

# ESD implementation in Latvia

In Latvia implementation of the ESD is the responsibility of the Ministry of Economics of Republic of Latvia. Only some of ESD requirements are already in place and supported by legislative acts. The most requirements of ESD are foreseen in the new law - "Law on End-use Energy Efficiency", which is currently under approval in the Saeima (Parliament).

## Legal context

The draft law was approved by Cabinet of Ministers on 6 October 2009. Parliament has first debates on the draft on 29 October 2009. After the debate the draft was sent to the Economic, Agriculture, Environmental and Regional Policy Parliament Committee for improvement according the proposals. The second debate on the draft law has been appointed on 17 December 2009. The final vote for the new law is expected shortly after New Year. However some of the requirements of the ESD directive are in place by other laws such as - Law on Energy Efficiency of Buildings, Law on Regulators of Public Utilities, Energy Law and Electricity Market Law. "Guidance on Promotion of Green Public Procurement in State and Municipal Institutions" and "Guidance on Promotion of Environmentally Friendly Building Process" has been developed by the Ministry of Environment.

## Status of the implementation

At this moment ESD requirements has been implemented only partly. The following table identifies the ESD articles covered by different laws and regulations:

| Directive                            | Existing Law  |
|--------------------------------------|---|
| Article 3, part b) and p)            | Law on Energy, Article 1, parts 5 and 23  |
| Article 5                            | "Guidance on Promotion of Green Public Procurement in State and Municipal Institutions" and "Guidance on Promotion of Environmentally Friendly Building". |
| Article 6, second paragraph, part a) | Law on Energy Efficiency of Buildings, Articles 20 and 22   |
| Article 6, second paragraph, part b) | Consumer Rights Protection Law, Article 4   |

| <b>Directive</b>           | <b>Existing Law</b>  |
|----------------------------|--|
| Article 6, third paragraph | Competition Law, Chapter 3   |
| Article 8                  | Law on Energy Efficiency of Buildings, Articles 20, 21, 22<br>Regulations of CM No 26 "Regulations on Energy Auditors"                                 |
| Article 10                 | Law on Regulators of Public Utilities, Chapter 4, Articles 19,20,21<br>Electricity Market Law, Articles 16,20,33(third part)<br>Energy Law, Article 15 |
| Article 11                 | Law on Energy Efficiency of Buildings, Article 5   |
| Article 12                 | Law on Energy Efficiency of Buildings, Article 20,21,22  |

Table 1 – Implementation in place

Full transposition will occur on the passing of the proposed draft legislation entitled: 'Law on End-use Energy Efficiency'. The following table identifies the ESD articles covered by the proposal:

| <b>Directive</b>                     | <b>Draft Law</b>                               |
|--------------------------------------|--|
| Article 1                            | Article 2                                      |
| Article 2                            | Article 3                                      |
| Article 3                            | Article 1                                      |
| Article 4, part 1 and 3              | Article 4, part 1 and 2                        |
| Article 4, part 2                    | Article 17                                     |
| Article 4, part 4                    | Article 11                                     |
| Article 5                            | Article 9                                      |
| Article 6, first paragraph           | Article 13, part 1 and 3                       |
| Article 6, second paragraph, part a) | Article 13, part 3<br>Article 15, part 2       |
| Article 6, second paragraph, part b) | Article 12                                     |
| Article 7                            | Article 10<br>Article 11, part 5               |
| Article 8                            | Article 15                                     |
| Article 9                            | Article 13, part 2 and 3<br>Article 14, part 2 |
| Article 11                           | Article 14, part 1                             |
| Article 12                           | Article 15<br>Article 11, part 7               |
| Article 13                           | Article 16                                     |
| Article 14                           | Transition regulations of the Law              |

Table 2 – Proposed Implementation

Still there is no Voluntary agreement or "white certificate" schemes in Latvia. But according to the requirements of Article 6, second paragraph, part a) of the Directive which has been transferred in draft law (Article 12) the Energy efficiency agreement scheme will be introduced in Latvia in nearest future.

## Additional efforts

Latvia as the Member State of the European Union (EU) implementing the EU regional policy uses financial assistance provided by the EU for the economic and social development. Largest financial instruments within the framework of which Latvia receives financial assistance are the EU funds: European Regional Development Fund (ERDF), European Social Fund (ESF) and Cohesion Fund (CF). In Latvia, the EU fund management in the legislative system is regulated by Law on Management of European Union Structural Funds and Cohesion Funds. Operational Programme “Infrastructure and Services” was adopted in 2007 and includes the priorities for up taking the Funds. Measure No 3.4.4. “Energy Efficiency of Housing” envisages two activities: 3.4.4.1 “Improvement of heat insulation of multi-apartment buildings” and 3.4.4.2. “Improvement of heat insulation of social residential buildings”. Up to now the housing stock is renewed slowly, every fifth house is in critical conditions or worn out, almost half of all buildings are large panel structures that need heat insulation and improvement in order to provide attractive and healthy space for work, living and recreation.

The objective of the activity “Improvement of heat insulation of multi-apartment buildings” is implementation of measures to increase the energy efficiency of multi-apartment residential buildings in order to ensure an effective use of energy resources and long-term apartment fund. Targeted beneficiaries: Apartment owners of multi-apartment residential buildings. The apartment owners submit the project application through a person representing owners of apartments in the multi-apartment residential building (an enterprise, an association, a cooperative, an individual person).

The objective of the activity “Improvement of heat insulation of social residential buildings” is improvement of energy efficiency of social buildings thus providing the socially unprotected groups with adequate housing. Targeted beneficiaries: tenants of social residential buildings.

## Future planning

At the time of reporting no adoption date for the draft law had been set.

After the adoption of the new law Ministry of Economics has to work out four regulations of Cabinet of Ministers. These regulations will define the process of implementation of energy efficiency agreements, the procedure and methodology of evaluation on energy savings and the establishment of energy efficiency monitoring system. Operational Programme “Infrastructure and Services” will continue till up taking appropriations.

## Relevant information

More information regarding the situation in Latvia can be found at the following websites:

National Energy Efficiency Action Plan:

[http://ec.europa.eu/energy/demand/legislation/doc/neeap/latvia\\_en.pdf](http://ec.europa.eu/energy/demand/legislation/doc/neeap/latvia_en.pdf)

Ministry of Economics: [www.em.gov.lv](http://www.em.gov.lv)

More information on EU Structural funds:

[www.esfondi.lv](http://www.esfondi.lv)