

Resource efficiency and circular economy in Europe – even more from less

An overview of policies, approaches and targets of Latvia in 2018

July 2019



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Acknowledgements

This country profile is based on information reported by the Eionet network and, in particular, the National Reference Centres on Resource Efficiency and Circular Economy. The information is current as of March 2019, when members of Eionet verified the content of this profile.



This country profile was prepared as part of the 2019 EEA review of material resource efficiency, circular economy and raw material supply policies, which aimed to collect, analyse, and disseminate information about experience with the development and implementation of these policies in EEA member and cooperating countries.

At the time of writing, a summary report is being finalised. The report reflects on trends, similarities and differences in policy responses, showcases selected policy initiatives from member countries and identifies possible considerations for the development of future policies.

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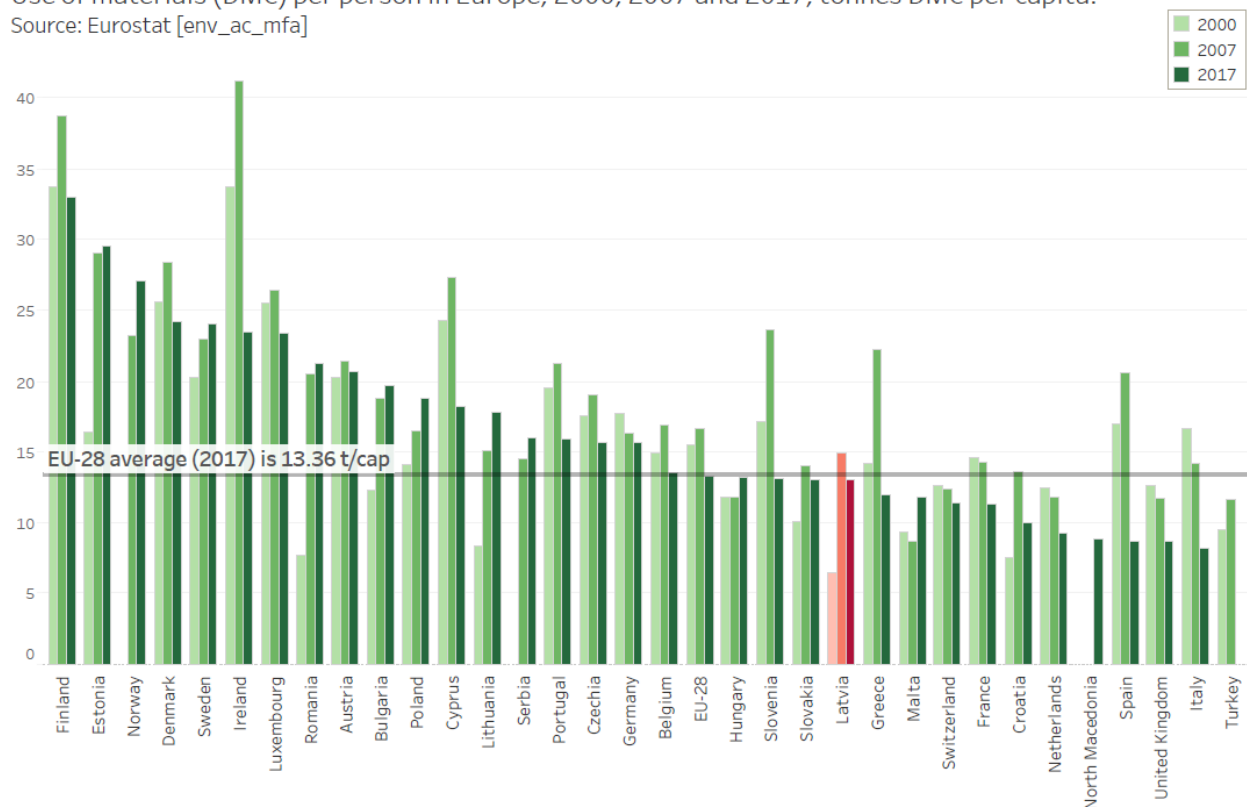
Latvia, facts and figures

Note: data in this section was sourced from Eurostat databases (April 2019), except where noted otherwise

 	GDP: EUR 27.0 billion (0.2 % of total EU28 in 2017)
	Per capita GDP: EUR 13,900 (purchasing power standard) (46.4 % of EU28 average per capita figure in 2017)
	Use of materials (domestic material consumption (DMC)) 25.3 million tonnes DMC (0.4 % of EU28 total in 2017) 13.0 tonnes DMC/capita (97.6 % of EU28 average per capita in 2017)
	Structure of the economy: agriculture: 3.7 % industry: 22.6 % services: 73.8 %
	Surface area: 64.6 thousand square kilometres (km ²) (1.5 % of total EU28) Population: 1.95 million (0.4 % of EU28 total in 2017)

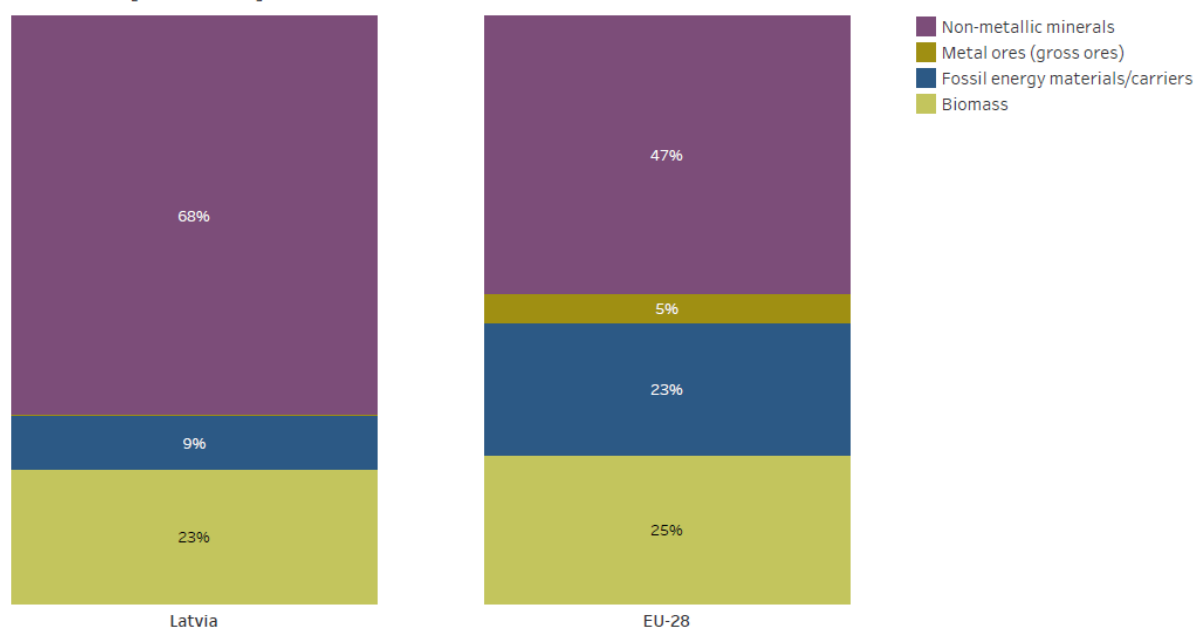
Use of materials (DMC) per person in Europe, 2000, 2007 and 2017, tonnes DMC per capita.

Source: Eurostat [env_ac_mfa]



Latvia & EU-28. Domestic Material Consumption by material category, 2017.

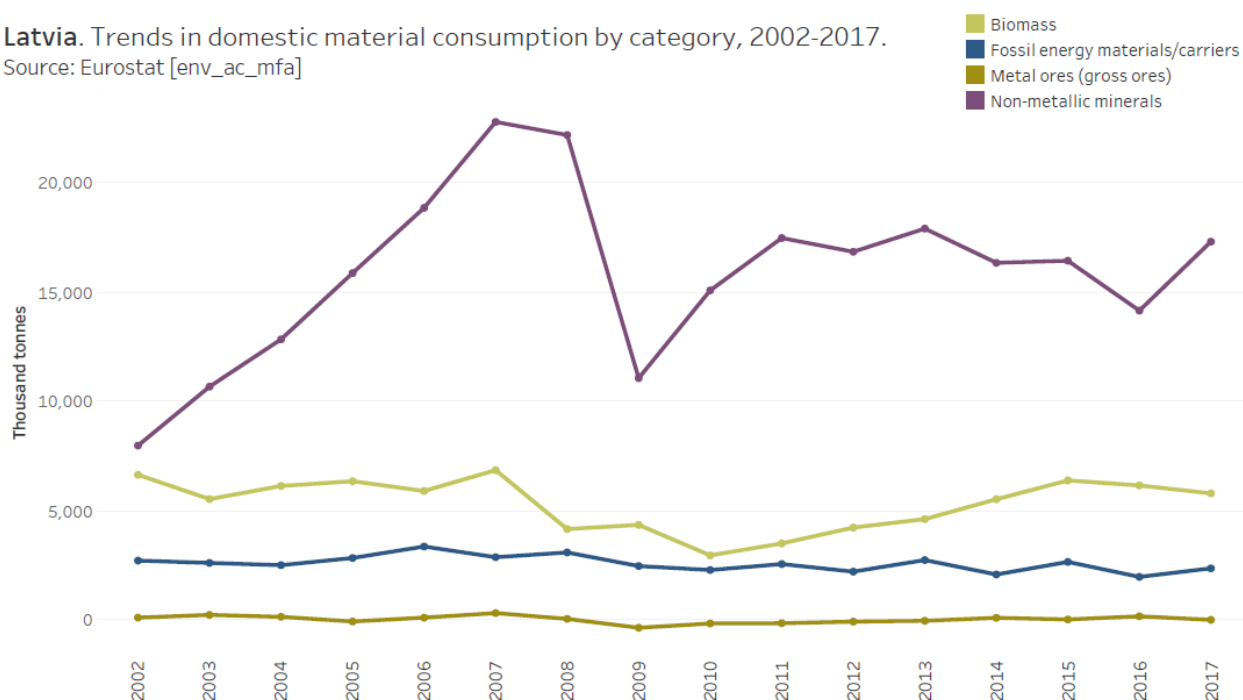
Source: Eurostat [env_ac_mfa]



Note: The domestic material consumption categories 'other products' and 'waste for final treatment and disposal' are excluded from the figure.

Latvia. Trends in domestic material consumption by category, 2002-2017.

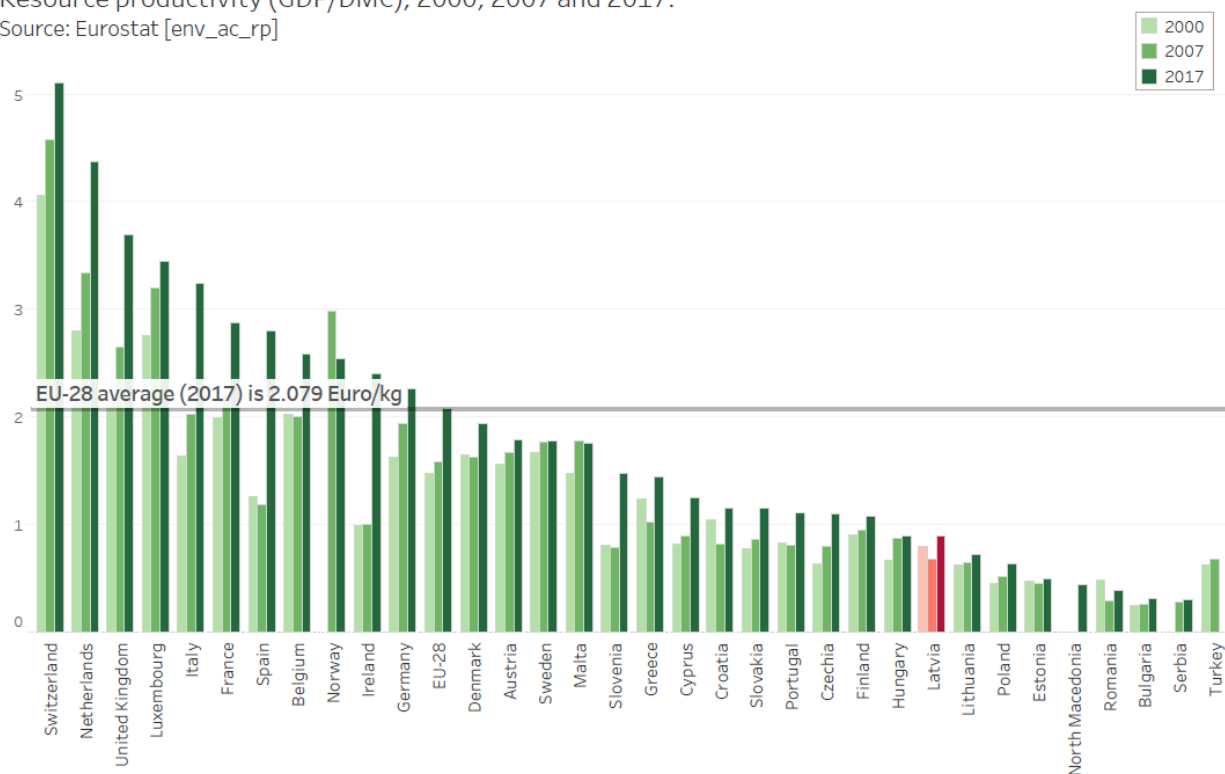
Source: Eurostat [env_ac_mfa]



Note: The domestic material consumption categories 'other products' and 'waste for final treatment and disposal' are excluded from the figure.

Resource productivity (GDP/DMC), 2000, 2007 and 2017.

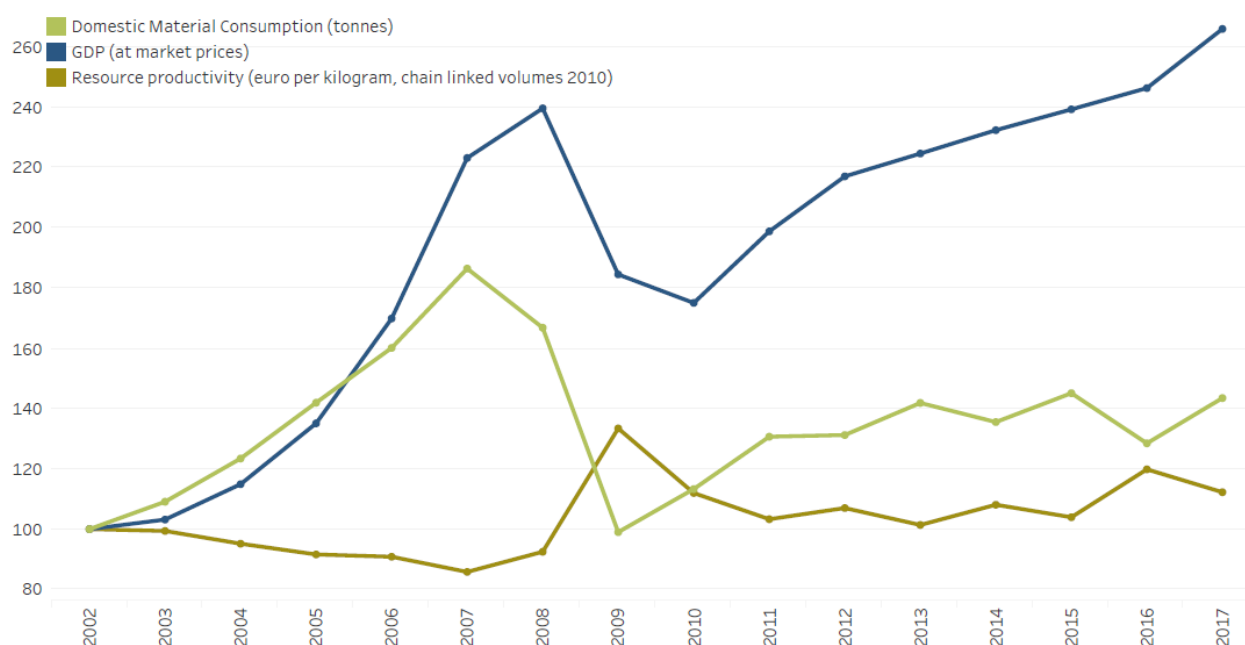
Source: Eurostat [env_ac_rp]



Note: GDP expressed in chain linked volumes 2010.

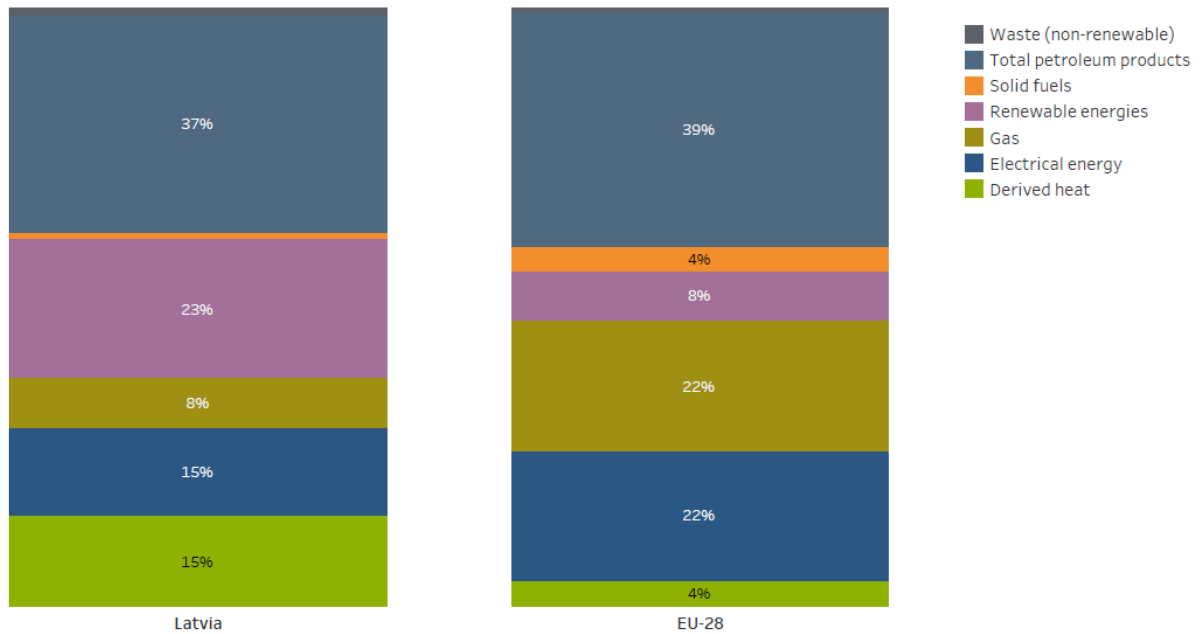
Latvia. GDP, DMC and resource productivity trends, 2002-2017, index 2002=100.

Source: Eurostat [env_ac_mfa], [env_ac_rp] & [nama_10_gdp]



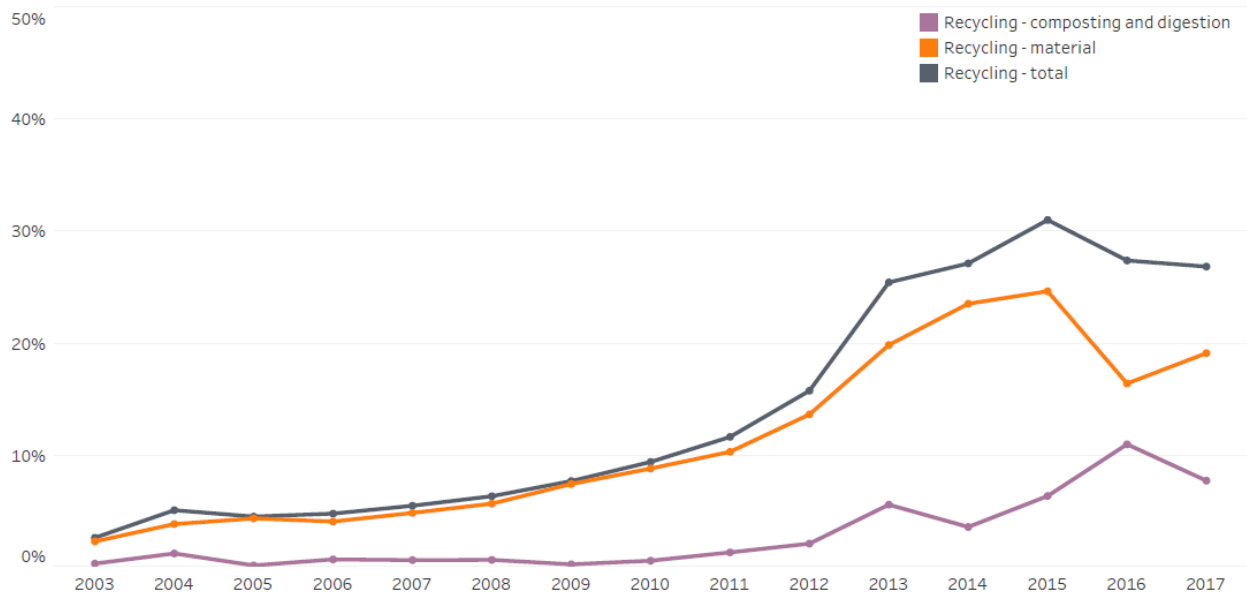
Latvia & EU-28. Primary energy consumption by energy product, 2016.

Source: Eurostat [nrg_100a]



Latvia. Recycling of municipal waste, 2003-2017, as share of total waste treatment.

Source: Eurostat [env_wasmun]



Note: The amount of municipal waste treatment is reported for the treatment operations incineration (with and without energy recovery), recycling, composting and landfilling.

Policy framework

Driving forces for material resource efficiency and circular economy

The main need and motive for material resource efficiency is based on the country's vision of sustainable growth idea that is embedded in the *Sustainable Development Strategy for Latvia until 2030* (Latvia2030) that was adopted in 2010¹.

Sustainable growth, amongst other things, implies the protection and sustainable use of natural capital that is considered the basis for Latvia's development.

Currently Latvia's economy is very resource dependent and statistics show further increases in domestic material inputs and consumption, especially of biomass and non-metal minerals.

Economic growth requires the competitive structure of the national economy which will also ensure the rational and efficient use of available resources. Latvia is rich in forest and non-metal mineral resources. If the latter are used mainly for domestic needs (construction and roads building), forest resources have significant value in maintaining global competitiveness and national energy security. Furthermore, forests play a significant role in Latvia's renewable energy resource structure and in supporting its climate goals.

A number of policy planning documents recognise that to improving the global competitiveness of Latvian products and services, export volumes should be increased. To develop competitiveness, Latvia needs to address the following issues.

- Increasing productivity through the more efficient use of available resources (including financial and natural resources, as well as technological ones). Productivity is, however, a business concern while the state's role is to establish preconditions and mechanisms so that resource productivity improvements are undertaken by business sector as a long-term solution.
- Improving cooperation between business and science, with increased support to applied research linked to the smart specialisation concept of the national economy. However, again, this requires clearer private sector initiatives and adequate investment in research and innovation – significant improvements are needed if Latvia's innovation potential is to be realised.
- Developing sustainable infrastructure – sustainability means efficient resources use and distribution with fewer effects on environmental and climate stability.
- Establishing the efficient and smart use of energy resources, emphasising role of domestic non-renewable resources – peat, weed chips, etc.

The *Sustainable Development Strategy of Latvia until 2030* emphasises that development of the national economy should be based on **innovation and a transition to a low-carbon economy**, as well as the domestic use of renewable energy. This is closely linked to **energy security** – one of the major driving forces for resource efficiency in the country.

National Industrial Policy Guidelines for 2014–2020 ²

These emphasise the need for improved productivity. It mainly refers, however, to labour productivity, highlighting low productivity in processing industry that has to be changed. Increased added value would contribute to productivity and resource efficiency. The Guidelines address issues of structural changes necessary for industry. Natural resources are not considered as a factor for industrial development but the need to integrate production into global value chains is touched upon.

¹ http://www.pkc.gov.lv/sites/default/files/images-legacy/LV2030/LIAS_2030_en.pdf (English)

² <http://polsis.mk.gov.lv/api/file/file34401.doc> (Latvian)

Latvia's **natural environment** – richness in freshwater resources, the fact that almost 48 per cent of the country is forested, more than 18 per cent of the inland terrestrial area is protected, and its proximity to the Baltic Sea is an important asset – provides a unique opportunity to develop green economy and to support sustainable life styles and consumption, which will create and preserve the **image of Latvia as a green country**. The image of green country has been used as a brand name and thus widely communicated in public by various stakeholder groups, including government, the media, and non-governmental organisations (NGOs).

The image of Latvia as a green country plays important role in the public perception of sustainable future and it influences choices and behaviour of society and also of the business sector. Environmental sustainability in general is an important factor, as it implies the sustainable use of domestic natural resources, including renewable energy resources. In this regard, adding value to processed wood/forest resources is of one of the challenges in increasing productivity and resource efficiency.

A significant role will be played by the *Latvian Bioeconomy Strategy 2030*³, adopted 2017. Its sets five main directions, one of which is efficient and sustainable resource management. Specific measures related to resources (and integrated to climate and energy policies) are targeted to the use of biomass for energy production, based on the cascading principle, and reducing greenhouse gas emissions in bioeconomy sectors. **Employment, adding value** to extracted bio-resources and consequent **export growth** are goals holding back resource efficiency in bio-resource use.

The most influential driving force for resource efficiency from a state policy formation perspective is the **EU policies on waste management and energy efficiency**. These set strict targets and timeframes related to resource efficiency. Additionally, it is directly linked to financial instruments, national priorities and state support to measures related to the waste and energy sectors.

Finally, **growing public environmental awareness** is gradually improving the sustainability of behaviour and consumption patterns and thus drives changes in business models to increase resource productivity.

Dedicated national strategies or roadmaps for material resource efficiency and a circular economy

Although Latvia has neither a separate national strategy nor an action plan entirely dedicated to resource efficiency, objectives and targets of resource efficiency are mainly indirectly integrated in various national-level strategic planning documents and sectoral policies.

Currently, Latvia does not have a dedicated national circular economy strategy, an action plan or a roadmap. However, in 2016, a **Government Declaration** proposed, among other priorities, the development of waste management with a vision of fostering circular economy elements within it. The Ministry of Environmental Protection and Regional Development (MEPRD), as the national institution responsible for natural resources and waste policy, took the lead in preparation of the **Informative report on circular economy opportunities in Latvia**. The Report is a sort of pre-policy planning document to inform government and society on emerging policy areas and directions through which efforts to promote the country's transition towards circular economy will be made. It is expected that the report will be finalised by the end of 2018 and submitted to the government.

More information is available in the section on Policies which include elements of material resource efficiency.

³ <http://tap.mk.gov.lv/lv/mk/tap/?pid=40433525&mode=mk&date=2017-12-19> (Latvian)

Overview of dedicated national or sectoral strategies for raw materials

At the moment, there are no specific dedicated policies regulating material use/material flow issues in Latvia. Material flows are analysed within material flow accounts as a statistical indicator and for general economic forecasting.

Neither is there a national list of critical for national economy raw materials (CRM). No specific policy measures exist to support any material flows. Currently there are no plans to develop a CRM list.

Documents that address problems related to raw material use and protection are:

- 1) The *Environmental Policy Guidelines 2014–2020* (2014)⁴ set objectives to foster resource efficiency through (green) innovation that would allow diverting secondary materials from waste streams, and promote material reuse, waste recycling and recovery. Policy does not envisage more detailed measures.
- 2) The *Development Guidelines for Forestry and Related Sectors for 2015–2020*⁵ have set goals to increase the share of further processed forest production in wood exports and to develop new forest products with added value. Raw material strategies are thus to some extent applied to the forest sector.

There are no national statistical data on secondary material flows. Demand for secondary materials is not forecast nationally, though they are projected for individual industries – for example, recycling firms who are cautious about sharing data.

Policies which include elements of material resource efficiency

In 2016, a **Government Declaration** proposed, among other priorities, the development of waste management with a vision of fostering circular economy elements within it. Circularity can be seen in the development of waste sorting infrastructure and relevant services for the whole population; and support to sustainable goods through the use of economic instruments, including increased rates of environmental taxation on plastics, vehicles and other goods harmful to the environment. It involves support for the development and proper functioning of extended producer responsibility (EPR) systems and a reduction of waste flows going to landfill that will be enhanced by additional measures, such as the introduction of beverages packaging deposit system in Latvia alike it has been already done in the neighbouring countries – Estonia and Lithuania.

Following the European Commission led policy process that opens new perspectives in respect to circular economy, the Ministry of Environmental Protection and Regional Development (MEPRD), as the national institution responsible for natural resources and waste policy, took the lead in preparation of the **Informative report on circular economy opportunities in Latvia**. The Report is a sort of pre-policy planning document to inform government and society on emerging policy areas and directions through which efforts to promote the country's transition towards circular economy will be made.

Multi-dimensionality and thus complexity of the issue, as well as limits to the MEPRD's authority are the main challenges to the process – it is expected to be finalised by the end of 2019 when Report will be submitted to the government. Consultations with other ministries will start in spring 2019. Awareness raising events and a national conference on circular economy, involving initial discussions with more than 60 different stakeholders and ministries' representatives, have been organised by the MEPRD since December 2017. The Report will address issues that go far beyond waste management issues – it is based on statistical analysis and findings from the implementation of current policies related to resource

⁴ <http://polsis.mk.gov.lv/view.do?id=4711> (Latvian)

⁵ <https://www.zm.gov.lv/mezi/jaunumi/meza-un-saistito-nozaru-attistibas-pamatnostadnes-2015-2020-gadam?id=5126> (Latvian)

productivity and sustainable material use. The Report will provide information on the EU's views on circularity and will propose direction on how to address related issues in Latvia.

Detailed planning of activities to support the transition to a circular economy is a task for the next planning stage, the development of implementation plan for the transition to a circular economy, will be carried out in 2019–2020.

While the policy on circular economy is in preparation, there are two significant national policies that in certain respect address the majority of relevant priority issues:

- 1) the *Waste Management State Plan 2013-2020*⁶, adopted in 2013, for the current EU funding planning period merges with the efforts to support the transition to a circular economy; more information on the objectives and measures in this Waste Management State Plan is given in the following paragraphs;
- 2) the *Latvian Bioeconomy Strategy 2030* (adopted in 2017)⁷ addresses circularity in the use of bio-resources – forestry, agriculture, nature and aquaculture resources, etc. – for which the Ministry of Agriculture is responsible.

Other policies in Latvia that cover material resource efficiency, circular economy and raw material supply in part, as one topic among others are:

*Sustainable Development Strategy of Latvia until 2030*⁸

Chapter 5, Nature as Future Capital: Sustainable Management of Natural Values and Services, stresses the importance of the introduction of a natural capital management approach, which would provide reduce of pollution and waste flows, and encourage the sustainable management of natural resources and the development of ecosystems services. This approach would unite environmental and economic issues, allowing combining management of the natural capital with economic development.

*National Development Plan 2014-2020 (NDP2020)*⁹

The Plan emphasizes that Latvia has significant forest and agricultural land resources, which, if used sustainably, could considerably benefit the national economy. Therefore, one of NDP2020 priorities, Growth for Regions, emphasises the effective use and targeted development of the geographic areas as well as natural and other available resources. Moreover, this priority identifies activities that stipulate smart and efficient management of the available resources, use of opportunities for territorial development and minimisation of possible threats. NDP2020 also emphasizes rational use of resources, environmental concerns and the need to reduce pollution caused by the energy, manufacturing, transport and agricultural sectors, as well as by households.

*The Environmental Policy Guidelines for 2014–2020*¹⁰

The Guidelines set objectives related to resource efficiency:

- foster resource efficiency through innovation that would allow diverting secondary material from waste streams, promote material reuse, waste recycling and recovery;
- enhance the rational use of resources and new technologies to decrease emissions of air polluting substances from industry, transport and households;
- ensure the sustainable use of soil, sub-soil and its resources, etc.

⁶ <http://polsis.mk.gov.lv/documents/4276> (Latvian)

⁷ <http://tap.mk.gov.lv/lv/mk/tap/?pid=40433525&mode=mk&date=2017-12-19> (Latvian)

⁸ http://www.pkc.gov.lv/sites/default/files/images-legacy/LV2030/LIAS_2030_en.pdf (English)

⁹ http://www.pkc.gov.lv/sites/default/files/images-legacy/NAP2020%20dokumenti/NDP2020_English_Final.pdf (English)

¹⁰ <http://polsis.mk.gov.lv/view.do?id=4711> (Latvian)

However, the main policy document that integrates measures in respect to a transition to the circular economy is ***State Waste Management Plan 2013–2020 (2013)***¹¹

The Plan sets the following objectives:

- prevention of waste by implementing waste prevention measures, application of best available technologies, increasing resources efficiency and promoting sustainable behaviour patterns as well as raising public awareness on the issue;
- rational use of waste as a resource through support for recycling or the return of material into economy, etc.

The *State Waste Prevention Programme*, part of the *State Waste Management Plan 2013–2020*, determines the objectives for waste prevention and measures for their achievement:

- 1) decouple economic growth and the environmental impact of waste generation;
- 2) reduce the amount of waste generated by promoting reuse or long-term use of products;
- 3) reduce the quantities of harmful substances used in the manufacture of materials and products.

This programme invites stakeholders to implement measures, including necessary research activities in respect of:

- a) the promotion of efficient use of resources;
- b) cleaner technologies and eco-design and products with less waste;
- c) the provision of information on waste prevention methods aimed at implementing the best available industrial technologies;
- d) education of control authorities to incorporate waste prevention considerations in permits for polluting activities;
- e) use of information campaigns and other types of support to small and medium-sized enterprises (SMEs);
- f) application of voluntary agreements aimed at developing waste prevention programmes or setting targets to minimise the production of waste by enterprises;
- g) promotion of the Eco-management and Audit Scheme (EMAS) and auditing systems to improve the waste management performance in public and private entities;
- h) application of economic instruments to promote environmentally-friendly purchases by consumers;
- i) promotion of the re-use of products;
- j) information campaigns and provision of information to public and specific consumer groups;
- k) promotion of eco-labels and green public procurement.

*Development Guidelines for Forestry and Related Sectors for 2015–2020*¹²

The Guidelines set goals that support resource productivity:

- sustainable and effective forest and forestlands management;
- increased share of further processed forest production in wood exports;
- development of new forest products with added value.

The *Rural Development Programme 2014–2020* contributes to the achievement of goals that have a direct impact on resource efficiency, namely, promotion of resource efficiency and support for resilience to climate change through a low-carbon economy in the agriculture, food and forestry sectors, among others, by promoting energy saving and energy efficiency measures, and the use of renewable energy.

¹¹ <http://polsis.mk.gov.lv/documents/4276> (Latvian)

¹² <https://www.zm.gov.lv/mezi/jaunumi/meza-un-saistito-nozaru-attistibas-pamatnostadnes-2015-2020-gadam?id=5126> (Latvian)

Energy Development Guidelines for 2016–2020 (2016)¹³

The Guidelines are fully compliant with the EU policies, particularly with the EU Roadmap Towards a Low-carbon Economy by 2050, as well as with the respective climate and energy targets set by EU Directives, most of which are complementary to the resource efficiency objectives.

One of the energy policy's guiding principles set by the Guidelines is 'the effective use of resources, including cost-effectiveness, is promoted at all stages of generating, transforming, transporting and using energy'.

Industrial Policy Guidelines for 2014–2020 (2011)¹⁴

The Guidelines do not address material resource issues as such, though they do address the need to reduce energy costs of processing industry.

Transport Development Guidelines 2014–2020 (updated 2017) and Alternative Fuel Development Plan 2017–2020 (2017) address resources use and energy efficiency topics to some extent¹⁵.

Smart Specialization Strategy (2013)¹⁶ aims to promote innovation capacity and technological progress in the national economy. Its priorities, among other things, include support for the knowledge-based bio-economy, smart materials and smart energy – all of them are expected to contribute to improvements in material productivity and efficiency.

Institutional setup and stakeholder engagement

Cross-sectoral Coordination Centre, which is institution directly subordinate to the Prime Minister, is responsible for the development, coordination of the implementation and evaluation of Latvia's Sustainable Development Strategy and NDP2020. Both these documents stress the importance of the efficient, productive and sustainable use of material resources. The Centre is also responsible for the evaluation of policy planning documents produced by line ministries and coordination of the implementation of Governmental Declarations.

Line ministries are responsible for the development and coordination of the implementation of policy planning documents for their specific policy areas.

The Ministry of Environmental Protection and Regional Development (MEPRD) is responsible for resource efficiency related to environmental sectors: waste management, natural resources and climate – all these fields include elements of resource efficiency. Additionally, the MEPRD is responsible for green public procurement which includes essential elements of resource efficiency – life cycle analysis, etc.

Currently the MEPRD is working on the *Informative Report on the Circular Economy in Latvia*, and the promotion of this policy area will be its responsibility. There are no signs that this policy area will become an overarching governmental policy led by the prime minister or any governmental commission.

The Ministry of Economics is responsible for national economic, product and energy policies. It develops policies for the building and energy sectors, renewable energy, energy efficiency, support for entrepreneurship and innovation. It is also responsible for eco-design.

The Ministry of Transport is responsible for sustainable and efficient transport policies for railways, road traffic including road transport and traffic safety, and the maritime and aviation sectors. Some elements

¹³ <http://polsis.mk.gov.lv/documents/5499> (Latvian)

¹⁴ <http://polsis.mk.gov.lv/api/file/file34401.doc> (Latvian)

¹⁵ <http://www.sam.gov.lv/sm/content/?cat=647> (Latvian)

¹⁶ <http://tap.mk.gov.lv/mk/tap/?pid=40291636> (Latvian)

in policies include better modalities and transport modes as well as use of more (environmentally) friendly fuels.

The Ministry of Agriculture is responsible for forestry, agricultural and fishery policies, and is now the main coordinating institution for the *Latvian Bio-economy Strategy 2030*.

The role of **Ministry of Education and Science** is in terms of facilitating the incorporation of material/resource topics in study curricula and educational standards, as well as in providing support to research in priority fields, such as the bio-economy, energy and material sciences.

Latvia's **Central Statistical Bureau (CSB)** compiles data for economy-wide material flow accounts and reports them to EUROSTAT annually according to EU Regulation Nr.691/2011. Accounts are compiled using foreign trade, energy, and agricultural CSB data, as well as information from Latvia's state forests on extraction of timber and game (hunting) resources and the Latvian Environment, Geology and Meteorology Centre (LEGMC) on extraction of mineral resources and waste.

There are legal requirements for **consultative mechanisms** in the development processes for policy and legislation, including a consultation phase during the preparation of financial programming documents. Requirements are set by **the Cabinet of Ministers Rules of Procedures**¹⁷. Apart from that, the public involvement (in public hearing processes) is an indispensable part of any policy document development.

In general, the development of any policy documents within the public administration system is a consultative process. That means that each ministry has the right, time and duty to contribute to policy documents in their development phases through submitting written comments, taking part in expert meetings and working groups, and also when the final version of a document is considered at the State Secretary Meeting. This meeting is the highest level inter-ministerial consultative body prior to a document is submitted for approval to the Cabinet of Ministers.

Usually the first phase of a consultation process in integrated, cross-cutting policy areas is the establishment of an **inter-ministerial working group**. There is another type of consultation mechanism, less formal in nature. These working groups include not only ministerial representatives but also representatives from stakeholder groups – industry, non-governmental organisations (NGOs), and academic sector/researchers. In cases of very technically orientated policies and legislation, emphasis is put on participation by representatives from the relevant industry as it will have the most comprehensive knowledge and understanding of the issue.

A few **public consultative bodies** at the MEPRD play an essential role in waste management sector. These are the Consultative Boards on packaging issues and on large-scale investment projects. The most effective coordination and consultation mechanism representing NGO views is the Environmental Consultative Board which involving representatives from 20 organisations.

Approaches to resource efficiency and circular economy policy evaluation

Two assessment approaches are applied to policies. Government Regulations Nr. 737 (2014) on requirements for development of policy planning documents and their impact assessment envisage *an ex-ante* process that stipulates its scope – providing freedom of choice of assessment methods. The Regulations stipulate that policy assessments should be based, *inter alia*, on studies that ministries commission based on the availability of financial resources. This has also been widely applied in the waste management sector, the most relevant policy area to the circular economy targets. Mid-term and final assessments to be carried out no later than two years after the implementation of a policy are envisaged¹⁸.

¹⁷ <https://likumi.lv/ta/en/en/id/190612-rules-of-procedures-of-the-cabinet-of-ministers> (English)

¹⁸ <https://likumi.lv/doc.php?id=270934> (Latvian)

During the drafting phase of policies, a socio-economic assessment is usually carried out and its results have to be included in the so-called annotation part of the policy proposal document. This is made available to the public.

The Law on Environmental Impact Assessment (1998) stipulates that **strategic assessments** are performed for planning documents, inter alia in the area of waste management. The Law sets clear procedures, criteria and the need for strategic assessments to include various sustainability issues, economic factors, etc.¹⁹

Thus, **monitoring the Waste Management State Plan 2013–2020** is performed in compliance with the general requirements set by the national planning system regulations that envisage regular (mid-term and final) assessments. For waste management plans, assessment is envisaged specifically by the Regulations Nr.564²⁰. These state that the MEPRD will assess the introduction of waste management plans and the programme at least once every three years. The MEPRD will prepare an informative report on the assessment results and, if necessary, amendments to the relevant waste management plan or programme.

Informative reports are publicly available²¹.

For the *Waste Management State Plan 2013–2020*, the reporting terms set mid-term assessments by 1 July 2016 and 1 July 2019, and the final one by 1 July 2021. The latest report (2016) is available online²².

Implementation of new economic instruments, particularly tariffs and natural resources tax changes, require detailed assessments of economic aspects of new policy proposals. Additionally, a cost recovery principle is set as one of the basic preconditions in ex-ante and ex-post assessments of any, but particularly of large-scale public utilities infrastructure projects, including waste management infrastructure development.

The **post-implementation monitoring of waste management projects** is carried out by the MEPRD which examines post-implementation monitoring reports submitted by the project beneficiaries. The MEPRD monitors and evaluates the following data, amongst others: the amount of revenue against the amount planned for the project; tariff rates applied in line with population solvency and the project plan; issues that may affect the sustainability of the project.

Monitoring and targets

Targets for resource efficiency and circular economy

Resource productivity targets

There are two national level higher policy documents, one for the mid-term and other for the long term, that define targets and indicators for measuring natural resource use efficiency:

- 1) *National Development Plan of Latvia 2014-2020* (NDP2020, adopted in 2012) defines productivity of the use of natural resources – target EUR 600 per tonne in 2020; with an interim target of EUR 540 per tonne and a 2030 target of EUR 710 per tonne.
- 2) The *Sustainable Development Strategy of Latvia 2030* (Latvia2030, adopted in 2010) that had been prepared a little earlier, sets a more optimistic target for natural resource use productivity of EUR 1,550 per tonne in 2030.

¹⁹ <https://likumi.lv/ta/en/en/id/51522-on-environmental-impact-assessment> (English)

²⁰ <https://likumi.lv/ta/en/en/id/233466-regulations-regarding-state-and-regional-waste-management-plans-and-state-waste-prevention-programme> (English)

²¹ <http://polsis.mk.gov.lv> (Latvian)

²² <http://polsis.mk.gov.lv/api/file/file/2025772950417243755.docx> (Latvian)

Waste and circularity targets

The most significant document that sets targets related to resource productivity and the circular economy is guided by the EU policy requirements. Latvia has defined targets that are fully in line with the EU ones, and has neither defined any stricter target values, nor extended the scope of issues.

The following resource efficiency-related mandatory targets for the waste management sector have been included in the *Waste Management State Plan 2013–2020* and they mainly cover periods that have already passed, with exception of the following higher-level target values which are still to be met.

Table 1 Targets for the waste management sector in Latvia after 2018

Type of waste	Targets
Municipal waste (including separately collected paper, metal, plastic and glass)	<ul style="list-style-type: none">By 2020, the preparation for reuse and the recycling of waste materials – at least paper, metal, plastic and glass from households and possibly from elsewhere from which waste streams are similar to household waste – shall be increased to an overall minimum of 50 per cent by weight.
Construction and demolition waste	<ul style="list-style-type: none">By 2020, the preparation for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, shall be increased to a minimum of 70 per cent by weight.
Biodegradable waste	<ul style="list-style-type: none">After 16 July 2020, to reduce the amount of biodegradable municipal waste disposed of in landfills to 35 per cent of the total weight of biodegradable waste produced in 1995.
Packaging waste	<ul style="list-style-type: none">Targets remain as stated for 2015
End-of life vehicles (ELVs)	<ul style="list-style-type: none">Targets remain as stated for 2015
Waste electrical and electronic equipment (WEEE)	<ul style="list-style-type: none">By 30 June 2021, 40.5 per cent and from 1 July 2021 increase the collection rate of WEEE to 65 per cent of the average weight per appliance placed on Latvian market in the last three years or by 85 per cent of all WEEE produced in Latvia.Recycling targets depend on the type of WEEE and will fluctuate between 55–85 per cent of collected WEEE from 1 July 2018. and increasing to 2021
Portable batteries; accumulators	<ul style="list-style-type: none">Targets remain as stated for 2016
Used tyres	<ul style="list-style-type: none">The volume of used tyres to be recycled and recovered (regenerated) from the amount collected and handed over after 2016 to be reached by 31 December each year is 80 per cent – this is a Latvian nationally set target

Source: *Waste Management State Plan 2013–2020*

A new version of the Waste Management State Plan will be prepared for the period after 2020. This will include new waste management targets set by relevant EU Directives, in particular, an amended Waste Framework Directive, the Packaging and Packaging Waste Directive and Landfilling Directive.

It should also be noted that Latvia2030 also defines a target for recycling waste – more than 80 per cent of the amount the collected per year from 2030 shall be recycled. All types of waste are included.

The ***State Waste Prevention Programme***, part of the *State Waste Management Plan 2013–2020*, determines several targets that are significant in the context of a circular economy.

Table 2 Targets in the Waste reduction programme

Indicator	Unit	Target for 2020
Amount of generated waste per person	kilograms/person	≤ 400
Total amount of generated waste	tonnes/year	≤ 650,000

Indicator	Unit	Target for 2020
Total amount of generated hazardous waste	tonnes /year	≤ 50,000
Total amount of recycled municipal waste	per cent of annual generated amounts	50
Total amount of recycled hazardous waste	per cent of annual generated amounts	75
Total amount of recycled industrial waste	per cent of annual generated amounts	75
Total amount of landfilled municipal waste	per cent of annual generated amounts	≤ 50 per cent
Total amount of landfilled industrial waste	per cent of annual generated amounts	≤ 25 per cent
Total amount of landfilled hazardous waste	per cent of annual generated amounts	≤ 25 per cent

Other targets

Latvia2030 defines the following indicators and targets, which are related to the broader concept of resource efficiency, to be achieved by 2030:

- 18 per cent of Latvia's territory to achieve specially protected nature area status;
- agricultural land maintained biologically (per cent of total agricultural land managed) – 15 per cent of managed agricultural land under organic farming;
- ecological footprint – below 2.5 global hectares per inhabitant (an holistic reduction of all kinds of resources calculated as an integrated indicator).

Energy related targets are excluded from the list.

Indicators to monitor progress towards a resource-efficient circular economy

Since 2009, Latvia's **Central Statistical Bureau (CSB)** compiles data for economy-wide material flow accounts and reports them to EUROSTAT annually according to EU Regulation Nr.691/2011. Economy-wide material flow accounts present data on domestic extraction, imports and exports broken down into 45 material categories (covering biomass, metallic and non-metallic minerals and fossil energy carriers) as well as imports and exports of all other products. Accounts are compiled using foreign trade, energy, and agricultural CSB data, as well as information from Latvia's state forests on extraction of timber and game (hunting) resources and the Latvian Environment, Geology and Meteorology Centre (LEGMC) on extraction of mineral resources and waste. The CSB²³ and Eurostat websites²⁴ contain publicly available data sets for 1995-2016²⁵.

In Latvia, monitoring material use and resource efficiency is based on Eurostat-derived material flow accounting (MFA) indicators ([resource efficiency scoreboard](#)), alongside Cabinet of Ministers Regulations from 24.02.2009 No. 175 Regulations on national environmental indicators. Data are used in different contexts during policy development and analysis processes²⁶.

Information publicly available from the Central Statistics Bureau (CSB) website contains data on resource productivity and in the CSB's annual publications – the latest one, Environmental Indicators in Latvia 2016,

²³ http://data.csb.gov.lv/pxweb/en/vide/vide_ikgad_vide/?tablelist=true&rxid=a79839fe-11ba-4ecd-8cc3-4035692c5fc8 (English)

²⁴ <http://ec.europa.eu/eurostat/data/database> (English)

²⁵ <http://www.csb.gov.lv/en/dati/publications-2017-45747.html> (English)

²⁶ <https://likumi.lv/doc.php?id=188492> (Latvian)

included data on resource extraction, environmental expenditure, emissions, species, etc., as well as resource productivity²⁷.

Latvia has uniform approach to policy planning and implementation monitoring.

Implementation assessment is based on resultative indicators that are an indispensable part of any policy. Usually there are mid-term and final reports on implementation that are submitted to the government for approval/acceptance in form of an Informative Report.

Informative Reports are publicly available in the policies data base²⁸.

For example, the following are the reporting terms set for some policies:

- for *Waste Management State Plan 2013–2020* – mid-term by 1 July 2016²⁹ and 1 July 2019, and final by 1 July 2021 (the Ministry of Environmental Protection and Regional Development is responsible).
- For *Sustainable Development Strategy of Latvia 2030* – 2012, 2015³⁰, 2018 (in preparation)
- For *National Development Plan 2014–2020* – every two years, latest report was available in 2015

According to the law, there is a unified reporting system for both NAP2020 and Latvia2030, presented in one document (the responsible institution for both is the Cross-Sectoral Coordination Centre).

Officially supplementary metrics are not used, though in Latvia2030 an ecological footprint is defined as a progress indicator, developed by academic or non-governmental institutions.

Resource efficiency, circular economy and the 2030 Sustainable Development Goals

The process of integrating the Sustainable Development Goals (SDGs) into national policies was organized as follows.

- 1) In 2017 under coordination of Cross-Sectoral Coordination Centre Latvia mapped existing policy targets against the SDGs. Results are available publicly³¹.
- 2) Thereafter, mid-term implementation assessments of two main national policy documents, *Sustainable Development Strategy of Latvia until 2030* (2010) and *National Development Plan 2014-2020* (NDP2020) were linked with a revision of existing policy targets and the preparation for the Cabinet of Ministers of suggestions for amendments in the NDP2020 and policies after 2021 to better integrate the SDGs.
- 3) It was concluded that majority of SDGs are already covered to some extent in existing policies. However ministries were invited to perform more detailed assessments of the SDGs presence in their policies while working on implementation assessment reports.
- 4) Latvia has prepared national **Implementation Report on the SDGs** meant for presentation at the UN High Level Political Forum on Sustainable Development 2018. The Report, prepared and adopted by the government, was subject to a public consultation process³².
- 5) The Implementation Report reaffirms that existing initiatives on waste minimisation, including the use of economic instruments, and green public procurement, are the main instruments contributing to the SDG12. Moreover, it confirmed that Latvia is currently assessing how to introduce the circular economy as a system in which the value of goods and materials is

²⁷ http://www.csb.gov.lv/sites/default/files/publikacijas/2017/nr_30_vides_raditaji_latvija_2016_17_00_lv_en.pdf (Latvian)

²⁸ <http://polsis.mk.gov.lv> (Latvian)

²⁹ latest report (2016) <http://polsis.mk.gov.lv/api/file/file2025772950417243755.docx> (Latvian)

³⁰ latest report (2015) <http://polsis.mk.gov.lv/api/file/file1268318098226574000.pdf> (Latvian)

³¹ <https://www.pkc.gov.lv/lv/valsts-attistibas-planosana/ano-ilgtspējīgas-attistibas-merki/iam-kartejums> (Latvian)

³² <https://www.pkc.gov.lv/sites/default/files/inline-files/Latvia%20Implementation%20of%20the%20SDGs.pdf> (English)

maintained for as long as possible, while waste generation and use of primary resources are reduced through industrial symbiosis and that result in lower costs. This approach should be a guiding principle in the planning of all policy documents from 2021 onwards.

Examples of innovative approaches and good practice

Examples of good practice and innovative approaches

Latvia implements a number of initiatives that support resource efficiency and/or circular economy. Some areas of high interest include:

- **producer responsibility/supplier responsibility;**
- **taxation and economic instruments** to encourage investment in resource efficiency and the circular economy;
- **financial support programmes;**
- **research and innovation;**
- **public procurement.**

1) Extended producer responsibility

To support resource efficiency and promote the principle of circularity of the economy, Latvia has established and extended producer responsibility (EPR) system. The EPR principle is the main mechanism through which environmentally sound recycling schemes are promoted and encouraged in Latvia.

Natural resources tax (NRT) is a main economic instrument applied to increase the motivation of companies to take responsibility for waste management and obtain a 100 per cent exemption from the NRT for packaging or goods. EPR principles are applied to the following types of goods:

- 1) packaging of goods and products, disposable tableware and accessories;
- 2) environmentally harmful goods – lubricating oils; electric batteries and galvanic power sources; substances that deplete the ozone layer; all types of tyres; oil filters; and electrical and electronic equipment;
- 3) passenger vehicles.

The producers of certain products falling under EPR schemes, who have been exempted from payment of NRT, cover the costs for corresponding waste management, including the cost of separate collection, sorting and recycling or recovery of such waste, in order to reach targets for the collection and recovery of relevant waste streams. These producers can choose one of three options:

- 1) paying NRT and cover the relevant costs for the management of waste from their products;
- 2) receiving exemptions from payment of NRT by establishing their own EPR system for the management of waste from their products;
- 3) receiving exemptions from payment of NRT by concluding a contract with an EPR scheme which has concluded a contract with the State Environmental Service, a subordinate institution to the Ministry of Environmental Protection and Regional Development that is responsible for the application of EPR schemes.

An EPR scheme can be established by any type of commercial enterprise. The State Environmental Service carries out the administration of the exemption from payment of NRT and EPR schemes companies' control. It also maintains publicly available information on EPR system participants and performance.

The enterprise ensures that within the framework of an established EPR that they not only ensure recycling and recovery of waste from relevant goods in accordance with targets and for the establishment of a sufficient network of collection facilities, but they also are obliged to organise at least four public information and communication events on the management of the relevant waste stream and continuously provide information to the public. If companies fail to comply with the recovery and recycling targets, a tenfold NRT rate for the non-recovered or non-recycled amount is applied.

In 2013 eight EPR schemes covered 4 457 legal entities. In 2018 there are nine EPR systems operating in Latvia covering 7 261 legal entities: 5 047 for packaging, 967 in goods harmful to environment, 1 219 for waste electrical and electronic equipment (WEEE) and 28 for ELVs.

The EPR schemes have been generally successful in Latvia in terms of meeting recycling and recovery targets set in relevant legal acts and their contracts.

2) Natural resources tax

The main economic instrument for improving resource efficiency and encouraging and supporting recycling markets in Latvia is an NRT. It is also used to create financial incentives to reduce the cost gap between primary and secondary raw materials. One of the tax's aims is 'to promote economically efficient use of natural resources'. Significant changes in NRT rates took place in 2014:

- NRT rates were increased by, on average, by 20–25 per cent for the excavation of mineral resources – peat, quartz sand and sandstone; packaging; goods harmful for the environment: and
- for first-time, NRT was introduced for permanent vehicle registration in Latvia;
- NRT rates on the landfilling of municipal, construction and industrial waste were increased considerably, by 20–25 per cent and will continue to increase³³.

The gradual increase of tax rates for the disposal of waste is planned until 2020. The largest increase in 2017 was for the disposal of municipal waste – from EUR 12 per tonne effective since 1 January 2014 to EUR 25 per tonne as of 1 January 2017. The tax rate for hazardous waste and production waste were also increased in 2017, to 15 per cent and 21 per cent and are now EUR 45 and EUR 25 per tonne respectively.

3) Green public procurement

The MEPRD is responsible for the development of policy and technical guidance for green public procurement (GPP) that contain essential elements of resource efficiency.

The Cabinet of Ministers Regulation on Requirements for Green Public Procurement and Procedures for Application prescribe the principles of GPP to be taken into account in the procurement of products, services or works, which, among other elements, the introduce principles of prevention of environmental damage and life cycle thinking. The Regulation sets the principles in concrete requirements and criteria for different product groups and services. Guidelines, available on the MEPRD website³⁴, provide further explanation of the requirements and provide implementation verification methods. The most relevant product, services and work groups are the transport, food products and catering services, office paper, computers and information technology (IT) equipment, construction and furniture.

Public procurements in Latvia, according to Organisation for Economic Co-operation and Development (OECD) data, accounts for 12.02 per cent of GDP in 2015. In financial terms, GPP made up 19 per cent of all public procurements in 2015. The proportion of GPP is highly dependent on procurement contracts for projects co-financed from the EU funds. The perception among public authorities that GPP is more expensive, too complicated and will restrict the competition is, however, an obstacle to its further development.

The Latvian Environmental Investment Fund is subordinate to the MEPRD in implementing the EU Baltic Sea Region Programme 2014–2020 financed project Circular Public Procurement (2017–2018) that provides experience sharing and training for municipalities. The project involves 10 partners from seven countries – Denmark, Finland, Latvia, Netherlands, Poland, Russia and Sweden. It is aimed at the promotion of the circular economy through innovative approaches to procurement and capacity building of partner institutions, which include Latvian municipalities. First ideas for such procurement are already

³³ <https://likumi.lv/ta/en/en/id/124707-natural-resources-tax-law> (English)

³⁴ http://www.varam.gov.lv/lat/darbibas_veidi/zalais_publiciskais_iepirkums/?doc=22769 (Latvian)

being tested, for example, the supply of furniture made from old pieces of furniture for kindergartens in Liepaja city.

4) State policy and support to innovations

Latest data from the EU **Eco-Innovation Scoreboard 2017**³⁵ ranks Latvia as the 22nd among the EU Member States with a score of 71 points while the EU average is 100. Latvia's eco-innovation inputs are 41 per cent of the EU average and in terms of activities Latvia's performance is also modest, reaching 41 per cent of the EU average. At the same time, eco-innovation outputs and socioeconomic outcomes surpass the EU average. This situation is based on the relatively good performance of the country in terms of eco-innovation related academic publications and employment rates in eco-industries. Also, data show strong performance with regards to turnover in eco-innovation related industries.

The drivers of eco-innovation and circular economy development in Latvia are the energy and resource efficiency targets of the EU's Europe 2020 Strategy, investments of the EU Structural Funds, assistance of EEA/Norway Grants, and the prioritisation of the bio-economy, smart materials and sustainable energy as research fields.

Environmental and energy related innovation support is the responsibility of the Ministry of Education and Science as it runs state research programmes and the distribution of EU funds, as well as being the institution mainly responsible for the implementation of Latvia's Smart Specialization Strategy. The role of this research programme is essential to the development of new technologies and materials – innovation aimed at resource productivity.

In 2014, the Green Technologies Incubator was opened in Latvia, and up to 2017 it has provided pre-incubation support to 153 business ideas, and support to 24 enterprises for the implementation of ideas for innovative sustainable technologies, products and services. Grants for these 24 projects totalled EUR 1.22 million. The Incubator also created 80 new workplaces.

5) Financial support programmes

EU Fund investments are the most important financial instrument in the development of the waste management in Latvia since 2000. Since 2005, more than EUR 166 million in EU funding and co-financing in total³⁶, have been invested to form and develop a waste management system. The most significant investment was in 2015 – EUR 28.60 million, followed by an almost tenfold drop in 2016.

For the period 2014-2020, EUR 49.9 million from the EU Cohesion Fund will be invested in a separate waste collection system, recycling and waste regeneration with energy recovery to meet EU requirements which require higher recycling rates and ensuring implementation of various aspects of the circular economy. Recipients of funding can be municipalities, municipal-owned waste management companies, as well as entrepreneurs. EU Fund investments serve as important catalysts in mobilising private sector investments. Beneficiaries have to ensure private co-financing of 15–65 per cent of project total costs, depending on the type of measure.

It is **planned** that until the end of 2023 within EU 2014–2020 planning period:

- at least seven waste recycling projects will be implemented, four on plastic recycling, one for glass recycling, one for lead batteries and at least one for biologically degradable waste recycling; together, these projects will increase waste recycling by about 179 000 tonnes/year;

³⁵ https://ec.europa.eu/environment/ecoap/latvia_en (English)

³⁶ The actual amount of funding in EU co-financed projects (not including corrections in the project monitoring period) paid. Data from national EU project data bases (restricted access)

- four separate waste collection projects will be implemented – 36 separate waste collection points will be upgraded, one collection field and point will be developed, as well as two specialised vehicles for separate waste collection will be purchased;
- a plant for waste regeneration with energy recovery will be supported and it is planned that this will increase waste regeneration capacity by about 11,000 tonnes per year.

Seeking synergies with other policy areas

Latvia has put some initiatives in place that deliberately seek to create synergies and co-benefits between resource efficiency, the circular economy, and other policy areas.

Energy Development Guidelines 2016-2020 (2016)³⁷, developed by the Ministry of Economics, are fully compliant with the EU policies, particularly with the EU Roadmap Towards Low-Carbon Economy by 2050, as well as with the respective climate and energy targets set by various EU Directives, most of which are complementary to the resource efficiency objectives.

Great synergy of measures is seen in specific policy measures related to energy efficiency and use of renewable energy resources.

Adopted in 2017, the *Latvian Bioeconomy Strategy 2030*³⁸, under the auspices of the Ministry of Agriculture, sets five main directions, one of which is efficient and sustainable resource management. Specific measures related to resources, and also integrated with climate and energy policies, are targeted at the use of biomass for energy production, based on the cascading principle, and the reduction of greenhouse gas emissions in bio-economy sectors. Employment, added value to extracted bio-resources, and consequent export growth are goals behind resource efficiency in bio-resource use.

The main policy instrument intended to ensure the more sustainable import of materials and products is **natural resource tax (NRT)**, which is based on the polluter pays principle. The activities and goods on which the natural resources tax is imposed can be divided into the following groups:

- emissions of substances that pollute the environment;
- use of natural resources (for extraction of resources);
- water extraction and pollution;
- waste disposal;
- goods harmful to the environment;
- packaging of goods and products and disposable tableware and accessories;
- other – radioactive substances, coal, coke and lignite/brown coal.

Tax rates have increased in the past by 20–25 per cent to ensure the sounder use of natural resources and strengthen application of the polluter pays principle.

The latest major revisions took place in 2014 and 2017. In 2014 tax rates on different groups increased by 20–25 per cent particularly for mineral resources – peat, quartz sand and sandstone, waste disposal, packaging, goods harmful to the environment, and, for first-time in Latvia, permanent vehicle registration. These all contributed to the more sustainable import of goods to Latvia

In 2017, tax rates rose by 25–29 per cent on extraction of several categories of minerals and soil. Tax rates on goods harmful to the environment rose considerably – by 50 per cent for all types of tyres, which now are taxed at the rate of EUR 0.66 per kilogram.

³⁷ <http://polsis.mk.gov.lv/documents/5499> (Latvian)

³⁸ <http://tap.mk.gov.lv/lv/mk/tap/?pid=40433525&mode=mk&date=2017-12-19> (Latvian)

In 2008, Latvia introduced a differentiated approach to different types of plastics, setting lower charges for bioplastic packaging and higher ones for polystyrene packaging. Reasonable tax increases of 23–29 per cent took place for packaging made from polystyrene source materials, and for plastic bags weighing less than 0.003 kilograms and more than 0.003 kilograms.

Tax rates were increased by 12–14 per cent for imported non-renewable energy resources – coal, coke and lignite/brown coal.

To avoid importing waste and to promote recycling in Latvia, the tax rates for waste disposal have increased tenfold since the mid-1990s. The largest increase took place in 2017 for the disposal of municipal waste – from EUR 12 per tonne effective since 2014 to EUR 25 per tonne as of 2017. In 2018 this rate was increased to EUR 35 per tonne.

More detailed information on natural resources tax rates can be found in Annexes 1-9 of the Natural Resources Tax Law³⁹.

Another economic instrument to limit the import and use of goods that have harmful effects on human health was established by the Law on Excise Duties (2004)⁴⁰.

Latvia raises **excise duty** for oil products, substitute products and their components, as well as for other products consisting in whole or partially of hydrocarbons, and natural gas supplied to end users and used as fuel or heating fuel. Excise tax rates on fuel in Latvia are higher than the EU minimum level.

The rates are differentiated, depending on the intended use and the contents of the product. For example, there is no duty on biofuel, lower duty rates for petrol with high biofuel content and the highest on unleaded petrol⁴¹.

Latvia also sets **product standards**, environmental legislation defining permissible levels of some chemicals in products, recycling requirements, etc. and standards for **green public procurement** (GPP). The most relevant product, service and work groups are transport, food products and catering services, office paper, computers and IT equipment, construction works and furniture.

Resource efficiency and circular economy policy initiatives from subnational to local level

There is a growing number of best practice cases and practices at local levels related to the promotion of the ideas and principles of a circular economy. Some of initiatives received national acceptance although this is not directly linked with government policy or public governance led process. All of them are society initiatives.

Most of initiatives are not only targeted at raising public awareness on waste reduction issues and sustainable consumption, but also propose real solutions, sharing platforms, and advice and methodological guidance to address issues of reducing waste and turning waste into products by prolonging life of the used goods (especially clothes and footwear, as well as books) and sharing them with people in the community. These activities are due to be scaled up soon, as the interest in circularity and zero waste is growing from all involved actors: citizen groups, NGOs, business actors, artists and designers, charity organisations, and local government.

³⁹ <https://likumi.lv/ta/en/en/id/124707-natural-resources-tax-law> (English)

⁴⁰ <https://likumi.lv/ta/en/en/id/81066-on-excise-duties> (English)

⁴¹ http://fm.gov.lv/en/s/taxes/excise_duty/ (English)

Examples of bottom-up awareness raising initiatives at the local level:

Zero waste Riga, a citizens' initiative, has set up an interactive blog, with support from the North Vidzeme Waste Management Company, to share information and provide direct advice how to live without creating unnecessary waste. Regular informal gatherings/discussions promoting sustainable life styles are also organised.

Citizen groups' initiatives related to the use of **secondary textiles**

Various content targeted Facebook profiles to exchange information/goods between people directly have been established. Local communities all over Latvia have also taken up the idea of weekend flea markets. As an example, two big scale events involving thousands of people are organised at regular intervals in Riga city: Andele Mandele Market and Riga Flee Market. Similar activities take place in other big Latvian cities.

These activities are supplemented by designated websites, Facebook profiles containing extensive information and sharing opportunities on secondary clothes/footwear, etc. A list of the best known organisations that accept and hand over second hand but still usable things, including charity organisations, the Latvian Red Cross, Big Families Support Centre, etc., is available⁴².

Some businesses are also involved in promoting the secondary use of textiles.

In 2018, the North Vidzeme Waste Management Company, owned by municipalities and serving the wider waste management region, started accepting **used footwear** to be redistributed to people in need. Special places are arranged to promote this movement, which also offers repair services.

Initiatives for food waste reduction are organised by numerous citizen groups, NGOs and the business sector.

- In 2009, the Latvian Food Bank (Paēdušai Latvijai) food bank was established. The Fund for Environmental Education (FEE Latvia) has developed guidelines about responsible food consumption in schools and run a project within the international Eco Schools programme. In 2016/2017 the project involved food waste reduction activities in more than 50 Latvian schools⁴³.
- HomoEcos, an NGO, runs two projects, Responsible food consumption in schools⁴⁴ and Let's us share honestly⁴⁵.
- Latvian Waste Management Association runs the Composters' Club project which promotes household composting.

In 2015, Latvia took part in the European Waste Prevention Week for the first time. Activities were coordinated by MEPRD. Numerous municipal, waste management business-led, and NGO initiatives were organised all over country. Valmiera city municipality, for example, organised activities in cooperation with the North Vidzeme regional waste management company, in which the municipality has shares. Inhabitants were invited to hand over well preserved **table games** which were then forwarded to families in need⁴⁶.

Activities taken at the sectoral level:

Tourism: the Latvian Hotels and Restaurants Association implemented activities to improve waste sorting, resulting in 12 food waste and packaging fractions.

⁴² <https://www.fenikssfun.com/bildes/kur-nodot-nevajadzigas-mantas-6287> (Latvian)

⁴³ <http://www.videsfonds.lv/lv/dal-bai-starptautiskaj-ekoskolu-projekt-dam-atbild-gi-pievienojus-s-50-jaunas-skolas> (Latvian)

⁴⁴ <https://www.norden.lv/en/news/workshop-on-food-waste-management-in-municipalities-and-schools/> (English)

⁴⁵ <http://www.homoecos.lv/istenotie-projekti/atbildigs-partikas-paterins/> (Latvian)

⁴⁶ <http://www.zaao.lv/en/content/community-education> (English)

Transport: the operational and development strategy of the State Railway Service (SRS) for 2017–2019 aims to implement green-thinking principles in its use of funding; environmentally friendly action in the management of employees' work environment; and the application of the green procurement. Through this, the Strategy aims to develop employees' understanding of green thinking in their everyday tasks. The Strategy defines targets related to less consumption of paper, energy saving and an increased share of green public procurement in the joint procurement plan.

Other resources

Examples of policies which go beyond “material resources”

Food sector case.

Latvian Association of Biologic Agriculture has established the Ecoproduct of Latvia label (Latvijas Ekoprodukts)⁴⁷, which can be used by certified biological farms and enterprises. By 2018, this label had been granted to 63 biological firms and enterprises.

National Scheme for Food Quality has established two labels with the aim of promoting production of high quality agricultural and food products: Green Spoon (Zaļā karotīte) indicates that the product complies with higher quality criteria and that 75 per cent of the raw ingredients come from an EU Member State or region; and Purple spoon (Bordo karotīte) which indicates that the product complies with higher quality criteria and its full production cycle takes place in one country or region, for example, Latvia. Although the labels are not recognised as ecolabels, their criteria include environmentally related aspects.

Innovation and eco-innovation support case.

Eco-innovation in Latvia is integrated into the common innovation policy framed by Guidelines on National Industrial Policy for 2014–2020⁴⁸ which focuses on two main courses of action for innovation: the promotion of technological development and the production of higher value-added products; and boosting the knowledge base and dynamic entrepreneurship. The Guidelines for Science, Technology Development and Innovation for 2014–2020 (STI)⁴⁹ implement a horizontal approach to science and innovation policy, linking research and industry in a single system. The aim of the STI Guidelines is to raise the global competitiveness of Latvian science, technology and innovation, satisfying the development needs of Latvian society and the economy.

Finally, Latvia's Smart Specialization Strategy (SSS)⁵⁰, which sets the objectives of transforming the economy to one creating high value-added products and the more efficient use of resources. The Strategy includes priorities and specialisation areas, which partly correspond to the facilitation of eco-innovation, namely: knowledge-based bio-economics; bio-medicine, medical technologies, bio-pharmacy and bio-technologies; advanced materials, technologies and engineering systems; smart energy; and information and communication technologies.

The SSS consolidates innovation potential in priority areas, thus ensuring a sustained political and financial commitment to the development of a green economy and eco-innovation. An important driver has also been the increasing support to green innovation by the Green Industry Innovations programme under the Norwegian Financial Instrument (NFI) financing period 2009–2014, and planned support from the NFI for next period to 2021. The programme was one of the instruments that directly contributed to investment in Latvian eco-innovation activities. The total available funding was EUR 12 586 667 (Norwegian grants, EUR 11 328 000 and EUR 1 258 667 from the State budget).

⁴⁷ <http://www.lbla.lv/latvijas-ekoprodukts> (Latvian)

⁴⁸ https://www.em.gov.lv/files/uznemejdarbiba/finl_en.pdf (English)

⁴⁹ http://em.gov.lv/files/nozares_politika/2014ino.pdf (English)

⁵⁰ <http://www.izm.gov.lv/en/Science/smart-specialisation-strategy> (English)

Existing support programmes and tools such as Competence Centres, Innovation vouchers, technology transfer and commercialisation initiatives are aimed at developing all types of innovation, allowing the focus on the development and implementation of environmental solutions, green innovation and welfare technologies.

The way forward

Reflections on future directions of policies on resource efficiency and circular economy

There are several obstacles and challenges jeopardising smoother implementation of resource efficiency, raw material and circular economy policies and targets in Latvia.

- 1) The main challenge is the cross-sectoral nature of the issue and the complexity of designing a unified policy framework for coordinated and mutually targeted activities covering all relevant sectors that might be controversial in their targets and priorities.
- 2) The sectoral character of policy domains and responsible institutions as well as narrow sectoral interests are slowing new economic models – the circular and sharing economies.
- 3) There is still problem with data availability and skills (capacity) in the application of analytical tools to assess and forecast policies related to material use. Furthermore, the willingness of private companies to provide data that exceeds information requested for official statistics is limited.
- 4) The circular economy requires a considerable social transformation that also affects business sector organisational patterns – these changes take time especially in societies that remained under a centralised governance model for a long time. Furthermore, there is little tradition of participatory democracy or ownership of processes at a societal level which leads to the maintenance of a top-down policy approach.
- 5) The small size of economy in global value chains means that Latvia is not a key player that can define rules regarding product policies and material flows.

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The European Topic Centre on Waste and Materials
in a Green Economy (ETC/WMGE) is a consortium
of European institutes under contract of the
European Environment Agency.

