

<b>Title of the measure:</b>	<b>LV32 Energy efficiency indicators in business promotion activities related to municipal development programmes : EU Funds 2014-2020 programming period</b>
------------------------------	---

### **General description**

*The particular measure concerns both Tertiary Sector and Industry Sector of MURE database, thus the measure is included in both sectors,*

The certain programmes, co-financed by EU Funds and on-going implementation within the framework of municipal development programmes, are aimed to promote business activities within the area.

The energy efficiency is stated as one of indicators to be monitored within these programmes. Two Cabinet of Ministers (Governmental) Regulations (CMR) should be noted particularly:

- CMR No 645 (2015) regarding revitalization of degraded territories which shall be done according to integrated development programmes of municipalities [1]
- CMR No 503 (2015) regarding increase of private investments in regions to promote business development in the territory which shall be done according to integrated development programmes of municipalities [2].

The responsible ministry for both programmes is the Ministry of Environmental Protection and Regional Development. The projects in both programmes shall be implemented up to 31 December 2022. In both programmes the projects' applicants are municipalities, business sector entities may participate as the co-operating partners.

The overall monitoring of energy savings is provided by the Ministry of Economics. The energy savings shall be monitored during 3 years after the implementation of the project.

### **Objectives of the programmes**

The objective of the CMR [1] is **to regenerate the degraded territories to provide business activities** and create new jobs in these territories, thus ensuring environmentally friendly and sustainable territorial growth. The total planned financing for the programme is at least 282 MEUR, including ERDF financing of 239.7 MEUR and the national financing at least 42.3 MEUR. The eligible activities are creation of the infrastructure necessary for business development. The non-financial contribution of business sector in their own assets at least 239.7 MEUR.

The objective of the CMR [2] is **to increase the amount of private investments** in regions **by providing** such investments in **infrastructure which promote business activities**. The target area is whole Latvia, except capital city Riga. Target beneficiaries – micro, small and medium enterprises. The total planned financing for the programme is at least 75.5 MEUR, including ERDF financing of 64.2 MEUR and the national financing at least 11.3 MEUR. The non-financial contribution of business sector in their own assets at least 64.2 MEUR.

### **Financing**

The total financing for both programmes is at least ~357.5 MEUR, including ERDF financing of ~304 MEUR. However it is hard to project the share of financing which will be directly focused on noted below energy efficiency improvements in buildings, outdoor lightning and water supply & sewage services.



### **Energy savings monitoring within the programmes**

Articles 9.4 of both CMR[1] and CMR [2] state the energy saving indicator as one of the indicator of the programme.

One of the eligible activities is the construction, reconstruction, renovation or restoration of buildings and their related infrastructure. If the project activities include such building reconstruction activities, the energy consumption in building before the project shall be indicated in the application and the beneficiary has the duty to inform on energy consumption after implementation of the project. The same relate also to the activities aimed to improve street and public areas lightning and water supply & sewage services – the energy savings shall be accounted if implementing these activities (Article 54 of CMR [1] and Article 53 of CMR [2] respectively).

### **Impact evaluation**

No evaluation for the particular measure available.

However the impact of the measure might be similar to the impact of the measure (MURE database) IND-LV35 “Energy efficiency indicators in SMEs’ (manufacturing industry) targeted investment programme to support establishment or reconstruction of production premises”.

The Latvia national Plan of the Alternative Measures of Energy Efficiency Policy to Reach the Target of Energy End-Use Consumption Saving 2014-2020 [3] envisages for this measure IND-LV35 the 2020 cumulative energy savings of 6.6 GWh (0.024 PJ). Thus, assuming the impact period 2019-2020 it might be estimated 2020 annual savings of 4.4 GWh (0.016 PJ).

The final energy consumption in Latvia industry (including construction) sector in years 2010-2015 varied in the range 34.6-39 PJ (average ~ 36 PJ) [10]; the final energy consumption in manufacturing industry – in the range 29.4-32.5 PJ.

Thus, the impact of the measure in 2020 might be attributed as low.

### **References**

1. Cabinet of Ministers (Governmental) Regulations No 645 (2015) “Regulations regarding the 5.6.2. Specific Objective “Revitalization of Territories by Regenerating Degraded Territories in Accordance with Integrated Development Programmes of Municipalities” of the Operational Programme “Growth and Employment 2014-2020” (*Ministru Kabineta Noteikumi Nr645 “Darbības programmas “Izaugsme un nodarbinātība” 5.6.2 specifiskā atbalsta mērķa “Teritoriju revitalizācija, reģenerējot degradētās teritorijas atbilstoši pašvaldību integrētajām attīstības programmām” īstenošanas noteikumi*). Adopted 10 November 2015, in force 05 December 2015, published in “Latvijas Vēstnesis” 238 (5556), 04.12.2015, in Latvian. Amendments adopted (i) 31 May 2016, the Cabinet of Ministers Regulations No342, (ii) 06 June 2017, the Cabinet of Ministers Regulations No 310. Actual consolidated version in Latvian <http://likumi.lv/ta/id/278254>.
2. Cabinet of Ministers (Governmental) Regulations No 593 (2015) “Regulations regarding the 3.3.1. Specific Objective “To Increase Private Investments in Regions by Providing Investments which Support Business Development, in Accordance with the Economic Specialization of the Territories defined by Integrated Development Programmes of Municipalities and Needs of Local Business” *Ministru Kabineta Noteikumi Nr593 “Darbības programmas “Izaugsme un*



nodarbinātība” 3.3.1 specifiskā atbalsta mērķa "Palielināt privāto investīciju apjomu reģionos, veicot ieguldījumus uzņēmējdarbības attīstībai atbilstoši pašvaldību attīstības programmās noteiktajai teritoriju ekonomiskajai specializācijai un balstoties uz vietējo uzņēmēju vajadzībām" īstenošanas noteikumi). Adopted 13 October 2015, in force 24 November December 2015, published in "Latvijas Vēstnesis" 229(5547), 23.11.2015, in Latvian. Amendments adopted (i) 31 May 2016, the Cabinet of Ministers Regulations No343, (ii) (ii) 06 June 2017, the Cabinet of Ministers Regulations No 309. Actual consolidated version in Latvian <http://likumi.lv/ta/id/277959>

3. Ministry of Economics. Latvia national Plan of the Alternative Measures of Energy Efficiency Policy to Reach the Target of Energy End-Use Consumption Saving 2014-2020 (*Energo-efektivitātes politikas alternatīvo pasākumu plāns enerģijas galapatēriņa ietaupījuma mērķa 2014.–2020. gadam sasniegšana*), approved 24 May 2017 (Cabinet of Ministers Order No 257). Available in Latvian <http://polsis.mk.gov.lv/documents/5921>