



Summary report on the multilateral assessment of Latvia at the forty-ninth session of the Subsidiary Body for Implementation

Note by the secretariat

I. Background

1. The Conference of the Parties, at its sixteenth session, decided that developed country Parties should enhance the reporting in their national communications and submit biennial reports (BRs) on their progress in achieving emission reductions. It also decided to establish the international assessment and review (IAR) process under the Subsidiary Body for Implementation (SBI), which aims to promote comparability of efforts among all developed country Parties.¹ According to the modalities and procedures for IAR,² multilateral assessment (MA) is to be conducted for each developed country Party at a working group session of the SBI with the participation of all Parties. The aim of MA is to assess each Party's progress in implementation towards achieving emission reductions and removals related to its quantified economy-wide emission reduction target.

2. The third round of MA of Latvia took place on 3 December 2018 at a working group session during SBI 49. Such a working group session is preceded by a three-month period of questions and answers: in the first month, any Party may submit written questions to the Party being assessed, which may respond to the questions within the remaining two months. Questions for Latvia had been submitted in writing two months before the working group session at SBI 49 by the delegations of: China and New Zealand. Brazil submitted written questions one day after the deadline. A list of the questions received and the answers provided by Latvia as well as the webcast of the session can be found on the IAR web page for Latvia.³ The Party can submit any other observations on its MA process within two months of the working group session.

II. Proceedings

3. The working group session was chaired by the SBI Chair, Mr. Emmanuel Dlamini. Latvia was represented by Ms. Ilze Pruse (Director of the Climate Change Department of the Ministry of Environmental Protection and Regional Development of Latvia).

4. Ms. Pruse made an opening presentation summarizing Latvia's progress in implementation towards achieving emission reductions and removals related to its

¹ Decision 1/CP.16, paragraphs 40 and 44.

² Decision 2/CP.17, annex II.

³ <https://unfccc.int/process-and-meetings/transparency-and-reporting/reporting-and-review-under-the-convention/national-communications-and-biennial-reports-annex-i-parties/multilateral-assessment/multilateral-assessment-of-third-biennial-reports/third-multilateral-7>.

quantified economy-wide emission reduction target. As a European Union (EU) member State, Latvia committed to contributing to the achievement of the joint EU quantified economy-wide emission reduction target of 20 per cent below the 1990 level by 2020. Latvia's emission limitation target for sectors covered by the EU effort-sharing decision (i.e. sectors not covered by the EU Emissions Trading System (EU ETS)) is 17 per cent above the 2005 level by 2020.

5. Latvia's total greenhouse gas (GHG) emissions excluding emissions and removals from land use, land-use change and forestry (LULUCF) decreased by 57 per cent between 1990 and 2016, owing mainly to its transition from a centrally planned to a market economy and to its decarbonization through increased use of natural gas and biomass and decreased use of coal (by 94 per cent since 1990).

6. Ms. Pruse presented key policies and measures (PaMs) implemented by the Party to achieve its target, including the EU ETS; various PaMs aimed at increasing energy efficiency in the building sector; the taxation of GHG emissions since 2006, with gradually extended coverage; and awareness-raising, including via social media. Latvia's emissions from sectors covered by the EU ETS decreased by 28 per cent from 2005 to 2017, owing mainly to the switch from fossil fuels to biomass. The PaMs in the building sector are implemented at the national and municipal level and currently focus on public and multi-apartment buildings. The main measures are awareness-raising, energy auditing, establishing energy management systems (mandatory for large municipalities and large enterprises), setting energy performance requirements, and providing grants and repayable guaranteed low-interest loans.

7. According to the report on the technical review of Latvia's BR3,⁴ the LULUCF sector is not included in the Party's target. The EU generally allows its member States to use certain market-based mechanisms for compliance purposes, but in 2013–2016 Latvia did not use units from market-based mechanisms.

8. Given that emissions from the EU ETS sectors of the Party are subject to an EU-wide cap, Latvia presented the projected level by 2020 of its emissions from sectors not covered by the EU ETS. According to the report on the technical review of Latvia's BR3, the projected emission levels for non-EU ETS sectors under 'with measures' and 'with additional measures' scenarios are 7.8 and 9.0 per cent, respectively, below the annual emission allocation for 2020. Latvia expects to meet its target under both scenarios.

9. The opening presentation was followed by interventions and questions from the delegations of Canada, Japan and the United States of America. The questions related to flexible financing tools to promote the retrofitting of apartment buildings; past fluctuations in changes in forest carbon stock; policies anticipated to be implemented in the LULUCF sector; and how results of sensitivity analysis carried out for projections have been used in policy planning. In response, Latvia provided further explanations. In particular, it explained that a group of PaMs has been used to address energy consumption in buildings. Regarding economic measures, the Party started by providing grants, but is currently using loan-based measures, including loans that turn partly into grants if the energy efficiency target is overachieved. Latvia also explained that the active role of municipalities is key in implementing energy efficiency measures: municipalities with energy management systems in place that actively advocate energy efficiency measures demonstrate greater achievements. Latvia further explained that it is exploring options for allowing energy efficiency measures to be implemented in multi-apartment buildings even if a minority of the apartment owners are not in agreement. Regarding changes in forest carbon stock, the Party explained that its forest is mature and sustainable forest management is in place. There are plans to include new forestry sector measures in the national energy and climate plan, which will outline the PaMs aimed at achieving the Party's target for 2030. Latvia also explained that it is currently developing new projections, which include the new PaMs for ensuring the achievement of its target for 2030, and that sensitivity analysis will be carried out for those projections.

⁴ FCCC/TRR.3/LVA.