*[Data that has been automatically pre-filled in the templates for the cover notes is based on the operational arrangements which have last been updated on 2024-03-22. Should the respective CID and/or operational arrangements have been amended in the meantime, please reach out to ECFIN-RECOVER.]*

*[DATE]*

*[AUTHOR (Organisation, not name)]*

**LV-C[C1]-I[1-2-1-2-i-] Increasing energy efficiency in business in the form of a combined financial instrument**

**LV-C[C1]-I[1-2-1-2-i-]-T[12] Approved projects representing at least EUR 108 000 000**

**Date of completion:** **Q4 2024**

**1) Context: description of the measure and relevant context from the CID annex** [text in full from the English version]

The general objective of this measure is to improve the energy efficiency of Latvian businesses. Investments in the energy efficiency of businesses aim to promote a rationalised use of energy resources, reduce negative impacts on the environment and climate, as well as improve the productivity, competitiveness and export capacity of enterprises. This measure specifically focuses on businesses. The first pillar of the measure consists in a support programme in the form of a combined financial instrument (loan with a grant in the form of a capital discount). The investment programme shall finance investments by enterprises in improving energy efficiency, introducing renewable energy technologies, as well as investing in sustainable transport and introducing new energy-efficient technologies in production. A second pillar of the measure shall consist in grants for the development (through industrial research, experimental development, feasibility studies) of new products and technologies related to the low carbon economy, climate resilience and adaptation. The measure shall be implemented from 1 January 2022 until 31 August 2026. In order to ensure that the measure complies with the ‘Do no significant harm’ Technical Guidance (2021/C58/01), the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude the following list of activities: (i) activities related to fossil fuels, including downstream use1 ; (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks2 ; (iii) activities related to waste landfills, incinerators3and mechanical biological treatment plants4; and (iv) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected.

**2) Copy of the milestone/target wording** [text in full from the English version]

| Seq.num | Measure (reform or investment) | Milestone/Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timetable for completion | | Reporting and implementation responsibility | Description of each milestone and target |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Unit of measure | Baseline | Goal | Quarter | Year |
| 12 | C1.1-2-1-2-i- Increasing energy efficiency in business in the form of a combined financial instrument | Target | Approved projects representing at least EUR 108 000 000 |  | EUR | 0 | 108000000 | Q4 | 2024 | Ministry of Economics | Approved projects representing at least EUR 108 000 000. |

Verification mechanism:

A summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence including a list of approved projects and their amounts. In the cases of ETS installations, this document shall contain the following information: 1) Installation ID/Aircraft Operator ID in the European Union Transaction Log (EUTL) as established by Art. 5 of the Commission Regulation (EU) 389/2013; 2) The projected level of GHG emissions per unit of product for awarded projects with activities under the EU ETS; 3) Brief description of the project and technologies used.

Further specification: (if relevant)

**3) List of key evidence provided in FENIX**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Identifier [same as in FENIX] | Name of the evidence.  For legal acts please provide the full legal reference and date of entry into force | Short description | Link to the requirements below |
| 1 |  |  |  |  |
| 2 |  |  |  |  |
| 3 |  |  |  |  |

**4) Detailed justification**

*[Explain clearly how the achievement of the milestone/target is demonstrated by the evidence provided,* ***covering ALL elements of the milestone/target and the elements of the measure description that are directly or indirectly linked to the milestone/target’s requirements.***  *(e.g. the fact that (i) a certain institution had (ii) to accomplish something (iii) in a certain way in order (iv) to achieve a certain goal (v) by a certain date). Please provide* ***a clear link between all the below elements and the one or more evidence items listed above.***

Requirement 1: ‘[excerpt from the milestones/target or the measure description]’

*[Explanation of fulfilment]*

Requirement 2: ‘[excerpt from the milestones/target or the measure description]’

*[Explanation of fulfilment]*

Requirement 3: ‘[excerpt from the milestones/target or the measure description]’

*[Explanation of fulfilment]*

[…]

Contribution to the achievement of other elements from the measure description: [evidence related to the elements that are not directly addressing the M/T but in the measure, where relevant]