Reports on seizures of illegal wildlife shipments, in particular those reported every 6 months to TRAFFIC under its contract with the Commission, and those exchanged through the EU-TWIX platform, testify to the activity of customs authorities.

### 2019 priority action

- Increase efforts to be party to relevant multilateral environmental agreements, by signing and ratifying the remaining agreements.

## Sustainable development and the implementation of the UN SDGs

Sustainable development links environmental, social and economic policies in a coherent framework and therefore helps to implement environmental legislation and policies.

Sustainable development planning began in Latvia in the early 1990s, when the country regained independence and launched its initial environmental policy, with the express intent of balancing economic and social processes with environmental needs. Latvia adopted a sustainable development policy in 2002.

In 2007 Latvia began a new sustainable development planning process in which people expressed their vision for Latvia until 2030 on all dimensions of sustainability. It resulted in Latvia's new Sustainable Development Strategy of Latvia until 2030 (Latvia 2030) adopted by Parliament in 2010. Because of the breadth and depth of the public discussions about the future of Latvia that took place with diverse groups across the country, Latvia's main long-term planning document, i.e. 'Latvia 2030' Latvia's sustainable development strategy until 2030, can be considered a social contract.

A cross-sector coordination centre operating under the direct authority of the Prime Minister is responsible for the preparation of the National Development Plan and for integrating SDGs into the national planning system and into public policy making at national level. Most of the SDGs are included and addressed in national development documents and sector-specific policies. Ministries are encouraged to use mapping of indicators in the mid-term evaluation process of sector-specific policy documents and, in cooperation with the public, to include SDGs in future policy implementation. Evaluations, together with public discussions, will contribute to the programming of the next National Development Plan 2021-2027 and subsequent horizontal and sectoral policy documents.

Additionally there is a Sustainable Development Committee at the Latvian Parliament (*Saeima*), which is an important driver of sustainable development, promoting new policy initiatives, working with stakeholders and highlighting research.

No additional funding has been specifically earmarked for SDG implementation.

Latvia submitted its national voluntary review of implementation of the SDGs to the UN in 2018<sup>200</sup>. The voluntary national review is based on: (i) the mapping (in 2017) of SDGs at target level with Latvian policy, with the participation of all ministries; and (ii) the mid-term impact assessment of the national development plan 2020, which also tracks progress towards the Latvia 2030 strategy.

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<sup>200</sup> UN, Report to the UN High Level Political Forum on Sustainable Development 2018, [Latvia Implementation of the Sustainable Development Goals](#).