

	Framework Convention
	🔨 on Climate Cha <del>nge</del>

Distr. GENERAL

FCCC/IDR.1(SUM)/LAT 4 April 1997

Original: ENGLISH

### SUMMARY

### of the

## **REPORT OF THE IN-DEPTH REVIEW OF THE NATIONAL** COMMUNICATION

of

# LATVIA

(The full text of the report (in English only) is contained in document FCCC/IDR.1/LAT)

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Also available on the World Wide Web (http://www.unfccc.de)

GE-97-60820

## $\mathbf{Summary}^1$

1. The in-depth review was carried out between April and November 1996 and included a visit by the team to Riga, from 13 to 15 May 1996. The team included experts from Costa Rica, Finland, Poland, and the Organisation for Economic Co-operation and Development (OECD).

2. In its first national communication Latvia has followed the reporting guidelines for national communications to the extent possible. Latvia has partially followed the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories (1994). Latvia has provided, with varying levels of detail, information on policies and measures that will help to mitigate climate change, and has also provided projections of greenhouse gas emissions for the year 2000. Supporting documentation was made available to the review team during the country visit which enabled a fuller understanding of the information in the national communication.

3. Latvia expects to achieve about 25-30 per cent lower emission levels in the year 2000 as compared to 1990 levels. Emissions of greenhouse gases (GHG), in global warming potential terms, have dropped by over 50 per cent between 1990 and 1996 as a result of restructuring, energy price reform, the decline in production, removal of energy subsidies, and the breakup of the collective farms. Latvia also has policies to make greater use of renewable energy sources, such as wood, and to promote energy efficiency and conservation in the large combined heat and power plants that provide residential heating, which accounts for more than one-fourth of total energy consumption. With almost half the country covered by managed forest, an equivalent of nearly two thirds of the emissions of carbon dioxide are currently sequestered by sinks. Latvia's national policy priorities include environmental protection strategies in various economic sectors, some of which will also help reduce GHG emissions.

4. Latvia's approach to climate change is influenced by its geographical situation and the ongoing transition to a market economy. Energy security is the overriding policy objective. Currently 30 per cent of electricity and 90 per cent of primary fuel are imported. The economic restructuring, as well as removal of subsidies and an increase in prices for imported energy to world market levels, have reduced primary energy consumption, and provided incentives for the introduction of new technology, energy efficiency and energy conservation measures. Lack of finance and institutional capacity to develop and manage investments projects is likely to hinder the implementation of measures to reduce emissions of GHGs in the short term. Fiscal instruments have recently been introduced as a policy tool, but it is too early to assess their impact.

<sup>&</sup>lt;sup>1</sup> In accordance with decision 2/CP.1 of the Conference of the Parties, the full draft of this report was communicated to the Latvian Government, which had no further comments.

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5. Latvia has in place a strategic framework for environmental protection. Sustainable development objectives are pursued by integrating environmental considerations into economic sectors through the National Environmental Policy Plan, the Energy Master Plan, and the National Development Programme of Motor Transport and Forestry Development Policy. The role of environmental information, institutions and organizations and public awareness in the implementation of policy is formally recognized by the Government. These factors should help Latvia to adopt policies and measures in the future for reducing its emissions.

6. The measures described in the national communication target the energy and transformation sector, which is the main source of GHG emissions in Latvia - accounting for more than one third of total  $CO_2$  emissions in 1990. The Government's policy priorities are to improve energy security, economic efficiency and local air quality. In the national communication, separate projections have been made for emissions of carbon dioxide ( $CO_2$ ), methane ( $CH_4$ ), nitrous oxide ( $N_2O$ ), nitrogen oxides ( $NO_x$ ), carbon monoxide (CO), and non methane volatile organic compounds (NMVOC)s, and three  $CO_2$  scenarios have been presented based on different gross domestic product (GDP) assumptions. These scenarios incorporate the effects of several measures - rehabilitation of district heating networks, installation of heat meters, and taxes that provide incentives for increased use of natural gas rather than liquid fuels - planned to achieve sustainable development.

7. No information was included in the national communication on vulnerability and adaptation. The review team was informed that work has been initiated to develop a national climate programme. Latvia has a wind turbine project in Ainazi as an Activity Implemented Jointly with the Government of Germany. An environmental data centre has been established to collect data on air, water and soil pollution. The centre proposes to integrate information on energy and socio-economic data. The national communication reported on improvements in the quality of environmental programmes in the schools.

8. Latvia does not have a specific policy to mitigate climate change but includes climate policy within a combination of environmental policy and development strategies in various economic sectors. It was stressed to the review team that the future pattern, structure and pace of economic growth remain highly uncertain, thereby preventing the Government drawing up specific measures to reduce emissions of greenhouse gases.

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