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MODERNISATION FUND
Accelerating the transition to climate neutrality



MODERNISATION FUND **EIB CONFIRMATION OF PRIORITY INVESTMENT**

ref. MF 2023-1 LV 0-001

Beneficiary Member State: Latvia

Investment Proposal: Energy efficiency in transport sector – support for introduction of electric vehicles and corresponding charging infrastructure

1. Background

The Modernisation Fund was set up pursuant to Article 10d of Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (the “ETS Directive”).

The legal basis for the operation of the Modernisation Fund is set out in the Commission Implementing Regulation (EU) 2020/1001 of 9 July 2020 laying down detailed rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards the operation of the Modernisation Fund supporting investments to modernise the energy systems and to improve energy efficiency of certain Member States (the “Implementing Regulation”).

In accordance with Article 10d(6) of the ETS Directive, the European Investment Bank (the “EIB”) is to confirm whether a proposed investment falls into a priority area. The EIB may confirm the proposal as a priority investment if the conditions specified in Article 6(7) of the Implementing Regulation are met.

2. Investment proposal

Pursuant to Article 4(1) of the Implementing Regulation, on 16/02/2023 Latvia (the “beneficiary Member State”) submitted to the EIB an investment proposal “Energy efficiency in transport sector – support for introduction of electric vehicles and corresponding charging infrastructure” for which it envisages a contribution from the Modernisation Fund (Modernisation Fund reference number MF 2023-1 LV 0-001).

The investment concerns support for purchase of electric vehicles (category: M1, N1, M2 and N2) as well as installation of charging stations and installation of technologies for electricity production from renewable energy (such as solar photovoltaics or wind generators) for charging stations.

The beneficiary Member State has requested funding of EUR 5 000 000 for a disbursement for the proposed scheme.

The total Modernisation Fund support requested for this scheme EUR 5 000 000.

The objective of the investment is to promote energy efficiency in transport sector and to reduce greenhouse gas emissions by means of supporting purchase of electric vehicles as well as charging stations and technologies for electricity production from renewable energy for charging stations.

The scheme is aligned with the National Energy and Climate Plan (NECP) for Latvia which states as one of the main goals the improvement of energy efficiency and the promotion of the use of alternative fuels and renewable energy technologies in transport sector.

3. Compliance with the conditions for priority investment

- a) The beneficiary Member State has demonstrated that the investment complies with the requirements laid down in Article 10d(1) of the ETS Directive as it supports the improvement of energy efficiency and it is in line with the objectives and measures set out in its NECP.
- b) According to the information provided by the beneficiary Member State and pursuant to Article 10d(2) Directive 2003/87/EC, the investment is considered as a priority investment as it falls under the priority areas “the improvement of energy efficiency” and “generation and use of electricity from renewable sources”.
- c) The beneficiary Member State has sufficient funds available for the requested disbursement according to the statement of the available funds referred to in Article 5(1) of the Implementing Regulation and after deduction of any amounts to be disbursed for investments already confirmed in accordance with Article 6(9) of the Implementing Regulation.
- d) The beneficiary Member State has provided evidence that the measures under the investment proposal are:
 - exempted from the State aid notification in accordance with Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union; or
 - do not constitute State Aid within the meaning of Article 107 (1) of the Treaty, or

- supported under the Regulation 1370/2007 on public passenger transport services by rail and by road.
- e) The beneficiary Member State has confirmed in writing that the investment complies with any other applicable requirements of Union and national law.
- f) According to the information provided by the beneficiary Member State, the amounts requested from the Modernisation Fund are not intended to cover the same costs of the investment as those financed by another Union or national instrument.

4. Conclusions

The EIB has assessed the investment proposal based on the information submitted by the beneficiary Member State in accordance with Article 4 and Annex 1 of the Implementing Regulation and it has concluded that the investment proposal has met the conditions specified in Article 6(7) of the Implementing Regulation.

In view of the above, and in reliance on the information and evidence provided and the confirmations given by the beneficiary Member State as described at paragraph 3 above, the EIB confirms the proposal “Energy efficiency in transport sector – support for introduction of electric vehicles and corresponding charging infrastructure“ (Modernisation Fund reference number MF 2023-1 LV 0-001) as a priority investment.

This confirmation is without prejudice to the requirement for a disbursement decision to be made pursuant to Article 10d(3) of the ETS Directive.

European Investment Bank
Luxembourg, 15th March 2023