TOWARDS A CLIMATE NEUTRAL EU: EFFICIENT ALLOCATION OF EU FUNDS

Evaluating EU funding mechanisms 2021-2027: Latvia

An assessment of Regional Programmes for EU funding Latvia 2021-2027

Zaļā brīvība

Acknowledgements

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1. Introduction

Public financing is generally used for good cause and represents the fair intentions of those involved. However, for all the 28 studied projects there is room for improvement to ensure that the financing used serves the society better.

Within the **Towards a Climate Neutral EU: Efficient Allocation of EU Funds** project, funded by the European Climate Initiative (EUKI), the association Zaļā brīvība has studied in Latvia 28 projects that have been implemented using the public financing allocated by the EU. According to the information published on esfondi.lv, there are more than 50 projects related to the transport sector, the total financing of these projects exceeds 1.5 billion euros, and 1 billion euros of this sum has been allocated by various EU funds.

The total financing of the studied 28 projects is 413.7 million euros, with 271.8 million euros (66 %) coming from EU funds. These projects provide for investments in science, technologies, infrastructure, and vehicles.

2. Science and technologies

Out of all the studied projects that were related to the transport sector, nine could be qualified as 'science and tech' projects. They amounted to 6.3 million euros and the share of the EU public fund financing was 4.3 million euros. Among others, these projects improved drive train efficiency, electric vehicle charging solutions for multi-apartment houses, and traffic violation management systems.

Most of these projects have been realised so that a company can gain a better market situation or patent rights. While such use of financing is a common practice, it rarely brings any good to society even when a majority of these projects have been implemented in cooperation with some Latvian universities. One project stood out for the fact that, according to the project author's website, the company has successfully attracted financing from several EU funds. The overall amount is suspiciously big and suggests that the company can only exist thanks to this financing from funds.

Although many projects stem from a noble cause, their application in Latvia seems limited, for example, towards the development of new sensors for collecting vehicle and pedestrian traffic data or the development of a winter road maintenance information system. Still, there is hope that the acquired financing will help these products to become internationally competitive.

All these projects more or less positively affect climate: they organise the traffic, improve the production of alternative fuels, raise the drive efficiency, and work on a new heating solution for vehicles. But 'climate' was mentioned in the description of only four projects, suggesting that this is not an important issue for project developers.

3. Infrastructure

Infrastructure is a passive tool for improving climate conditions. By investing in infrastructure, new opportunities that are optional for use emerge. Out of all the studied projects, nine dealt with street reconstruction, charging networks for electrical vehicles, construction of tram lines, and other similar issues. These projects amounted to a total of 253.2 million euros, from which 160.9 million euros were allocated by EU public funds. It should be added that this amount also includes the purchase of trams, which is a part of the tram line construction project.

Five of these nine projects were related to the construction of tram lines and the procurement of trams and were implemented in the cities of Riga, Daugavpils, and Liepāja. Street sections and squares were reconstructed in Ogre, Ludza, and Talsi by refreshing the pavement and landscaping the adjacent territory. The most extensive project was the building of a countrywide electric vehicle charging network.

Since it is complicated to evaluate infrastructure from the climate point of view and any calculations are based on assumptions affected by too many factors, attention was paid to the fact of whether or not a project positively affected the local community by facilitating better and more environment-friendly mobility. Only one of the projects — the reconstruction of a street section in Ogre and the building of a park & ride park — did more than just what was necessary for the project itself. This project also took care of the greenery, benches, and convenient traffic organisation. The only thing missing for this project to be complete relates to micromobility parking or solutions for parking scooters and bicycles.

The procurement of new trams and construction of new lines is necessary, especially in cities where there already is infrastructure for trams, to ensure that fewer people choose their cars in these urban territories. This is what the projects in Liepāja and Daugavpils attempted to do, but while the project descriptions stated that low-floor trams would be purchased, the trams bought are not low-floor trams like those we can see in Riga. Not only does quite a high step need to be taken to get onto a tram, but there is another step inside the tram that limits the ease of access for those pushing a pram or a stroller, those in wheelchairs, and those with functional disabilities.

4. Vehicles

The cornerstone of green mobility is choosing a greener vehicle; special attention was therefore paid to 10 projects that provided for the purchase of vehicles. The total value of these projects was of 206.4 million euros, 144.9 million euro of which came from the public EU funds. The biggest part of this amount was used to procure trains but other projects were organised to purchase different buses.

Purchasing trains to ensure the mobility of passengers in Riga and Pieriga is a long-awaited project, the results of which have finally started to show in their own way on the Latvian tracks. There is a big hope that this will be the long-needed push that will spark the demand for train traffic, which is the most efficient passenger transport mode.

There are different practices for the procurement of buses in Latvia. For example, Jūrmala Municipality bought diesel buses and battery electric buses; Jēkabpils chose CNG buses; Valmiera purchased hybrid electric buses and battery electric ones; but Rēzekne, Jelgava and Riga only battery electric busses. Valmiera proved that hybrid electric buses save around 30 % of fuel consumption, which also means 30 % less air pollution. Jēkabpils praised CNG busses as more environment-friendly, though this accounts as greenwashing. Most probably, the municipality simply used the publicly available information. Still, it was also known at the time that CNG, from the climate point of view, is just as bad for the environment as modern diesel buses.

Rēzekne implemented the first battery electric bus project in the Baltics, which drew attention and triggered visits by representatives from not only other local governments but also the neighbouring countries. Rēzekne had taken care of the full set: buses with a charging solution. Thus, it is surprising that the Valmiera

and Jūrmala Municipalities, which also chose battery electrical buses, did not also include in their projects a solution for charging those buses. It raises the question of whether the providers of public transportation services in these municipalities had thought about this aspect or not.

Valmiera had a peculiar approach. First, one project for the purchase of one bus was submitted, followed by another project with a similar name and an identical description and amount some months later. If there were plans to buy more than one bus, then, to avoid bureaucracy and save resources, it would have been wiser to combine these two projects in one project application.

5. Summary

The analysis of 28 projects with a climate-friendly use of public financing in the transport sector in mind raises important issues about the efficiency of public financing from the climate point of view. Although there is no single answer, the realisation of these projects lies somewhere between greenwashing to inspiring experiences of sustainable innovations. It is clear that every project, despite its current status, can be improved to make it more climate-friendly and useful for society.

As we move forward, our country must define its priorities and identify the areas in which coordinated approaches are most needed. If we focus on the most topical issues and allocate the resources accordingly, we can ensure that public financing in the transport sector meets our climate goals better and serves the interests of the whole society.

It is of concern to see little investment in the subject when related to scientific research. Science has a great role in coming up with ground-breaking solutions and offering evidence-based guidelines for policy and project development. It is important to recognise the importance of scientific research in further public financing strategies and to allocate sufficient means to support the progress in the area of sustainable transport.

In managing the complexity of public financing of the transport sector, our common duty is to stand for transparency, responsibility, and continuous improvements. By reaching for greater usefulness for the society and investments in improving the climate condition with every project financed, we can promote a more sustainable and prosperous future for our country and generations to come.

Annex I – Projects Studied

Project	Total Financing	EU co-Financing
iTrEMP: Intelligent transport and emergency management platform	885 498.61 €	598 267.87 €
Development of an electric train electrical set with improved characteristics	877 482.43 €	456 454.20 €
Development of intelligent electricity management systems adapted for residential buildings and equipment to be integrated into them for efficient use of grid connection and ensuring the availability of new services – INREBEMD	770 379.98 €	497 979.15 €
Development of a sustainable heating solution for the salon of the public electric transport	759 969.07 €	526 698.66 €
IWiRoM: Development of a new type of intelligent winter road maintenance information system and ERP integration solution for improving efficiency of maintenance processes	666 625.37 €	476 570.47 €
The development of new sensors and a study of their use in obtaining traffic and pedestrian flow data to improve smart city lighting and other urban environment planning solutions	624 338.85 €	468 254.13 €
An environmentally friendly wasteless technology for the production of liquid biofuels and biogas from biomass	636 743.75 €	422 284.96 €

Development of hydrogen hydraulic compression technology for hydrogen filling stations (H2-Compression)	538 346.55 €	443 005.37 €
Smart thermal management in electric drives with built-in heat pipes/loops for better reliability and functionality	527 065.35 €	433 722.07 €
Development of transport infrastructure in Talsi Town	2 463 453.09 €	391 616.63 €
Development of transport infrastructure in Ludza Town	913 924.23 €	615 193.66 €
Business development near Ogre Train Station by reconstructing a street section and square important for business	745 126.54 €	27 267.50 €
Purchase of electric trains necessary for the transportation of passengers in Riga and Pieriga	161 209 300.00 €	114 211 073.00 €
Development of electric vehicle charging infrastructure in Latvia	7 537 465.23 €	6 406 845.43 €
Development of tram infrastructure in Riga	123 854 000.00 €	65 669 331.00 €
Adaptation of the Riga tram infrastructure to the low-floor tram parameters	55 210 427.06 €	38 784 184.29 €
Environmentally friendly and integrated mobility in Daugavpils City	29 598 590.00 €	23 179 500.00 €
Purchase of electric buses for the city of Riga	25 867 328.75 €	18 171 264.00 €

Development of environment-friendly public transport in Daugavpils	17 776 419.30 €	12 999 768.08 €
Reconstruction of tram line and the adjacent territory in Liepāja, Stage 4	15 155 600.00 €	12 831 260.00 €
Development of environment-friendly public transport infrastructure in Ventspils (eBuss)	6 568 607.93 €	4 628 249.98 €
Purchase of environment-friendly public transport (busses) (Jūrmala)	3 464 000.00 €	1 204 407.20 €
Purchase of environment-friendly public transport for Valmiera	2 835 000.00 €	1 906 322.00 €
Development of environment-friendly public transport infrastructure in Jelgava	2 057 605.00 €	1 445 000.00 €
Development of environment-friendly public transport in Rēzekne	1 939 702.60 €	1 319 861.90 €
Purchase of environment-friendly busses for Jēkabpils	1 363 054.35 €	1 076 094.22 €
Purchase of electric bus for Valmiera	550 500.00 €	467 921.00 €
Purchase of additional electric bus for Valmiera	550 500.00 €	467 921.00 €

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