

Recent developments in Environmental law (2025-2026)

Latvia

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I Legislation

1. Climate Resilience and Economic Sustainability Law (2025)¹

The most significant recent development in climate law is the adoption of the **Climate Resilience and Economic Sustainability Law**. This creates a unified legal framework for climate governance responsibilities, the implementation of sectoral climate targets and access to climate-related support funding.

With regard to 'sectoral climate targets', the law refers to them but does not introduce sector-specific percentage reduction targets. Instead, it operationalises existing obligations derived from EU law and national planning instruments by assigning institutional responsibility and linking climate objectives to funding and policy measures. The main components embedded in the law with respect to the climate framework:

- Strategic coordination of climate policy and defined responsibilities
- Monitoring implementation of the NECP
- Climate policy financing

The original law, entitled 'Climate Law', was drafted by the Ministry of Climate and Energy (KEM) and submitted to Parliament by the Government in 2024, but was blocked by parliamentarians who expressed concerns about its effect on the economy and society, as well as about the expenditure envisaged for achieving the 'Green Deal ambitions' at a time when Latvia needs to focus more on security issues and funding for them. Objections were also raised regarding the percentage that Latvia needs to achieve in the non-ETS sectors (ESR), i.e. -17% by 2030. It was argued that this was simply impossible, based on calculations made by associations representing the road transport industry, among others.

Over the course of almost a year, the law was redrafted by the Parliamentary Legislative Committee, changing the title and shifting the focus from climate goals to the promotion of sustainability in the national economy. The main aim of 'climate neutrality by 2050' was retained², however, the parliamentary debate has shifted towards the funding needs and the possibility of attracting funding if the law is adopted.³ So, the law that mainly contains the framework for climate policy was 'rebranded' to pave the way for its adoption by Parliament. The draft law consists of three main parts, which relate to overall framework of climate policy.

¹ OJ No 2025/239.1, came into force on 12 Dec.2025.

² Art.1: "The purpose of this law is to promote the sustainability of the national economy by fostering competitiveness and advancing the country's progress toward mitigating climate change and achieving climate resilience, with the aim of reaching climate neutrality by 2050 and meeting national climate targets in accordance with European Union and other international commitments.."

³ The quotation from the MEP's speech presenting the amended law seems to be indicative: 'The draft law is necessary to regulate climate finance mechanisms and absorb European Union funds for the implementation of national-level climate measures and policies.' (Transcript of the parliamentary session, 09.10.2025)

The law establishes a comprehensive framework for climate governance in Latvia.

First, it defines the responsibilities of ministries and municipalities in fulfilling national and EU climate obligations and provides a coordinated approach to reducing greenhouse gas emissions and increasing carbon sequestration, including a mandate for the government to develop long-term climate policy strategies (for 10, 20, 30 years).⁴

Second, it introduces a system for the coordinated allocation of climate-related funding, including resources from emissions allowance auctions and the Social Climate Fund, with a focus on measures such as building renovation, sustainable transport, and social infrastructure.

Third, the law strengthens climate resilience by providing a legal basis for national adaptation planning It also establishes obligations for climate monitoring, data collection, emissions inventories, and forecasting systems.

In substance, the law establishes a framework for reducing greenhouse gas emissions in the main non-ETS sectors, including energy, transport, industry, agriculture and waste management, and links the achievement of sectoral targets and financing sources to the National Energy and Climate Plan. It also addresses LULUCF accounting and removals in line with Regulation 2018/841.

Accordingly, recently adopted law together with the **Law on Pollution** that has integrated the requirements on ETS (including on emission allowances, trading of them etc.) can be defined as a new legal framework allowing to move climate policy from strategic planning into a more binding domestic governance framework.

Let's see whether that could facilitate in achieving the goals as that was difficult by now through mostly strategic planning level without binding targets per sectors.

At this moment, according to **2026 Climate Change Performance Index Latvia** has been ranked at **34** place, thus moved up by two positions since the last measurement.

2. Transport Energy Law

A second major 2025 development is the **Transport Energy Law**, adopted in one package with just-mentioned Climate Resilience and Economic Sustainability Law.

This law is intended to reduce transport-sector emissions and increase the share of renewable energy in transport. It has been indicated that, from 2030, transport-sector emissions must be reduced by at least **16%**, and that fuel suppliers will have obligations to increase the share of renewable energy in their energy portfolio. Suppliers may use different compliance routes, including higher biofuel blends, renewable fuels, biomethane or electric charging infrastructure.

This is directly relevant to environmental and climate issues because transport is one of Latvia's most difficult sectors for ESR compliance (as indicated in the first report). The law also shows a shift from simple fuel-quality obligations toward a broader transport-energy decarbonisation framework.

⁴ The absence of specific quantitative targets in the law indicates that the legislature did not set them at the statutory level, leaving their determination to the executive. Existing national strategies set by the government suggest that Latvia's climate targets are primarily designed to ensure compliance with EU requirements rather than to exceed them.

3. Amendments to the Electricity Market Law and renewable-energy development

In 2025, amendments to the **Electricity Market Law** entered into force. These amendments are linked to Latvia's renewable-energy and energy-security objectives, so aimed at facilitating removing barriers to renewable-energy projects.

As stated in the impact assessment of these amendments, the purpose of them was “to accelerate renewable electricity deployment, especially wind and solar” by addressing key regulatory and structural barriers. In particular, the amendments aimed at streamlining permitting procedures (for energy market only, it doesn't affect EIA procedures), establishes conditions for access to the electricity grid and promote market-based approach for developing renewable energy projects.⁵

The law clarifies procedures for connection to transmission and distribution systems, defines the rights and obligations of electricity producers, and strengthens the role of system operators in capacity allocation and grid access.

Furthermore, the amendments provide a **legal framework for self-consumption and small-scale renewable generation**, reflecting concepts introduced by EU law.

However, there has been limited success so far, as there are still quite a few practical barriers to the development of projects using RES, such as grid capacity issues, conflicts at the spatial planning level,⁶ relatively long environmental assessments (due to objections) and public resistance to wind projects.⁷

4. Energy Strategy 2050 and implementation issues

Latvia's **Energy Strategy 2050** is another important 2025 policy development. It is not itself a legislative act, but it is relevant for the legislative-policy context as a strategic policy document. It frames the long-term shift away from fossil fuels toward renewable and aimed at securing domestic energy supply. Business and stakeholders in late 2025 stressed that implementation will require a stable regulatory framework for wind, solar and storage investment, as well as reform of environmental impact assessment procedures.⁸

5. ETS and pollution-law amendments

Latvia also amended its pollution and emissions-trading framework transposing new EU rules on pollution and clarifying ETS rules for aviation and large polluters, including distribution of allowances, equipment exclusion rules and the extension of the ETS to shipping companies.

The amendments in the Law on Pollution forms a part of Latvia's ongoing implementation of the EU “Fit for 55” package and the revised EU ETS framework.

6. Protection from noise

(extending the noise regulation to noise from entertainment events now included under environmental legislation)

⁵ Moving away from heavy reliance on subsidies toward market-based deployment.

⁶ See below on the most recently (Apr.2026) initiated cases before Constitutional Court.

⁷ According to the NECP it is planned to develop wind power plants for the production of 1200-1500 MW. At this moment the installed capacity of wind energy is about 133 MW but 46 projects are waiting finalization of the EIA

⁸ At this moment, amendments in the Law on Environmental Impact Assessment proceeding through the Parliament.

Amendments on municipal competence in law “On Pollution” (2026)

Amendments that entered into force on 19 March 2026 strengthen the role of municipalities in regulating environmental noise at the local level. Municipalities are now explicitly responsible for protecting individuals from harmful noise arising from events, entertainment venues, and similar activities (with limited exceptions, such as shooting practice and hunting).

The amendments expand municipal powers to adopt binding regulations, including the introduction of permit systems for noisy activities, requirements for sound amplification equipment and sound insulation, and the designation of competent supervisory authorities.

These changes reinforce the role of local authorities in managing noise pollution as part of environmental and public health protection, addressing a previously insufficiently regulated issue at the municipal level.

7. Possible forestry / environmental deregulation debate

There is also an emerging debate about proposed amendments to environmental controls affecting forests. In 2026, NGO commentary argued that several proposed amendments to environmental policy could weaken forest protection under the guise of deregulation.

Recent forestry-related legislative developments follow a Constitutional Court judgment that found these amendments to be void, as earlier amendments aimed at allowing the cutting of smaller, younger trees were adopted without the required strategic environmental assessment at the planning level.⁹ New proposals have been initiated to address these deficiencies, although they have raised concerns among environmental NGOs regarding their potential environmental impact. Moreover, the amendments aimed at being introduced at law level (instead of Government enactment) seem to be an attempt to circumvent SIA or the adoption of a national forestry plan, which has not been updated since 2020.

8. Proposed Repeal of Special Fast-Track Energy Infrastructure Law (2026, April)

Additional update: this is very recent, but important in the context of incentives to speed up renewable energy projects (wind).

On 28 April 2026, the Ministry of Climate and Energy proposed to **repeal the procedure established by the Law on the Facilitated Construction Procedure for Energy Supply Structures Necessary for Promoting Energy Security and Independence (2022)**. This law had been adopted in response to the geopolitical crisis following Russia’s full-scale invasion of Ukraine, introducing a special fast-track procedure for renewable energy projects. According to the law, since 2022 the competence to accept RES projects “moved up” to the government introducing parallel systems when under certain conditions a development consent is provided by the government (instead of municipalities) followed after an environmental impact assessment (EIA) stage.

According to the Ministry, the exceptional circumstances justifying this parallel regime have changed, and renewable energy development is now progressing under the ordinary legal framework. In practice, project

⁹ Judgment of the Constitutional Court of Latvia of 31 March 2023 in Case No. 2022-02-01, on the compliance of Cabinet Regulation No. 384 of 21 June 2022 (amendments to the rules on tree felling in forests) with Article 115 of the Constitution of the Republic of Latvia. In this judgment the Constitutional Court annulled amendments to the forest felling regulations due to the **absence of a required strategic environmental assessment**, emphasising the importance of procedural safeguards under Article 115 of the Constitution (right to healthy environment).

developers have predominantly relied on standard EIA procedures requesting development consent from a municipality, rather than the special regime involving government-level approval. The proposed repeal reflects a shift away from emergency regulatory measures towards normalised permitting processes within the existing framework of environmental law. At the same time, some amendments have been initiated to simplify the EIA process, which is currently pending in Parliament.

In the day of the announcement of above mentioned repeal initiative, two wind projects were accepted by the government. The adoption of those took place with protests in the background at the government building. That's probably one of the reasons why the system is being changed back to the standard system, so that protests take place in municipalities — because they do happen.

II. Recent case-law developments

1. Supreme Court (Senate), Administrative Cases Department — environmental law cases in 2025

In many of recent case-law of the Administrative Cases Department of the Supreme Court (Senate) in environmental cases more and more the Article 115 of the Constitution (the right to healthy environment) plays significant role in assessing both procedural and substantive environmental rights.

1.1 SKA-442/2025 – Justiciability of Environmental Risks

Context: The case concerned the operation of small-scale combustion installations in an urban environment and their potential impact on air quality.

Main thesis: The Senate recognised that even where an activity is generally permitted under existing regulation, individuals may invoke the constitutional right to a favourable environment to seek judicial protection. The decisive criterion is whether there is a **credible risk of significant environmental harm**, not the existence of a proven violation.

2.2 SKA-157/2025 – Normative Risk Regulation in Sea Protection Zones

Context: The case concerned construction within the coastal dune protection zone of the Baltic Sea and the Gulf of Riga.

Main thesis: The Senate held that the legislator has already assessed environmental risks at a **normative level** by establishing a restrictive regime in protection zones and defining exceptions under which some construction might be allowed. Therefore, authorities are not required to demonstrate significant environmental harm in each individual case; instead, construction is permissible only if it clearly falls within statutory exceptions.

The judgment strengthening *ex ante* safeguards in environmentally sensitive areas.

2.3. SKA-13/2025 – Functional Interpretation of EIA Scope

Context: The case concerned whether a (small) waste incineration installation triggered the obligation to carry out an environmental impact assessment (EIA).

Main thesis: The Senate adopted a **broad and functional interpretation** of “municipal waste,” extending it to all non-hazardous waste, and emphasised that classification depends on the installation’s primary function that should be assessed rather than formal categorization for deciding on the need of the EIA.

This approach might prevent regulatory circumvention and ensures the **effectiveness of EIA as a preventive tool**, aligning national interpretation with EU environmental law objectives. Moreover, the Senate emphasized that decisions of competent authority need to be taken in light of the principles governing environmental impact assessment, with particular regard to the requirements of the precautionary principle.

2.4. SKA-100/2025 – Strict Environmental Liability and Remediation

Context: The case concerned responsibility for environmental damage and the scope of obligations to remedy such damage.

Main thesis: The Senate confirmed that environmental liability for the operator covered by the Environmental law is **not dependent on fault**, applying the “polluter pays” principle and regime of strict liability form (one of rare cases so far). It further clarified that remediation measures may be required even where statutory threshold values have not been exceeded.

2.5. SKA-191/2025 – EU Law and Precaution in Species Protection

Context: The case concerned the regulation of wolf hunting and the species' protected status under national and EU law. An applicant appealed against the hunting authorisation that determined the permissible volume of wolf hunting for the 2022/23 season, which maintained the permissible volume set for the previous season at 280 individuals.

According to the decision under appeal and the assessment of the distribution of the wolf population, the state of the wolf population in Latvia is favourable and stable. Therefore, in accordance with the exception provided for Latvia, limited hunting may be permitted.

Main thesis: The Senate emphasised that decisions affecting species protection must comply with **EU nature protection regulation** and be based on a thorough factual and scientific assessment. Where scientific uncertainty exists, the **precautionary principle** must guide decision-making. At the same time the appeal was dismissed approving hunting authorization.

2.6. SKA-781/2025 – Complaint against wolf hunting permissible level

Context: The case similar as the previous but about another year/season and different arguments. The case concerned the evaluation of the conservation status of a species (wolf) and related administrative decision determined the permissible wolf hunting volume for the 2023/2024 hunting season that has been appealed by an individual.

In general, this case (at the first and second instances) reflects a consistent judicial expectation that biodiversity-related decisions be grounded in **robust evidence and precautionary reasoning**. However, it also demonstrates how challenging it is to prove claims about “favourable conservation status” (endangered or stable and improving) of protected species.

The cassation instance dismissed the appeal, thus upholding the Court of Appeal's judgment. Similarly, as the order on permissible wolf hunting volumes was upheld in the aforementioned case SKA-191/2025.

At the level of appeal (the second instance), the applicant requested that the CJEU be asked several questions. However, the court refused, noting firstly that 'the assessment of whether the favourable conservation status of the species and the hunting limit set by the competent authority of the Member State are legally justified is within the competence of the national court, and the regional court has no doubts about the application and interpretation of the provisions of the Habitats Directive'. Secondly, the other questions were like those the Court of Justice gave its answer on 12 June 2025 in Case No. C-629/23.

2. Constitutional Court

2.1. Case on Compensation for Forestry Restrictions in Micro-reserves

Constitutional Court cases No. 2025-09-03 and 2025-10-03

On 10 April 2026, the Constitutional Court of Latvia delivered its judgment in the joined cases **No. 2025-09-03 and 2025-10-03**, concerning compensation for restrictions on forest use in micro-reserves established for the protection of specially protected bird species.

The applicants challenged the adequacy of compensation provided under Government regulations, arguing that the fixed, non-individualised payment violated the constitutional guarantees of **property rights (Article 105)** and **equality (Article 91)**. The Court upheld the contested provisions, finding that the compensation mechanism—based on average, objectively calculated losses and provided as annual support—falls within the State’s broad margin of discretion. It emphasised that compensation for restrictions on property rights does not need to reflect individually calculated losses in each case, provided that the system is based on rational criteria and is not manifestly disproportionate.

Overall, the judgment confirms that standardised compensation mechanisms may be compatible with constitutional requirements, provided they are reasonable, proportionate, and regularly adjusted to reflect economic conditions.

These cases are highly relevant to the broader Latvian debate on forest management, nature conservation, and state compensation for environmental restrictions. They build on the well-known CJEU cases on 'compensation for losses due to nature protection measures', analysing whether these constitute 'state aid' and whether compensation is mandatory under EU law, as examined in two preliminary ruling cases from Latvia.¹⁰ (remarkable also because the first preliminary ruling request in the context of nature/environmental cases from Latvia).

2.2. Decisions on RES placement and restrictions – the scope of the competence of municipalities

There are two very recent Constitutional Court (CC) cases concerning the competence of municipalities to decide on the placement and restrictions of RES.

The recent development of climate issues in relation to the authorisation or prohibition of wind power project development in one region or another.

In April 2026, the Constitutional Court of Latvia accepted two cases concerning **the regulation of renewable energy development at the municipal level**. These cases reflect growing legal tensions between national climate and energy objectives and local planning autonomy (widely debated at present).

Subject matter of the cases

The Constitutional Court initiated proceedings following applications by the municipalities of **Preiļi** and **Bauska**. The cases concern orders issued by the Minister of Smart Administration and Regional Development, which suspended parts of binding municipal regulations governing:

- That prohibited construction of wind power installations, and
- the placement of solar panels within the respective municipal territories.

In the case of Preiļi municipality, the suspended provisions relate specifically to local rules on wind turbine construction and solar panel placement. In the case of Bauska municipality, the minister's order affected a broader set of provisions, including: restrictions on wind park development.

The core legal issue in both cases concerns the **scope of ministerial supervisory powers over municipal planning autonomy** with respect to RES.

The applicant municipalities argue that the minister unlawfully exceeded the powers granted under the Territorial Development Planning Law challenging the compatibility of the minister's actions with that Law.

Both municipalities contend that the minister has **disproportionately interfered with local self-government**, arguing that municipalities have **the right to establish restrictions on renewable energy**

¹⁰ Case C-238/20 Sātiņi-S SIA [2022], the CJEU held that compensation granted by a Member State for the losses suffered by an undertaking as a result of protective measures applicable in a Natura 2000 network area under the Birds Directive confers an advantage capable of constituting State aid within the meaning of Article 107 TFEU. In the second case: C- 234/20 the Court ruled that environmental restrictions do not necessarily violate the right to property as long as they serve the public interest (nature conservation) and according to the EU law compensations is not mandatory unless the restriction is deemed disproportionate.

infrastructure within their territory. They maintain that the contested orders are unlawful and insufficiently justified.

At this stage, the Constitutional Court has **only initiated the proceedings** and has not yet ruled on the merits.

More broadly, the cases highlight a growing trend in Latvia and throughout the EU. The expansion of renewable energy infrastructure is raising an increasing number of constitutional and administrative law questions, particularly with regard to subsidiarity, proportionality and the distribution of competencies between different levels of government.