

Legality Audit on the Household Waste Management
in the Republic of Latvia
in the Ministry of Environment and its Subordinate Institutions

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1. National Environment Policy

In order to help adopt the EU legislation in Latvia, the following documents were developed:

- Environment Protection Policy Plan (accepted in April 1995);
- Household Waste Management National Strategy for 1998 – 2010 (accepted in 1997);
- Waste Management Country Plan for 2003 – 2012 (accepted in 2002).

Latvia is a democratic parliamentary country. Its territory is divided into 26 regions, 7 main cities, 561 rural municipalities and towns. According to the current legislation, waste management is the responsibility of the state, cities, towns and municipalities. The regions do not take part in waste management at the moment, because their administrative institution functions will end soon due to the administrative territorial reform being performed in the state.

Participation of different levels of government in household waste management (HWM) is described in the Law on Local Governments, Law on Environment Protection and Territorial Planning Regulations. Both the Laws and Regulations foresee that waste management tasks in the context of environment protection are included in the responsibilities of regional and municipal institutions. The Ministry of Environment also plays an important role. The Regional Environment Boards that are subordinate to the Ministry, control the work of the municipalities, including HWM.

The National Strategy sets out the overall policy for developing the household waste management in the state till the year 2010. It is compulsory for all the parties involved in the HWM, waste producers, regional and state government institutions and waste management organizations. The Strategy is only the first step towards a better HWM system. The main goals of the Strategy are:

- to decrease the danger to environment caused by burying waste in inappropriate places;
- to decrease the dumping-grounds' dangerous impact on environment;
- to lessen the amount of produced waste;
- to increase waste recycling and utilization.

The Strategy foresees a regional approach to waste management, building 10 – 12 new regional household waste utilization plants, improving the quality of household waste management services, closing all the existing dumping-grounds.

In 1999 the Hazardous Waste Management Strategy for 1999 – 2004 was approved. The objective of this Strategy is to ensure developing an environment-friendly hazardous waste management system on a national level that would meet the EU requirements. The main statements of the Strategy are as follows:

- the developed system will be sustainable, and its main principle will be “the polluter pays”. The funds that ensure functioning of the system will come from the waste producers, and will also be received in form of subsidies for waste utilization and burying;
- the system will ensure a flow of information about waste producing, transportation, utilization and burying among different institutions involved in hazardous waste management to ensure making harmonized decisions;
- the system should stimulate use of cleaner technologies in production.

The Waste Management Country Plan for 2003 – 2012 is based on the Household Waste Management National Strategy for 1998 – 2010 and the Hazardous Waste Management Strategy for 1999 – 2004 as well as on the current and planned requirements of Latvian and EU legislation. The Plan ensures implementation of the requirements of the following EU Directives:

Waste Framework Directive (75/442/EEC, as amended 91/156/EEC),
 Hazardous Waste Directive (91/689/EEC, as amended 94/31/EEC),
 Packaging Waste Directive (94/62/EEC),
 Landfill of Waste Directive (1999/31/EC).

2. Compliance with the National Environment Policy

During the past 5 years a set of legislative documents has been developed in Latvia in order to control waste utilization and burying and to stop uncontrolled actions. The legislation meets international and EU principles and requirements in the sphere of waste management. Table 1 gives a list of legislative acts that regulate household waste management.

Current National Legislation in the Sphere of Waste Management

Table 1

Laws	Year of Adoption
Waste Management Law	2000
On Evaluation of Environmental Impact	1999
On Pollution	2001
On Environmental Resources Tax	1996
On Public Services Regulators	2000
On Environment Protection	1991
On Packing	2001

Regulations of the Cabinet of Ministers	Date of Adoption
On Means of waste Utilization and Burying, No 191	15 May 2001
On Waste Classification and Hazardous Waste, No 258	19 Jun 2001
On Requirements for Waste Burying and Functioning of Waste Burying-grounds, No 323	17 Jul 2001
On Procedure of Declaring Polluting Actions of Categories A, B and C and of Issuing Licenses to Conduct Polluting Actions of Categories A and B, No 294	9 Jul 2002
On Procedure of Issuing, Prolonging and Nullifying Waste Management Licenses, No 432	9 Oct 2001
On Requirements for Choosing Location for Dumping-grounds, Managing, Recultivating and Closing Dumping-grounds, No 15	3 Jan 2002
On Importing Waste for Utilization in the State Territory, Waste Export and Transit, No 76	19 Feb 2002
On Amounts and Timing of Used Packing Regeneration, Reporting Procedure and Form, No 139	2 Apr 2002
On Classification and Marking of Waste, No 140	2 Apr 2002
On Procedure of Calculating and Paying the Environmental Resources Tax, No 244	18 Jun 2002
On Procedure of Applying Environmental Resources Tax Privileges to Businesses that Carry out a Used Packing Management Volunteer Programme, No 270	25 Jun 2002
On Using Wastewater Slime in Soil Fertilization and Territory Organization, No 316	9 Sept 1997
Legislative Acts in Preparation	
Regulation on Procedure of Financing Closing of the Dumping-grounds	
Regulation on Procedure of Recording, Identification, Keeping, Packing, Marking and Transporting Hazardous Waste	
Regulation on Procedure of Regulating the Cost of Burying Hazardous Waste	
Draft Law on Used Vehicles	
Regulation on Applying Deposit System to Recycled Packing	
Draft Regulation on Basic Requirements of Hygienic and Anti-epidemic Regime in Hospitals	

The following issues are included in the subordinate legislative acts, regulations and guidelines:

- choice of the location for sanitary dumping-grounds,
- building and managing sanitary dumping-grounds,
- closing, sanation and re-cultivation of the currently existing dumping-grounds.

Realization of HWM projects in regions is based on mutual agreements among municipalities. The household waste management regions on the slide are shown taking into account the economic analysis that was carried out while developing the Household Waste Management Strategy and are indicative. Thus the borders of the regions have not been detected yet, those will be decided upon by the municipalities,

taking into consideration the market economy development trends in the HWM sphere.

3. Functioning of the Household Waste Management System

About 600 000 – 700 000 tons of household waste is produced in Latvia every year, and approximately half of it is biologically degradable. Data and forecast about household waste in the period of 1998 – 2012 is summarized in Table 2.

Data and forecast about household waste, including the biologically degradable, in the period of 1998 – 2012.

Table 2

Year	Population (millions)	Produced household waste (tons / year)	Biologically degradable waste (tons / year)
1998	2.46	648	377
1999	2.44	647	376
2000	2.42	660	384
2001	2.41	673	391
2002	2.4	685	398
2003	2.39	699	406
2004	2.38	713	414
2005	2.37	728	423
2006	2.36	743	432
2007	2.35	758	440
2008	2.34	773	449
2009	2.33	789	458
2010	2.32	805	468
2011	2.3	821	477
2012	2.29	838	487

Organizing the household waste management in the administrative territory is the responsibility of the local governments (municipalities). Collecting and burying of the household waste in Latvia is mostly done by commercial companies, 95% of which belong to the local governments. The private commercial companies serve about 50% of the Latvian population. These commercial companies work in Riga, Jelgava, Liepaja, and other cities. In 1998 there were 558 functioning dumping-grounds in the state. 77% of those were smaller than 2 hectares, and less than 1000 m³ of household waste per year was buried there. 55 dumping-grounds were closed and re-cultivated by the end of 2000. Closing of the dumping-grounds will continue as a more sustainable waste management system will develop. Table 3 gives an overview of the planned dumping-grounds' re-cultivation.

The first project to build a modern waste burying-ground was started in Talsi in 1996. Today the projects can be divided into 4 groups:

- 1) *Project finished*: Talsi (city and district);
- 2) *Projects being implemented*: Riga (city and district), North Vidzeme region (Cesis, Limbazu, Valmiera and Valka districts), Ventspils (city and district), Liepaja (city and district), Maliena region (Aluksne, Balvi, Gulbene and partly Madona districts);
- 3) *Projects being prepared*: South Latgale region (Daugavpils city and district, Kraslava and Preili districts), East Latgale region (Rezekne city and district, Ludza district);
- 4) *Project preparation has just begun*: Piejura region (Talsi and Tukums districts, Jurmala city), where the existing Talsi waste burying-ground may become the burying-ground for all the region, Central Kurzeme region (Kuldiga, Saldus and partly Dobeles districts), Zemgale region (Bauska, Jelgava and partly Dobeles districts), Central Daugava region (Jekabpils, Aizkraukle and partly Madona districts).

Table 3 shows a summary about the projects' realization progress.

Realization Progress of Household Waste Management Projects

Table 3

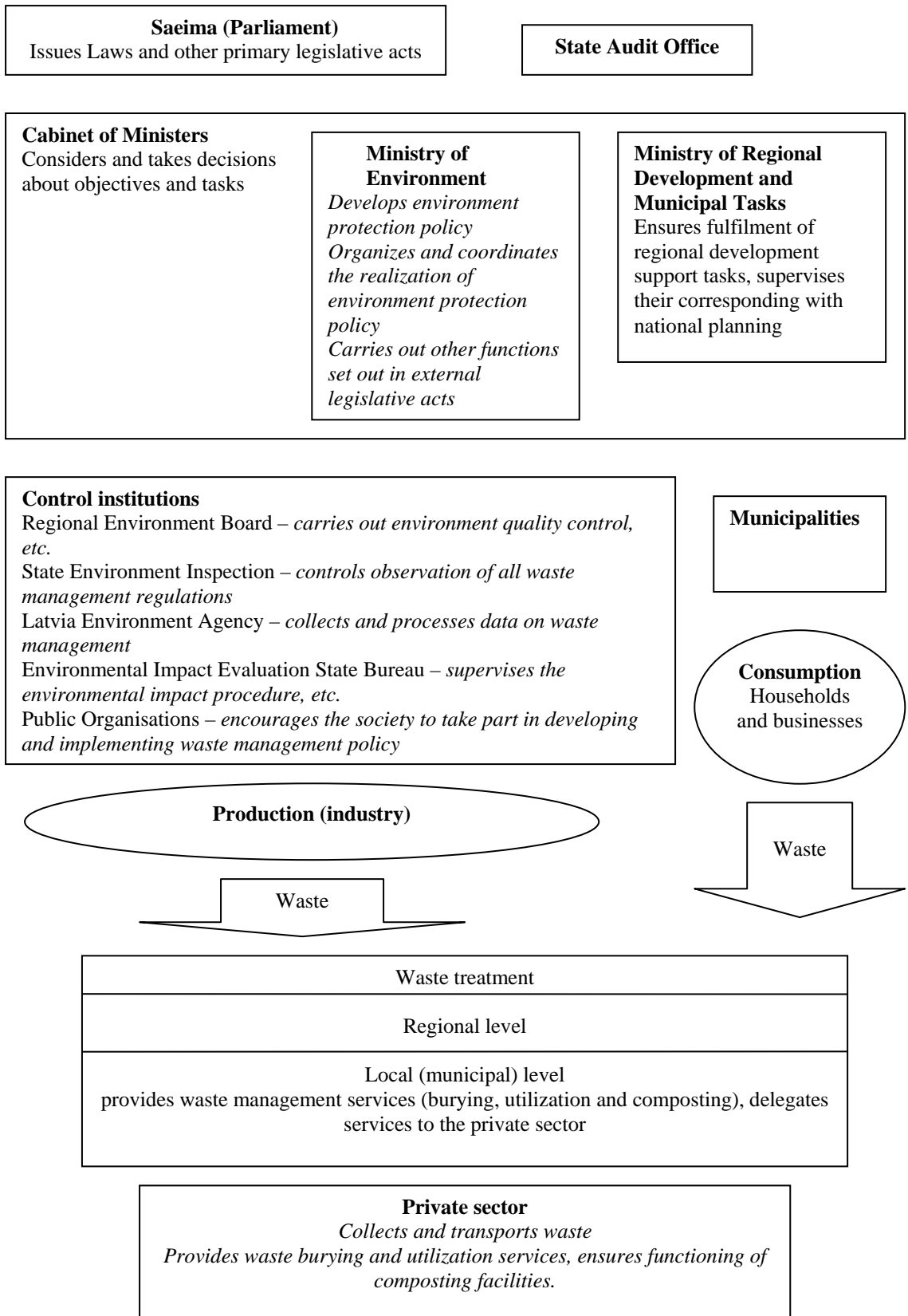
Region	Technically Economical Basis	Impact on Environment Evaluated	Design	Building	Project Finished
Riga	1997	1997	2000	2001-2004	2004
North Vidzeme	1998	1999	2000	2002-2004	2004
Ventspils	1999	1999	2000	2002-2004	2004
Liepaja	2000	2000	2001	2002-2004	2006
Maliena	2001	2001	2003	2004	2006
South Latgale	2001	2001	2003	2004	2006
East Latgale	2001	2001	2003	2004	2006
Central Daugava	2003	2003	2004	2006	2008
Zemgale	2002	2003	2004	2005	2007
Central Kurzeme	2003	2004	2005	2006	2008
Piejura	2002	2003	2004	2005	2007

During the audit it was found that information about the waste management in the state is collected by the Latvian Environment Agency. Information about the household waste since 2001 is being prepared according to the Law on State Statistics. Statistical reports are distributed to the waste producers and managers through the Regional Environment Boards, which carry out the initial quality control of the submitted data. On 7 February 2002 it was decided that the dumping-ground operators have to submit annual reports, and this requirement refers to the year 2003. Due to the technical and recording disorder in the household waste dumping-grounds, reliable statistical information about waste management in the state is missing. Both in 2001 and 2002, the figures depicting produced waste are smaller than the figures depicting collected waste. This illogical difference proves that not all the waste producers report the correct amount of the produced waste.

The data summarized by the Latvian Environment Agency about the situation in regions is based on ~ 5-15% of the total number of waste producers / collectors / buriers. In 2002 a “Manual on applying factors to household waste recording switching from volume to weight units” was developed. Unified requirements for report information have to be developed that would correspond with international requirements.

Waste Management System, its participants and their responsibility, competence and duties.

Household Waste Management System in Latvia



4. Household Waste management

According to the Waste Management Law, the implementation of the HWM Plan is the responsibility of the Ministry of Environment and its subordinate institutions with support from other state institutions and local governments as set out in Laws.

The Ministry of Environment

- Coordinates the implementation of the Waste Management Country Plan;
- Develops draft regulations for waste management;
- Summarizes information on waste management;
- Coordinates the Regional waste management projects and organizes the financing for building household waste dumping-grounds;
- Issues licenses for importing waste for utilization.

The Regional Environment Board

- Carries out the environment quality control;
- Issues licenses for waste management and licenses for polluting actions of categories A and B.

Local Governments

- Organize household waste collecting, transportation and burying in their administrative territory;
- Passes out local regulations on waste management, including on the cost of and payment for the waste management services;
- Organizes closing and re-cultivation of the waste burying-grounds, dumping-grounds or waste utilization plants.

Household Waste Management Commercial Company

- Collects and transports waste in the territory of one or several local governments;
- Keeps records of the provided waste management services and submits this information to the Ministry of Environment or its authorized institution and to the local governments;
- Manages the waste burying-grounds, dumping-grounds or waste utilization plants according to the regulations and licenses.

Waste Producer

- Manages waste according to the Law and local regulations;
- Covers the costs of waste management.

Latvia Environment Agency

- Collects and processes data on the household and hazardous waste management.

Environmental Impact Evaluation State Bureau

- Develops an evaluation program for waste management facilities' impact on environment;
- Supervises the environmental impact procedure.

State Environment Inspection

- Controls the observation of the waste management regulations;
- Supervises the work of the Regional Environment Boards.

Public Organizations

- Encourage the society to take part in developing the waste management policy;
- Supports the interests of its members in the sphere of waste management;
- Informs the society about the actualities in waste management.

Developing the household waste management system for the period of 1995 – 2012 costs 340 million EUR. It includes building a waste burying-ground, waste collecting system (costs covered by the private sector), building composting facilities inside the burying-ground, and closing the currently existing dumping-grounds, followed by after-care. The main source of the state financing is the state budget dotation from the overall revenue and environment resources tax. It is expected that in 2006 the input in environment protection will equal 1.3% of the GNP (it was 0.8% in 2000). The total cost of the household waste management projects in the period of 1995 – 2012 is planned to be 33 million EUR.

Bilateral and other irrevocable financial aid mostly goes to the preparation of the technically – economical basis of the project, tender documentation for investment projects and financing of co-operation. The main financial aid to the household waste projects in Latvia come from the Environment Protection Agency of Denmark, the Ministry of Environment of Finland, the International Development Agency of Sweden (SIDA). It is planned that in the period of 1995 – 2012, 105 179 million EUR will be received in form of irrevocable financial aid, for implementation of the waste management strategy, including ISPA financing from the EU. ISPA has been a big support for achieving the EU requirements in the waste sector. ISPA is financing the environment and transportation sector. In the period of 7 years (2000 – 2006) the amount of ISPA financing for environment projects in Latvia (both water and waste sectors) is approximately 164 million EUR.

The total financing of the waste management sector can be significantly increased by credits. The Ministry of Environment encourages the municipalities to increase their part of financing by taking loans. A loan is usually approximately 10% of the total

financing, and it can be increased. Credits from several financial sources can be combined.

Financing source	Investment distribution (%)
State Budget & Special Budget	12
Credits	13
Foreign financial aid (e.g. ISPA)	65
Own resources	10
TOTAL	100

As for the private sector taking part in the household waste management, there are several options. On the one hand, local governments or state institutions are responsible for waste management, finances and risk, but on the other hand, the private sector is also involved in this sphere. The main investment from the private sector into household waste management will go to the development of the waste collecting system. Just to implement the Landfill of Waste Directive (1999/31/EC), an investment of 65 million EUR is needed from the private sector.

5. Audit Results

During the audit we found out that the EU legislation adoption process was started in 1997. The state legislation in the sphere of waste management has been harmonized. The EU accession covenant foresees a few differences regarding waste transported for utilization, packing recycling and waste burying-grounds. We expect the Used Vehicles Directive and Electric and Electronic Waste Directive to be fully transposed in 2004. According to the Waste Management Country Plan for 2003 – 2012, 10 regional waste burying-grounds have to be built by 2009. The building will most likely be delayed due to the lack of resources and their late allocation to these projects. Out of the 558 dumping-grounds that were functioning in 1997, only 245 are being used in 2003. the Ministry of Environment did not show the closed household waste dumping-grounds' re-cultivation plans coordinated with the Ministry of Regional Development nor the financing sources for closing and re-cultivating the existing dumping-grounds. All types of household waste are not being sorted in the state, but waste sorting is being implemented step by step, taking into account the limited recycling possibilities and the low solvency of the population. During the 12 years of the renewed independence of the state, a concrete action plan to stimulate the development of waste utilization as an industry still hasn't been developed. There is a lack of interest and initiative from the municipalities to use waste utilization as a possible solution for the unemployment problem. Municipalities are not looking for ways to cover the costs of modernizing and expanding the currently existing utilization plants.

Legality checks of waste management projects' realization and waste dumping-grounds' recultivation costs have been performed by selection, checking the expenditure of the North Vidzeme region pilot project, Maliena region project, and the Riga Regional Environment Board's recultivation project.

According to the financial memorandum 2001/LV/16/P/PE/006 approved in Brussels on 14 September 2001, the cost of the North Vidzeme pilot project totals 8.774

MEUR, 3.954 MEUR of which are indirect costs (costs of the project preparation phase). The financing sources for the 4.820 MEUR approved for the project realization are as follows:

- 70% or 3.374 MEUR = ISPA co-financing;
- 6.2% or 0.302 MEUR = Latvia co-financing;
- 4.5% or 0.215 MEUR = investment from municipalities;
- 19.3% or 0.929 MEUR = a loan from the Nord Invest Bank.

The deadline for project implementation is December 2006. Household waste management in North Vidzeme region involves Cesis, Limbazi, Valmiera and Valka districts. In the period of 1998 – 2002 the pilot project preliminary study and preparation works have been carried out with a total cost of 3.52 MEUR, financed from:

- state investment programmes: 2.55 MEUR;
- municipality investments: 0.60 MEUR;
- gift from the Danish Environment Protection Agency: 0.37 MEUR.

In the project realization phase agreements have been signed about building a waste burying-ground and recultivating 12 dumping-grounds with a total cost of 3 998 799 EUR, and waste collecting vehicles have been purchased for 816 824 EUR. After checking the use of 3.5 MEUR (documentation and legality) in the Ministry of Environment, non-profit state organization “Vides projekti” and the North Vidzeme Waste Management Organization Ltd, the auditors found that:

- during the project preliminary study phase in the Ministry of Environment the signed agreements were not being registered and the work was not being recorded;
- the supporting documentation for the gift from the Danish Environment Protection agency was lacking;
- due to the technical and recording disorder in the household waste dumping-grounds, a reliable statistical information about waste management in the state is missing.

At the time of the performed check, the Investment Department of the Ministry of Environment was administering 32 environment related projects, including 15 projects co-financed by the EU structural funds with the planned costs of 207.8 MEUR. There is no distribution of supervision tasks for certain projects' realization among staff members, and there are drawbacks in the control of economic and effective use of funds in the preparation phases of the projects. The capacity of the Regional Environment Boards does not ensure a good quality performance of their functions. According to the estimates of the Danish Environment Protection Agency consultants, the number of environment inspectors in the state has to be doubled. Considering the wide spectrum of activities, the inspectors' work in supervising household waste management is insufficient.

Conclusions:

1. Legislation of the Republic of Latvia in the area of waste management has been harmonized with the EU Directives, however, the implementation is not fully coordinated and controlled. The capacity of Regional Environmental Boards does not provide for full execution of their duties.
2. Deficiencies in technical exploitation of household waste dumping grounds do not reflect the actual situation in the state.
3. Most local governments do not observe the provisions of Waste Management Country Plan 2003 – 2012 regarding development of household waste management plans and binding regulations and agreeing them with the regional environmental boards.
4. There is not financially secured system of collecting dangerous household waste established in the state, as well as support to household waste sorting.
5. The Ministry of Environment has not developed and agreed with the Ministry of Regional Development plans for recultivation and sources of funding for closed household waste dumping grounds.
6. Deficiencies in monitoring of environmental projects have been found at the Ministry of Environment which complicate the control of the use of funding for a concrete project.

Recommendations:

The State Audit Office considers it necessary to:

- introduce changes in laws and regulations laying down the responsibility of the Ministry of Environment for the control of waste movement, qualitative recording, development of waste processing and sorting system in the state;
- ensure development of regional waste management plans which include time schedules of closed dumping grounds re-cultivation and funding agreed with the Ministry of Regional Development;
- develop system of information exchange between the Ministry of Environment, Customs and Border Guard regarding issues within their competence that would confirm the coming of waste in the destination and report on its flow across the state borders;
- review the provision of subordinate bodies with environmental inspectors;
- ensure analytical accounting of measures, sources and utilization of funding of environmental projects administered by the Ministry of Environment.