

**NATIONAL
DEVELOPMENT PLAN
OF LATVIA FOR
2021-2027**

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ABBREVIATIONS USED

AMF - Asylum and Migration Fund
BMVI - Border Management and Visa Instrument
CDPC - Centre for Disease Prevention and Control
CPCB - Corruption Prevention and Combating Bureau
CSB - Central Statistical Bureau
CSC - Customer Service Center
CSCC – Cross-Sectoral Coordination Center
DESI - Digital Economy and Society Index
EEA - European Economic Area
ESS - European Social Survey
EU - European Union
EUROSTAT - Statistical Office of the European Union
EV - electric vehicle
FCMC - Financial and Capital Market Commission
FIU - Financial Intelligence Unit
GDP - Gross Domestic Product
GHG emissions - greenhouse gas emissions
ICT - Information and Communication Technologies
Industry 4.0, also I4.0 and I4 - Transformation of Production Technologies and Processes by Digitalisation or the Fourth Industrial Revolution
ISF - Internal Security Fund
LALRG - Latvian Association of Local and Regional Governments
Latvia2030 - Sustainable Development Strategy of Latvia until 2030
LB - Bank of Latvia
LBAS - Free Trade Union Confederation of Latvia
LCCI - Latvian Chamber of Commerce and Industry
LDDK - Latvian Employers' Confederation
LEGMC - Latvian Environment, Geology and Meteorology Centre
LIAA - Investment and Development Agency of Latvia
MFA - Ministry of Foreign Affairs
MoA - Ministry of Agriculture
MoC - Ministry of Culture
MoD - Ministry of Defense
MoE - Ministry of Economics
MoEPRD - Ministry of Environmental Protection and Regional Development
MoES - Ministry of Education and Science
MoF - Ministry of Finance
MoH - Ministry of Health
MoI - Ministry of the Interior
MoJ - Ministry of Justice
MoT - Ministry of Transport
MoW - Ministry of Welfare
NCA- Nature Conservation Agency
NDP2027 - National Development Plan of Latvia for 2021-2027

National Development Plan of Latvia for 2021-2027

NEMMC - National Electronic Mass Media Council

NGOs - non-governmental organizations

NHS - National Health Service

NRP - National Reform Programme of Latvia for the Implementation of Europe 2020 Strategy

OECD - Organization for Economic Cooperation and Development

PBO - Public benefit organization

PISA - Programme for International Student Assessment

R&D - Research and Development

RCC - Riga City Council

RER - renewable energy resources

RIS3 - Smart Specialization Strategy

RSS - Rural Support Service

SB - State Budget

SCh - State Chancellery

SIF - Society Integration Foundation

SKDS - opinion and market research company

SOE - State-owned Enterprises

SRS - State Revenue Service

SSIA - State Social Insurance Agency

STEAM - Science Technology Engineering Arts and Mathematics

STEM - Science Technology Engineering Mathematics

UN - United Nations Organization

Zero emission - engine, motor, process, or other energy source that emits no waste products that pollutes the environment or disrupts the climate

INTRODUCTION

[1] The National Development Plan for 2021-2027 (NDP2027) is Latvia's highest national-level medium-term planning document. It has been developed in accordance with the Latvian Sustainable Development Strategy until 2030 (Latvia2030) and the UN Sustainable Development Goals (SDGs) so that the quality of life improves for each individual, and society as a whole over the next seven years.

[2] Latvia2030 defines Latvia's long-term development vision. It is the highest national level long-term development document and the main planning document that defines the spatial development perspective - an integrated view of the country's balanced and sustainable development.

[3] NDP2027 focuses on achieving the vision described in Latvia2030:

- In 2030 Latvia will be a thriving country of active and responsible citizens. Everyone will have the opportunity to feel safe and have a sense of belonging to Latvia; everyone here will have the opportunity to achieve his or her goals. The strength of the nation will lie in its inherited, discovered and newly created cultural and spiritual values, the richness of Latvian language and people's knowledge of other languages. It will unite the society in the creation of new, diverse and unique values in the economy, science and culture that will also be appreciated outside Latvia.
- Riga will be an important European cultural, tourism and business centre. To promote regional development, preconditions will be created to increase the economic potential of all regions and reduce socio-economic disparities. The regional GDP gap will be reduced in the medium term by increasing competitiveness and providing territory specific solutions for improving population distribution and quality of the living environment;
- Latvia is our home. It is green, creative and easy to reach, and we are accountable towards future generations for ensuring its sustainability.

NDP2027 contributes to the implementation of human-centered, long-term concept approved by the Saeima (Parliament) - "Growth model for Latvia: People first".

[4] NDP2027 defines the strategic aims we commit to achieve in Latvia by 2027. It outlines sectoral policies and key reforms, as well as public investments from the state budget, local government budget, European Union (EU) funds and other financial sources (including from foreign and national funds and programmes). This plan is realistic because ambitious goals are feasible and in line with available resources.

[5] The NDP2027 elaboration phase was launched in 2017, and began with meticulous research to assess the current situation, global trends and challenges, including those identified in the NDP2020. NDP2027 was created wide scale public participation in discussions with sectoral experts, researchers and academicians, NGOs, national and local government officials, the business community and politicians. Discussion took place throughout Latvia.

[6] NDP2027 is approved by the Saeima (Parliament).

VISION FOR THE FUTURE OF LATVIA IN 2027

[7] At the beginning of the 21st century Latvia returned to the family of European nations and became a full-fledged member of NATO and the EU. Since then we had rebounded from economic crisis and celebrated the 100th anniversary of Latvia's independence. People are feeling patriotic, the economy has been growing, and significant reforms public administration reforms have taken place. This set the stage for comprehensive changes to ensure a steady course of development in the current dynamic global environment.

[8] The current situation is characterised by inextricably linked transformations in technology, society and public administration, as well as by relations between their state. The human/technology interaction influences people's daily lives and the operation of government.

[9] By 2027, we envisage fundamental shifts and growth in four areas:

Equal Rights - to uphold fundamental rights and equal access to government services.

Quality of life - to increase well-being and opportunities for all.

The knowledge society is a mutual direction for change in education and science, civic awareness, the media space and the economy.

A responsible Latvia - that addresses sustainability challenges mainly posed by climate change and demographic trends.

Equal Rights

[10] Article 91 of the Satversme (the Constitution) establishes equal rights for all persons in Latvia. Rights can be exercised differently, depending on where a person lives and works (the capital city of Riga, another city, the countryside or abroad), information space and technology used, age and other individual choices, etc.

[11] We see Latvia in 2027 as a place where it is equally easy to everyone exercise their rights, and the justice system is a matter of national pride.

[12] In an effective and efficient justice system pre-trial investigations and court proceedings are faster. Alternative dispute resolution reduces court' caseloads and improves cooperation between the investigating authorities, the prosecutor's office, and the courts make the whole justice system more user friendly. The most vulnerable are better protected, and the interests of children are safeguarded.

[13] Cooperation between justice system authorities, coherence in methods and practice, digital platforms, high quality regulation and increased public awareness of justice system strengthens the rule of law.

[14] Latvia is among the first countries to systematically implement coordinated, data-driven action to preempt privacy and legal risks in information technology and artificial intelligence. At the same time, we are constantly improving government management processes, using the latest technologies.

[15] Open government provides citizens with quick access to information that is easy to understand. The bureaucracy is reduced and processes are accelerated. Transparency reduces corruption risks at national and municipal levels. Smart management personalizes the services and optimally balances the public interests through digital capabilities, interdisciplinary coordination and new competencies of governance officials.

[16] Governance is a two-way process, and anyone can propose improvements. Public and local authorities are proactive and trusted.

Quality of Life

[17] People feel good in Latvia in 2027. They care for and support each other, and living conditions are decent for all. People maintain their psychological and emotional health, enjoy a good work/life balance and the richness of Latvia's cultural opportunities, and can spend their leisure time to the fullest. Quality of life is Latvia's competitive advantage.

[18] Targeted cooperation (including networking between Latvia's national and regional development centers, partnerships between cities and their surrounding town and rural areas, joint sustainable mobility projects and public-private partnerships) enhances the quality, availability and efficiency of public services in every city and region of Latvia. Urban/rural interaction contributes to achieving the national development goals, likewise, every city and region contribute to the national development goals.

[19] Municipal cooperation and the mitigation of market deficiencies contribute to balancing the economic situation in regions. This encourages return migration that improves demographics. Specific steps towards reducing strengthen society's resilience. Support to business, including to increase employment opportunities, the availability of jobs closer to home, a modern, low-emission transport system that provides people with sustainable mobility, and high-quality, safe and energy-efficient housing in areas with growing business and employment opportunities contribute to the balanced development of Latvia.

[20] It has become easier to be healthy. Citizens invest in their own health and the health of their families through healthy nutrition, active lifestyles and a work/life balance. Society generally is disapproving of harmful habits. Qualified and properly paid professionals are able to provide citizens timely recommendations to maintain health, offer modern disease prevention, diagnosis, treatment, rehabilitation and patient care. Lifelong good health is also one of the goals of targeted and personalised social services.

[21] People can achieve their goals in Latvia, supported by convenient government services and fair social guarantees. Business is welcome, the rules of doing business are clear and procedures are simple. Due to systemic change and digital solutions, public administration at all levels is smaller but better coordinated and more efficient. This enables people to be proactive and participate in building Latvia.

Knowledge Society

[22] Knowledge and modern and inclusive education are the foundation of vibrant and productive country. Lifelong education is the bedrock of a sustainable democratic society, scientific excellence, innovative companies and a competent workforce. All tiers of the Latvian education system meet today's needs and future challenges by training emotional intelligence, a critically minded and digitally skilled workforce. Latvia also stands out for the creativity of its population.

[23] The knowledge society is an active society. People increasingly participate in governance through associations and social partnerships. There is widespread national support to non-governmental organizations, and the education system helps youth master skills needed to participate in civil society.

[24] Citizens feel responsible for the security of their country. They know how to protect themselves, their family and their country during by type of crisis, and relevant authorities are accountable and ready to respond. Media literacy and critical thinking are Latvia's best defense against hybrid threats.

[25] Major changes in the educational system start with a safe, supportive and inclusive pre-school environment. In school, rote memorization has been replaced by competence-based education. An integrated approach to STEM/STEAM subjects enhances student proficiency in science, technology, engineering and mathematics. The modern education system educates future citizens - patriotic, rooted in national culture and way of life, with considerable creative potential and high standards regarding the arts. In Latvia, education is a calling, not a challenge - an opportunity for personal growth, not a formality.

[26] Digital transformation is the key to productivity, economic growth, and ICT catalyzes change in the economy, public administration and society. The targeted application of ICT helps transform existing and create new processes, business models, habits and culture in all fields . Not only is the knowledge society able to understand, adapt and make full use of the new reality facilitated by digitalisation - it is the motivated, skilled and intelligent driver of a comprehensive digital transformation of Latvia.

[27] Far reaching changes in higher education are based on investments to improve study programmes and increase student and academic staff performance. The academic environment attracts foreign academic personnel and students Scientific excellence is based on an integrated approach to science, and funding supports comprehensive international and interdisciplinary cooperation, and active innovation and funding tied to scientific excellence. Scientific research strengthens sustainability, the economy and the national identity. International cooperation and engagement in European science networks is a prerequisite for future growth, access to new knowledge and resources, and for the flourishing of creative industries.

[28] Latvia is transitioning from a low-cost labor economy to a productive export-oriented modern economy. Productivity is enhanced by new knowledge and technologies, extensive education and innovation, investment in human capital and a supportive institutional environment that transforms knowledge into products and services with higher added value that are attractive to the international markets. By investing in knowledge creation, Latvia attracts a qualified workforce to work in our modern, socially responsible workplaces.

[29] Latvia is working smarter, not working more. Many routine tasks are automated, with people concentrating in areas that require the human intellect, including caregiving. Export in knowledge-intensive bio-economics, biomedicine and bio-pharmacy, intelligent materials and engineering systems, information and communication technologies, smart energy and other smart specialization sectors with high levels of investment in R&D are overtaken the export of processed raw materials. Focused instruments enable companies and scientific institutions to succeed in their fields on the international scene.

Responsible Latvia

[30] The Latvian state was established to ensure the right to self-determination of the Latvian people. Latvia is open and friendly to people of all nationalities who accept the development of the Latvian nation, its language and culture. The sustainability of

the Latvian nation and the country's environment and natural resources are equally important.

[31] The sustainability of Latvia's environment is achieved through far-reaching changes in production and consumption patterns, public behaviour and mindset. Citizens, business and government institutions have changed their habits. At all levels the stakeholders adhere to the principles of the circular economy, produce less waste, reduce emissions and use environmentally friendly technologies. Dependence on fossil resources has been reduced, and the share of renewable energy in energy production has increased.

[32] Latvia is proud of its clean and safe natural environment. Safe food and efficient management of natural resources contribute both to environmental sustainability and public health. Innovation steers Latvia's economy towards *the Green Deal* and climate neutrality. Latvia is still moderate in terms of climate, but not in terms of attitude towards global climate change, as evidenced by public opinion, national legislation and foreign policy. Educated and informed, people in Latvia are changing their living environment, attitudes and habits in order to use resources more responsibly, as the country shifts towards the economy of the Green Deal - *an economy for the benefit of all*. The state, civil society and individuals cooperate to make this land less polluted and greener for future generations.

[33] Latvia is internationally renowned not only for its rich natural capital. climate neutrality, the circular economy, low-carbon production and low-emission/zero-emission transport. Research institutions and smart companies create growth through R&D and export of green technologies.

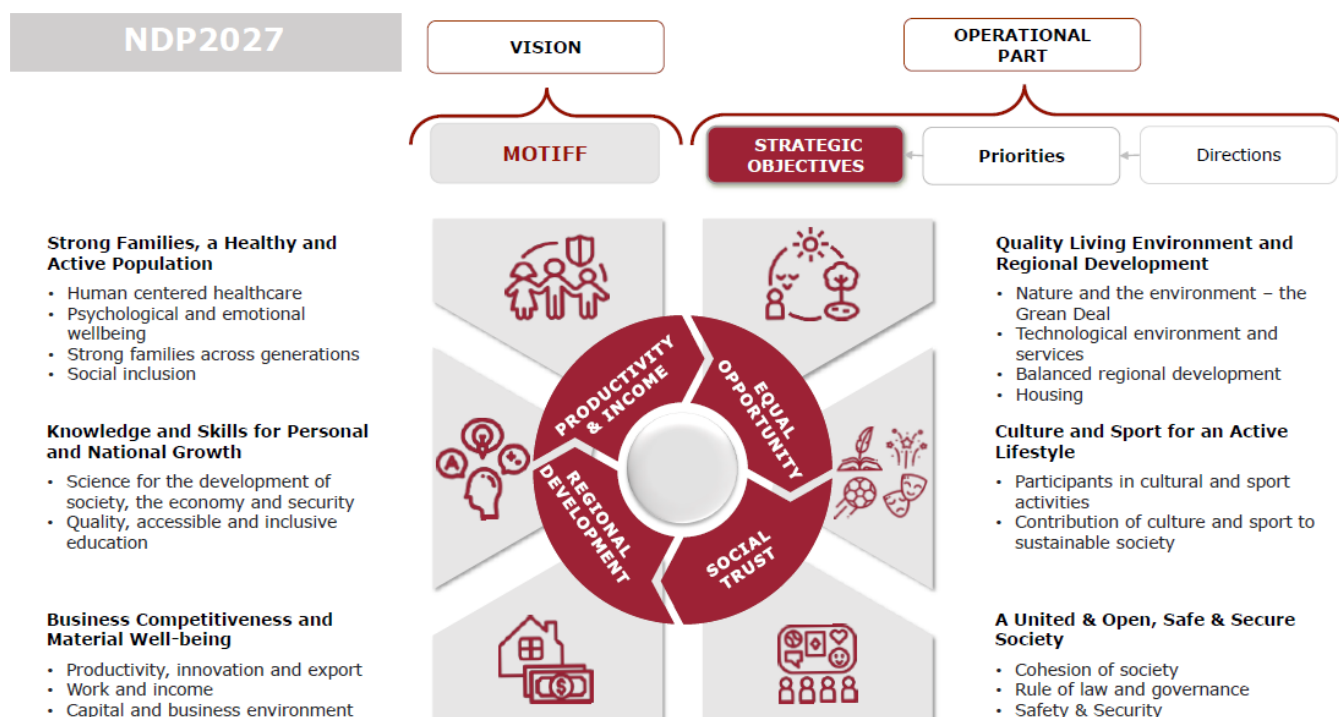
[34] The demographic situation improves as a result of policy that supports childbearing and child welfare. Positive parental experience with firstborn child facilitates the birth of a second child, and especially supports the existence of large families. Support to childbirth is a horizontal policy, while integrated healthcare and social services provide resources for both community-based and long-term institutional care services needed for an ageing society.

[35] The people of Latvia feel appreciated at the family level, at work and in their communities. We give and receive, are socially inclusive and collaborate. This is the result of both individual effort and institutional support. Each of us is a part of Latvia, so as the state changes, I change, and the state changes with me. We all can influence the state of our country in 2027 and beyond.

[36] The changes envisioned above are elaborated through the four NDP2027 strategic objectives that will be achieved through "measures" arranged in "directions" under six priorities. This will bring Latvia closer to a Nordic governance model that values trust and mutual support, targeted steps towards and agreed set objectives, solidarity and a fair and transparent distribution of public resources for the common good. Increased labor productivity will lead to faster GDP growth, which will provide resources for more balanced development, reduced inequality and poverty, which all lead to increased life satisfaction. Our ability to cooperate and be responsible and ready for change will be crucial.

THE NDP2027 FRAMEWORK

[37] The NDP2027 consists of four strategic objectives that frame policy for the next seven years, and eighteen directions grouped in six priorities. Each direction includes policy outcome indicators, measures, and at least one designated responsible authority. Co-responsible authorities and/or civil society organizations also designated. In addition, indicators are attributed to specific measures. These form the monitoring of sectoral policy.



NDP2027 STRATEGIC OBJECTIVES

[38] The NDP2027 strategic objectives are not merely symbolic. They are used throughout the planning period to assess policy and budget requests, determine governance processes and sectoral priorities, evaluate NDP2027 performance, etc. No action implemented to achieve the NDP2027 should lack coherence with the strategic objectives.



[39] **Equal Opportunity** is the most important element of social justice, and it contributes to reducing income inequality. We will strive to ensure that all people have the opportunity to acquire a good education, receive quality healthcare, have decent work, grow up and live in a safe environment and are socially protected. This will benefit the economy and society-as-a-whole, lead to economic stability and productivity, promote social and civic engagement and strengthen the middle class

[40] **Productivity and Income** are the basis for sustainable growth. Increased productivity is achieved by targeting resources to generate higher added value and by selling in global markets. We will support the local entrepreneurs by promoting innovative technologies, more efficient work processes and improving employee competencies. This will increase Latvia's competitive advantage in knowledge and innovation.

[41] **Social Trust** is based on the tenet that since people can be relied on, they can cooperate to achieve common goals. It is easier to trust others, if people are self-confident, know they will be heard and understood; are able to adapt to difficult situations and have experienced parental attachment during the childhood. Social trust can be compromised by such factors as financial difficulties and lack of time for the family. It increases wellbeing, life satisfaction, civic engagement and even health; and it improves opportunities for personal growth and promotes democracy. In an atmosphere of political trust the economy flourishes, security improves, justice prevails, people feel needed and responsible, which increases the common good. We will build trust by increasing public engagement, balancing the interests of different communities for the common good and clarifying, in a more targeted way, the choices and causal relationships that influence the long-term growth of the country.

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[42] **Regional Development** is a cornerstone of the country's long-term, balanced growth. We will foster the potential of Latvia's regions and reduce socio-economic inequalities by improving the business environment, promoting region specific specialization and competences, and by creating conditions for new employment opportunities and public services. As a result the attractiveness of the individual regions and their contributions to the national economy will provide for the well-being of the population.

Strategic Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[43]	Nominal labour productivity per hour worked	% of EU27 average	2018	59.2	65	68	Eurostat
[44]	GDP per capita in purchasing power parity	% of EU27 average	2018	71	75	80	Eurostat
[45]	GINI coefficient	%	2018	35.6	34	30	Eurostat
[46]	At-risk-of-poverty rate for children (0-17)	%	2018	17.5	13.5	11.5	Eurostat
[47]	Life satisfaction	%	2018	73.6	77	81	Eurostat
[48]	Mutual trust (aged 16+)	Scale 0-10	2018	6.4	6.8	>7	CSB, Eurostat
[49]	Regional GDP gap - ratio of average GDP per capita of the four planning regions with lowest GDP per capita against the GDP of the planning region with the highest GDP per capita	%	2017	47	52	55	CSB, calculation



Priority 1: Strong Families, a Healthy and Active Population

GOAL

[50] Together, healthy and active people in Latvia create and maintain an inclusive society. Families are satisfied, have more children and parents are optimistic about the future.

[51] Global trends show the importance of people's well-being on the ability of a country to overcome economic and other challenges to national competitiveness and to ensure sustainable growth. People in countries with high level of well-being share common values and an understanding of the way things work, support each other, live in optimal conditions and have opportunities to develop. People are healthy. They balance family/work life, enjoy culture, and are confident that they will receive support if a crisis does occur. To strengthen social inclusion, Latvia's crisis prevention and crisis support systems will be reviewed. Resources will be focused on reducing premature mortality, ill health or disability that leads to early retirement, as well as on strengthening psychological and emotional well-being - a new policy area requiring structural reforms to implement evidence-based social innovations.

[52] Population ageing, especially in the regions of Latgale and Vidzeme, will be a challenge for social inclusion. Old age or caregiving responsibilities for elderly relatives should not be a barrier to everyone's participation in the labor market, social life, education or any other type of development. It is imperative to accelerate change in the ageing paradigm, improving how society at large and the public sector view the ageing process and an individual's age. The active ageing approach promotes the involvement of older people in economic and social activities. Seniors participate in the labour market in a way that promotes balance between work, household duties, care for family members, participation in community life, volunteering, hobbies, physical activity, ensuring good nutrition and healthcare habits. The country must review all policies that directly or indirectly affect seniors in the context of active ageing. It should define objectives, tasks, instruments, and public spending in each of these policies in accordance with the nature and expected impact of active ageing on the relevant policy area. At the same time, stereotypes of old-age as period of physical weakness, disability and need for constant assistance are to be broken, changing perception of age limitations. One of the best ways to improve public health, including the health of seniors, is to promote healthy lifestyles. Over the next seven years, steps need to be taken to alleviate the financial pressure on older persons laying the foundation for development of a productive silver economy¹.

¹ An economy adapted to needs and opportunities of ageing society

[53] In response to population ageing, it is equally important to pursue policy to increase the fertility rate by encouraging second child birth intentions and supporting large families. A family-friendly tax and benefit system, as well as a family support system are vital to reduce direct childcare costs and support parents in ensuring a good life for their children and families.

Direction: Human centered healthcare

GOAL

[54] Equal access to high-quality healthcare

[55] Timely access to healthcare is critical to prevent loss of working ability and premature death, and to promote social inclusion and productivity. As the population ages, the need for healthcare services grows, but households' ability to cover costs falls. State-funding needs to be increased to improve access to cost-effective services, especially for families with children, the elderly and low-income households.

[56] Increasing the number of doctors and nurses (in line with the EU average) to provide state-funded healthcare services remains a significant challenge, especially in medical institutions outside Riga. This entails: investing in a remuneration system commensurate with economic growth, inflation and public sector wages; providing continuing training and improvement of the retraining system; training new specialists. To increase good continuing training opportunities the three Latvian clinical university hospitals must be developed as continuing training excellence centres. The continuing education infrastructure must provide for both trainer and trainee mobility in accordance with needs identified by the centres in cooperation with regional authorities.

[57] Improvements in the healthcare system will reduce preventable and treatable deaths. This can be achieved through ensuring sufficient numbers of doctors and other medical staff, providing continuing training, and by developing and updating clinical pathways and individualizing them - from the first sign of the disease, to early diagnosis, treatment and rehabilitation - as well as by informing patients of the role of a healthy lifestyle in disease prevention. Treatment quality and results can be improved by strengthening the role and responsibilities of general practitioners, developing the pre-hospital phase and introducing modern medical technologies for outpatient and daytime inpatient services, improving inpatient services in leading hospitals, providing access to effective medicines and rehabilitation, improving management systems and organizational measures for quality healthcare services, including improvement of antimicrobial resistance control, improvement of healthcare process organization and patient's transfer between different care levels, as well as by strengthening the ability of the healthcare system to analyze aggregated health data and use it to improve the cost-efficiency and quality of the system.

[58] Given the growing number of people with one or more chronic diseases, health promotion and prevention is important. So are new patient-centered integrated models for the organization and delivery of health and social care services, introduction of digital platforms and development of medical technologies. Support is to be primarily directed to the centers of excellence, in particular for patients with mental health

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issues and behavioral disorders, in terminal stages of a terminal illness as well as for other target groups requiring cross-sectoral cooperation to provide quality care.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[59]	Healthy life years at birth: men/women	years	2017	50.6/52.2	53/55	55/57	Eurostat
[60]	Unmet healthcare needs (access to healthcare)	%	2018	6.2	5.0	4.0	Eurostat, CSB
[61]	Out-of-pocket expenditure on healthcare, from total healthcare expenditure	%	2017	41.7	38	33	Eurostat
[62]	Patient satisfaction with healthcare services	%	2018	76.2	78	80	MoH
[63]	Preventable and treatable mortality, per 100 000 population	quantity	2018	342/198	325/191	316/179	CDPC
[64]	Number of attending doctors, per 100 000 population	quantity	2018	337	342	345	CDPC
[65]	Number of attending nurses, per 100 000 population	quantity	2018	434	440	460	CDPC
[66]	Average waiting time for children (up to 18 years of age) for secondary outpatient counseling at the Children's Clinical University Hospital (BKUS)	days	2019	48	42	39	NHS
[67]	Average waiting time for children (up to 18 years of age) for scheduled surgery in daytime inpatient care at the Children's Clinical University Hospital (BKUS)	days	2019	40	38	35	NHS

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[68]	Improving access to state-funded healthcare services, including medicine, by ensuring both financial and geographical access, and by improving existing services and developing new ones, including mobile unit services, primarily for maternal and child healthcare and areas significantly impacting premature mortality and loss of work ability	MoH	MoF, MoW, municipalities, planning regions, NGOs	SB, EU funds, municipalities	Unmet healthcare needs Out-of-pocket expenditures in healthcare Preventable and treatable mortality, per 100 000 population

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					<p>Average waiting time for children (up to 18 years of age) for secondary outpatient counseling at the Children's Clinical University Hospital</p> <p>Average waiting time for children (up to 18 years of age) for scheduled surgery in daytime inpatient care at the Children's Clinical University Hospital</p>
[69]	Ensuring an optimal number of medical practitioners in state-funded healthcare, by increasing salaries and providing other motivational tools, as well as by developing the clinical university hospitals as competence and knowledge transfer centers for healthcare personnel to meet labour market needs	MoH	MoF	SB, EU funds	<p>Number of attending doctors, per 100 000 population</p> <p>Number of attending nurses, per 100 000 population</p>
[70]	Improving the quality and efficiency of healthcare by developing a healthcare quality management system, expanding result-based payment systems for services, strengthening the primary level of healthcare, promoting disease prevention and early diagnosis - in order to make the best possible use of limited healthcare resources while promoting faster recovery, preventing premature mortality and premature loss of working ability, and maintaining quality of life	MoH	MoF, municipalities	SB, EU funds	<p>Preventable and treatable mortality, per 100 000 population</p> <p>Patient satisfaction with healthcare services</p>
[71]	Development of multidisciplinary and interdisciplinary collaborative services in outpatient, inpatient and long-term care	MoH	MoW, municipalities	SB, EU funds, municipalities	Preventable and treatable mortality, per

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	for patients with chronic diseases, in particular mental illness, addictions, infectious diseases, geriatric and terminally ill patients, including children. Access to psychological and social support for patients and their families in cases of severe illness and other psycho-emotionally complex situations				100 000 population Patient satisfaction with healthcare services
[72]	Strengthening healthcare management by digitalising health data and ensuring evidence-based decision-making, developing collaboration between healthcare areas, including use of common healthcare infrastructure and wider use of digital technologies in healthcare, prioritizing maternal and child healthcare and areas that have significant impact on premature mortality and loss of working ability, especially in psychiatry, rehabilitation, as well as for care of terminally ill patients	MoH	MoEPRD, planning regions, municipalities	SB, EU funds	Preventable and treatable mortality, per 100 000 population Patient satisfaction with healthcare services Average waiting time for children (up to 18 years of age) for secondary outpatient counseling at the Children's Clinical University Hospital Average waiting time for children (up to 18 years of age) for scheduled surgery in daytime inpatient care at the Children's Clinical University Hospital

Indicative funding for this direction: 557.85 million EUR

Direction: Psychological and emotional well-being

GOAL

[73] **Promote psychological and emotional well-being through support in crisis situations, encouraging human potential, reducing risks of deviant behavior and instilling the value of good health.**

[74] Inequality and exclusion are often consequences of crises, and anyone may experience a crisis in their lifetime. Crises primarily impact emotional and mental health, decreasing the capacity to work, lowering productivity and income, damaging relationships and negatively affecting person's ability to integrate into society. The crisis support system needs to be improved, regardless of the cause - an accident, violence, loss of a family member, etc.

[75] Emotional and psychological well-being is also affected by the ability to cope with daily stress at work and in the household. Unfortunately, statistics show that the prevalence of mental disorders related to today's stressful lifestyles is increasing. Emotional and psychological resilience must be strengthened through targeted prevention and intervention measures.

[76] The diseases that underlie the most common causes of premature death and loss of working ability are often the result of unhealthy lifestyle choices - smoking, excessive use of alcohol, unhealthy diet and lack of physical activity (health risk factors). In recent years, productivity and the ability to retain information is also affected by information overload from modern information technologies. Reducing health risk factors by following the principles of "*health in all policies*" and promoting lifelong health literacy is a national priority, imperative both for individuals and the national economy.

[77] Emotionally close parent-child relationships are indispensable capital that builds self-confidence and trust in others, impacts life satisfaction, promotes school and work achievement, reduces the risk of poverty and inequality, and predisposition to crime and deviant behavior. However, childcare skills are not always passed down between generations, nor are parents always aware of how to deal with complex situations. Parenting skills are paramount to ensure a happy, confident and successful next generation. An integrated and individual needs-oriented set of preventive activities is essential to reduce risks to children's emotional development and mental disorders.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[78]	Potential years of life lost, per 100 000 inhabitants aged 0-64	years	2018	5235	4950	4350	CDPC
[79]	Share of children and young people with special needs who continue their education after compulsory education	%	2019	28	33	38	MoES

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[80]	Adult population having consumed alcohol excessively during last year (aged 15+)	%	2018	40.0	39.0	38.2	OECD
[81]	Percentage of adult population smoking daily (aged 15+)	%	2018	26.2	25.5	24.7	CDPC
[82]	Number of school children being bullied by schoolmates	%	2018	22.3	21.5	20.5	CDPC
[83]	Suicide mortality rate, per 100 000 population	quantity	2018	15.5	15.2	15.0	CDPC

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[84]	Strengthening mental and emotional health through targeted prevention measures and interventions for specific groups by expanding public information and monitoring, thus improving the ability of individuals to adapt to changing living and working conditions while raising awareness of the role of mental and emotional health in personal development, and in the advancement of a cohesive and inclusive society	MoH, MoW	MoI, MoES, LDDK, LBAS, municipalities	SB, EU funds	Life satisfaction Suicide mortality rate, per 100 000 population
[85]	Supporting the improvement of parenting skills that ensure the psychological and emotional well-being of children and young people, and reduce the probability of mental health disorders and learning disorders in the future	MoW, MoH, municipalities	MoES, CSCC (DLC), NGO	SB, EU funds, municipalities	Suicide mortality among children and young people Prevalence of mental disorders among minors Removal of parental custody rights
[86]	Evidence-based, effective and innovative solutions to limit the spread of addictive substances and processes and to reduce excessive and harmful consumption	MoH	MoW, MoES, MoEPRD, MoF, MoI, municipalities	SB, EU funds	Potentially lost years of life Adult population having consumed alcohol excessively during last year (aged 15+) Percentage of adult population smoking daily (aged 15+)

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[87]	Violence prevention, reduction of mobbing among young people and timely interventions in various crisis situations to strengthen people's psychological and emotional resilience and ability to achieve constructive solutions	MoW, MoJ	MoH, MoI, CSCC (DLC), municipalities, NGO	VB, EU funds, EEA / Norwegian financial instrument	Share of minors suffering from violence (by gender) Share of adults suffering from violence (by gender) Number of school children being bullied by schoolmates
[88]	Improving psychological and emotional health by strengthening sexual and reproductive health, and decreasing related infectious diseases	MoH	MoES, municipalities	SB, EU funds	Prevalence of STDs among young people Abortion rate Number of pregnant minors
[89]	Creating equal opportunities for children and young people with special needs by strengthening inclusive education, developing access to assistants in educational institutions, as well as by enhancing the involvement and improving coordination between social and healthcare providers, ensuring development of and regional access to existing high quality and innovative social services, improving quality of life and transition to adulthood	CSCC (DLC), MoES, MoW, MoH	MoJ, municipalities	SB, EU funds, municipalities	Share of children and young people with special needs who continue their education after compulsory education

Indicative funding for this direction: 171.85 million EUR

Direction: Strong families across generations

GOAL

[90] **Strengthen the family as a social institution by improving the family support system and meeting basic needs.**

[91] **Equal opportunity for all children.**

[92] Globally, countries with ageing populations are increasingly strengthening national family support policy that promotes an increase in the birth rates, reduces the risk of poverty for families with children, and creates proper conditions for healthy child development.

[93] Although the Latvian population appreciates the existing support system for families with children, there is room for improvement to mitigate the fall in disposable income per family member when a child is born. First, existing poverty risk reduction measures must be revisited, primarily to ensure their efficacy for families caring for a family member with disabilities, for single-parent families and for large families. Second, the availability of childcare services and pre-school education needs to be improved for children in their first years and for those entering the educational system.

[94] As the working age population declines in the country, individuals devote more time to work, making it more difficult to reconcile family and professional life. Since this can hamper the healthy emotional development of the child, the government has stepped in to promote family and work life balance.

[95] Increasing the fertility rate has become a national priority to counter the decrease in number of people of reproductive age. In this context, it is important to strengthen the family as a social institution, honor and support large families, and promote return migration. It is equally important to develop policy that encourages the birth of the second child. The policy will be successful if at least 75% of women of childbearing age who have one child decide to give birth to a second child, and also if the number of large families (with three or more children) increases.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[96]	Total birth rate	Coefficient	2018	1.6	1.72	1.77	CSB
[97]	At-risk-of-poverty rate for single-parent families	%	2018	26.2	26	24.5	CSB, Eurostat
[98]	At-risk-of-poverty rate for households with two adults and three or more dependent children	%	2018	16.7	15.5	12	CSB, Eurostat
[99]	Share of children living with two parents	%	2017	69.5	74.5	78	OECD
[100]	Number of returning migrants	quantity	2018	4852	6000	6000	CSB

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[101]	Promoting the well-being of families by reexamining pensions, social benefits and remuneration systems, improving the tax system, and providing food aid and basic material assistance to reduce the poverty risk in households with children, especially in large and single-parent families, recently wed young parents, and families with a parent with disability	MoW, MoF	Municipalities, SIF, LBAS, NGO, religious organizations	SB, municipalities, EU funds	At-risk-of-poverty rate for single-parent families At-risk-of-poverty rate for households with two adults and three or more dependent children
[102]	Strengthening the role of the family as a social institution, including by increasing social protection for parents, developing a family-friendly environment, honoring large families, strengthening the father's role in the family, educating young people and society on the importance of parenting skills, relationships, family and marriage, and the role of intergenerational solidarity in the sustainable development of the country, as well as ensuring the development and implementation of evidence-based family policy	CSCC (DLC), MoW	MoC, MoES, SIF	SB, EU funds	Total birth rate Share of children living with two parents Share of live births to married parents and outside of marriage
[103]	Creating favorable conditions for reconciling family/work life by supporting flexible and teleworking opportunities, creating family- and employee-friendly working environments and improving support for family care responsibilities	MoW, CSCC (DLC)	MoE, SCh, municipalities, NGO, LDDK, LBAS, SIF	SB, EU funds	Part-time employment due to caregiving responsibilities, % of total number of part-time workers
[104]	Improving access to pre-school education, childcare and organized leisure activities to promote a child's holistic development, and reconcile family/work life	MoEPRD, MoES	CSCC (DLC), MoW, municipalities	SB, EU funds, municipalities, other financial sources	Availability of formal childcare services by income quintiles, household groups
[105]	Promoting return migration by developing a comprehensive and uniform support system for integrating the returning	MoEPRD	CSCC (DLC), MFA, MoE, MoW, MoA, MoES,	SB, EU funds, municipalities	Number of return migrants

migrants and their families throughout Latvia	municipalities, planning regions		
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Indicative funding for this direction: 136.00 million EUR

Direction: Social inclusion

GOAL

[106] **Personalised, human-centered social support is offered to all who need it or might need it.**

[107] A relatively large percentage of Latvia's population receives no income from work due to loss of working ability, age or other reasons. This includes people with physical or mental health disabilities, elderly persons, and family members of persons requiring care who are unable to access appropriate care services. Their social and economic inclusion is largely the responsibility of the public sector. Investments in the social protection system with professional personalised social services are important to ensure quality of life for vulnerable groups and full access to employment and productivity for those of working age.

[108] The motivation and remuneration system as well as the professional competence of social workers and social service providers needs to be improved. This will increase the range of social services, their availability, *inter alia* by expanding community-based care services and institutional care in a family-like environment in tune with the needs of our ageing society. It will also contribute to a reduction in regional disparities.

[109] The impact of social transfers and social protection funding on reducing the risks of poverty characterizes the effectiveness of the social protection system. In recent years, the impact of social transfers has been decreasing, moreover, the percentage of income going to transfers is significantly lower than the EU average. Given the low impact of redistribution through the pension and benefits system, Latvia rates among the EU countries with high income inequality. Reducing poverty and income inequality, i.a., through introducing a minimum income level, is one of the biggest challenges in this programming period.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[110]	At-risk-of-poverty rate after social transfers	%	2018	22.9	22.5	21.5	CSB, Eurostat
[111]	At-risk-of-poverty rate for pensioners aged 65+	%	2018	53.7	53	52	CSB, Eurostat
[112]	Percentage of total equivalent disposable (net) income of households in 1st decile group of total equivalent disposable (net) income of all households	%	2018	2.3	2.4	2.4	CSB
[113]	Share of persons living below the minimum income level	%	2017	8.9	8.7	8.5	CSB
[114]	Share of children living with custodians and in foster families (family environment) out of the total number of children in out-of-home care	%	2018	87.7	88	88.5	MoW
[115]	² Number of recipients of community-based social services, per 10 000 inhabitants (at the begin of the year)	quantity	2019	205	223	230	MoW
[116]	Share of social services that meets the norm set by legislation on the minimum number of social workers	%	2018	63.9	67.4	67.4	MoW

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[117]	Access to personalized social services and provision of social innovation services to priority groups, in particular, to persons with disabilities, palliative care patients and elderly persons, thereby promoting the prospect of independent living and maintaining or improving the quality of life	MoW, municipalities	MoC, MoH, MoEPRD, MoI, MoES, planning regions	SB, EU funds, municipalities	<p>Number of recipients of community based social services, per 10 000 inhabitants</p> <p>Availability of professional home care service (financial restrictions, unavailability)</p> <p>Share of municipalities providing home care services</p>

²Home care, day care centers, specialized workshops, group houses (apartments), crisis centers.

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[118]	Developing personnel motivation system, strengthening professional competences and increasing specialisation of social workers and social service providers to provide, improve and ensure access to innovative, client-oriented social services that answer demographic trends and meet public needs outside urban areas	MoW, municipalities	MoES	SB, EU funds, municipalities	<p>Share of social services that meets the norm set by legislation on the minimum number of social workers</p> <p>Share of properly educated social work specialists working in social services</p> <p>Number of social workers after inservice training</p>
[119]	Strengthening planning, monitoring and evaluation of social policy by improving data collection, digital data flow and compatibility, service administration; analysis for making evidence-based decisions on social policy and social service administration	MoW	MoEPRD, municipalities, planning regions, LBAS	SB, EU funds, municipalities	<p>At-risk-of-poverty rate after social transfers</p> <p>Share of social services that meets the norm set by legislation on the minimum number of social workers</p>
[120]	Creating a family environment for children in out-of-home care. Improving the protection of the rights and interests of children in out-of-home care, improving support and services, as well as improving support services for young people after out-of-home care thereby facilitating social inclusion	MoW, municipalities	NGO	SB, EU funds, municipalities	<p>Share of children living with custodians and in foster families (family environment) out of the total number of children in out-of-home care</p> <p>Share of children in out-of-home care against the total number of all children in the country</p>
[121]	Reducing poverty, material deprivation and income inequality, especially for those most at risk of poverty (pensioners, persons with disabilities), creating pre-conditions for meeting the material need for tomorrow's pensioners	MoW, MoF	SIF, municipalities, NGO, religious organizations	SB, EU funds, municipalities	<p>At-risk-of-poverty rate after social transfers</p> <p>At-risk-of-poverty rate for pensioners aged 65+</p> <p>Share of persons living below the minimum income level</p>

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					Percentage of total equivalent disposable (net) income of households in 1st decile group of total equivalent disposable (net) income of all households
[122]	Expanding and strengthening the role and modalities of youth policy to facilitate effective transition from childhood to adulthood	MoES	All ministries, municipalities, NGO	SB, EU funds, municipalities	Youth participation in NGO activities Young people aged 15-24 neither in employment nor in education and training (NEET), % of total population of 15-24

Indicative funding for this direction: 510.74 million EUR



Priority 2: Knowledge and Skills for Personal and National Growth”

GOAL

[123] **A knowledgeable, inclusive and creative society in an efficient, innovative and productive economy.**

[124] In line with global trends, European and Latvian development requires significant investments in the creation of an efficient, innovative knowledge economy and in the development of a knowledgeable, inclusive and creative society. Given that Latvia’s most important resource is its people, our main growth opportunities lie in increasing and proficiently using our knowledge and skills. To develop a knowledge economy Latvia must strategically channel its limited resources into knowledge creation, acquisition and transfer. Society needs to be able to find new growth opportunities under ever-changing global conditions. Sustainability and development rest on a sense of security in society and human resilience.

[125] In recent decades, the economies of countries across the globe have become more interconnected and competitive due to global trade and rapid technology development. Knowledge, entrepreneurship, creativity, digital skills and technological competence have become critical for success in the global economy, and a lack thereof poses the risk of lagging behind.

[126] Free movement of labour means that talent and skills constantly flow to global development centers. For Latvian companies and our country to remain competitive and increase the prosperity of the population, we must transition from a resource based economy to knowledge, creativity and innovation based economy by ensuring a highly qualified workforce, including by actively involving employers in the development of human capital.

[127] Quality and lifelong learning for all, excellent science for knowledge acquisition and transfer, entrepreneurship and business development aligned with future national economic needs strengthen the national identity including Latvian language, folklore, literature and art, underlie the shift in the economic paradigm and the development of knowledge-based, inclusive and creative society.

[128] Significant public investment is needed in scientific research projects at the institutional, team and individual levels; improvement of education at all levels; international cooperation programmes that engage scientists together with companies to solve Latvian and European challenges; applied research to create new business products, especially in areas anticipating significant technological development and growth in demand, especially if Latvia has already made significant inroads in those areas.

Direction: Science for the development of society, the economy and security

GOAL

[129] Scientific excellence for the development of society, the economy and security

[130] Strategic investment in research and development (R&D) stimulates innovation-led economic growth, yet Latvia has one of the lowest levels of public investment in R&D in the EU. Fundamental research, or basic research, contributes to the quality of research-based higher education, but a and a lack of knowledge transfer from research to education and other sectors hampers progress. Climate change, geopolitical shifts, inequalities, rapid technological development and increased migration are new challenges to Latvian society and national security that require R&D investment. Other challenges include attracting and training foreign researchers, facilitating a generational shift among the research community, increasing diversity and human resource capacity in R&D. International cooperation and participation in global science and innovation processes is a precondition for Latvian scientific excellence. It provides access to new knowledge and resources, and strengthens the country's reputation for having reliable, capable research organizations and companies.

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[132] To stabilize its role in global scientific innovation processes, the Latvian scientific community must engage in achieving Latvia's national development goals through strategically significant cooperation networks and research consortia, using opportunities provided by partners and Latvia's diaspora worldwide. To increase scientific excellence, Latvia will up the number of researchers, mobility, patents and cooperation projects, joint R&D with the private sector, international partnerships and cooperation with the diaspora permanently residing outside Latvia and those employed at premier European and global scientific institutions and innovative companies.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[133]	Research staff, % of total number of employees (full-time)	%	2018	0.639	0.8	1.0	Eurostat
[134]	% of population aged 25–34 with a doctoral qualification	%	2017	0.236	0.35	0.5	Eurostat
[135]	Funding for research and development, % of GDP	%	2018	0.63	1	1.5	Eurostat
[136]	Number of annual publications by Latvian authors in the international citation database <i>Scopus</i>	quantity	2017	2376	2688	3000	<i>Scopus</i>

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[137]	Latvian author publications in the top 10% of most frequently cited within their field, %	%	2017	9.7	12.4	15	Scopus
[138]	Business funding for R&D activities in the public sector and higher education sector, % of total R&D funding in the public sector and higher education sector	%	2018	6.1	8	10	CSB

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[139]	Attracting human resources to research and capacity building by: financing an increase in the number of doctoral students; significantly increasing the funding for each doctoral student via a postdoctoral funding programme; attracting foreign researchers, especially diaspora professors and young researchers;; investing in Latvian students to go to the best foreign universities. Creating value for national development through greater involvement in international cooperation, particularly by supporting research in NDP2027 priority directions "Science" and "Smart Specialization Strategy"	MoES	MoE, MoES, MoH, MoC, LIZDA	SB, EU funds, <i>Horizon Europe, Digital Europe / Swiss program</i>	Research staff, % of total number of employees (full-time) % of population aged 25–34 with a doctoral qualification
[140]	Effective implementation of a three-pillar funding model with performance and innovation incentives in higher education and science through establishment of long-term strategic development public research programs and market-oriented research programs for public and private R&D cooperation, especially in smart specialization strategy areas	MoES	All ministries, CSCC, SCh, LIZDA	SB, EU funds, <i>Digital Europe</i>	Funding for research and development, % of GDP Number of annual publications by Latvian authors in the international citation database Scopus
[141]	Effective coordination and management of research and innovation investments by strengthening the R&D governance capacity by: - concentrating support programmes in a dedicated institution; reducing bureaucracy in R&D management; developing R&D management competence in scientific institutions	MoES, MoE	All ministries, CSCC, SCh, LIZDA	SB, EU funds	Funding for research and development, % of GDP

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[142]	Strengthening the R&D strategic planning and analytical capacity of state and municipal institutions and public enterprises by improving leadership in commissioning and implementing research and innovation, in particular, state and municipal enterprise investments in creating innovative goods and services for export	MoES, CSCC	MoE, MoEPRD, SOE, planning regions, municipalities	SB, EU funds	Funding for research and development, % of GDP Business funding for R&D activities in the public sector and higher education sector, % of total R&D funding in the public sector and higher education sector
[143]	Strengthening scientific excellence to address societal challenges through the development and sharing of national research infrastructures and strategic development, including diaspora researchers, (co-financing, refinancing, complementary actions) in European and global research and innovation initiatives and activities strengthening R&D competitiveness and international openness	MoES	MoE, MoA, MoH, MoC, municipalities	SB, EU funds, <i>Horizon Europe, Urban Europe</i> , municipalities	Funding for research and development, % of GDP Latvian author publications in the top 10% of most frequently cited within their field, %
[144]	Knowledge transfer from the public sector to small enterprises, social enterprises, public organizations and creative industries, including though promoting the availability and use of open databases	MoES	All ministries, CSCC, Sch	SB, EU funds	Business funding for R&D activities in the public sector and higher education sector, % of total R&D funding in the public sector and higher education sector

Indicative funding for this direction: 465.19 million EUR

Direction: Quality, accessible and inclusive education

GOAL

[145] **Quality education for the acquisition of knowledge and skills applicable in business and daily -life for every inhabitant of the country.**

Quality of education and effective management of the education system

[146] The Latvian education system has significant potential for improvement regarding quality, oversight and access. In the coming years, it will be important to promote the entrance of the next generation of teachers in general, professional and higher education, and to attract and retain new and motivated teachers. Increasing teachers' salaries will raise the prestige of the profession and create competition for the vacancies. Well-trained and motivated teachers are a crucial to raising the quality of education at all levels, for example, the quality of primary and secondary education is a prerequisite for academic and professional success.

[147] A network of educational institutions providing quality education that balances studies and research is to be established in co-operation with stakeholders. This network, of educational institutions and their founders will effectively manage resources, financially prioritising direct to costs related to the learning process, while providing appropriate material and technical equipment for the learning environment.

[148] Periodic evaluations of higher education institutions' study programmes and research will help improve the quality of higher education. If performance is low, decisions are to be made on improvements, mergers or closures of study programmes or higher education institutions. Substantial resources should be devoted to supporting internationalization and pooling of resources / programmes for common goals and projects, promoting university research, improving university management and establishing a unified vision with public administration, employers and employees in line with labour market trends. The higher education programme management system will introduce interdisciplinary and modular programmes, including ones that provide partnership opportunities between universities.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[149]	Proportion of 15 year olds with high / low achievement in reading, mathematics and natural sciences	%	2018	1.5/9.2	3.75/7	6/5	OECD (PISA)
[150]	Number of pupils per teaching workload (ISCED levels 1-3)	quantity	2017	10.6	11.5	12	Eurostat
[151]	Employment rate of recent (previous 1-3 years) graduates (aged 20-34) of secondary and higher education institutions	%	2018	84.1	86	88	Eurostat

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[152]	Ensuring the quality of pre-school education for all pre-school aged children. Improvements in the learning environment and infrastructure	MoES	Municipalities	SB	Progress indicator will be developed within the education quality monitoring system
[153]	Effective introduction of new curricula and approaches in general education. Dissemination of best practice, with particular emphasis on entrepreneurship and digital skills, education for sustainable development, future skills (creativity, flexibility, adaptability), and STEM / STEAM skills. Improvement of the learning environment: introduction of digital solutions; individualisation of the educational process and initiatives to promote the development of talent; quality and comprehensive extra-curricular activities (including at school); impactful career education; school collaboration with parents and other key partners.	MoES	MoC, municipalities, LIZDA	SB, EU funds, municipalities	Proportion of 15 year olds with high / low achievement in reading, mathematics and natural sciences
[154]	Training, attraction, retention and effective professional development of outstanding teachers, with a special emphasis on attracting, retraining and improving the qualifications of STEM teachers. Raising teacher's salaries	MoES	MoC, municipalities, LIZDA	SB, EU funds	Proportion of 15 year olds with high / low achievement in reading, mathematics and natural sciences
[155]	Improving general education by: introducing education quality monitoring system; prioritising investments in the learning process; increasing school network efficiency by modernizing infrastructure to reduce administration and maintenance costs (including energy efficiency)	MoES	Municipalities	SB, EU funds, municipalities	Proportion of 15 year olds with high / low achievement in reading, mathematics and natural sciences Number of pupils per teaching workload (ISCED levels 1-3)

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[156]	Strengthening the role of universities as centers of innovation for creation and transfer of world-class knowledge and smart growth, including by: bringing doctoral studies in line with international standards; and training of public sector professionals; improving links with business and the labor market; focusing on creation of knowledge-intensive products and services; supporting research-based studies and excellence; modernizing the learning environment; promoting international cooperation and internationalization; strengthening national scale regional and sectoral knowledge partnerships	MoES	MoA, MoH, MoC	SB, EU funds	Employment rate of recent (previous 1-3 years) graduates (aged 20-34) of secondary and higher education institutions Graduates in natural sciences, mathematics and information technology, % of the total number of graduates of higher education institutions
[157]	Improving the effectiveness of higher education management by: involving business organizations in strategic decision-making; strengthening specialization between the institutions; digitalizing the learning process; implementing a monitoring system on education quality; improving faculty skills in providing student-centered education, especially in STEM / STEAM; increasing the salaries of the teaching staff and increasing the ratio of highly qualified foreign academic staff	MoES	MoA, MoH, MoC, MoEPRD	SB, EU funds	Employment rate of recent (previous 1-3 years) graduates (aged 20-34) of secondary and higher education institutions
[158]	Ensuring a comprehensive system for assessing the quality of higher education in Latvia by: reconsidering the introduction of a cyclical accreditation process in 2024; optimizing the number of study programmes; preventing unjustifiable fragmentation and duplication of study programmes; rolling out of adaptable, individualised training and retraining models; establishing doctoral studies	MoES	MoA, MoH, MoC	SB, EU funds	Employment rate of recent (previous 1-3 years) graduates (aged 20-34) of secondary and higher education institutions

in accordance with international standards; introducing a tenure system for academic staff; introducing of new technologies; as well as strengthening the role of digital skills and STEM / STEAM competencies in the study process					
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Education for economic growth

[159] Increasing student achievement in reading, the natural sciences and mathematics will increase student interest in and preparedness for education relevant in the future economy.

[160] Vocational education institutions will improve their reputation as centers of excellence and innovation by, offering flexible training through learning modules, cooperation between schools and employers (work-based learning steered by sectoral expert councils) and access to adult education programmes, especially to improve the competencies of the workforce with low skills.

[161] People of all ages and all skill levels should increase their digital skills at different types of educational institutions. To achieve significant gains, educational institutions and employers need to be aware of the opportunities and pro-actively become involved themselves.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[162]	16-74 year olds with basic and advanced digital skills, % of all in the age group	%	2017	48	54	60	Eurostat
[163]	Graduates in natural sciences, mathematics and information technology, % of the total number of graduates of higher education institutions	%	2018	6.8	9.4	12	MoES
[164]	Young people aged 15-24 neither in employment nor in education and training (NEET), % of total population of 15-24	%	2018	7.8	7	6.0	Eurostat
[165]	Ratio of students in general secondary education and vocational education programmes after completing elementary education	%	2018/2019	61.14/38.86	55/45	50/50	MoES

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[166]	Strengthening vocational education institutions as specialised centers excellence and innovation, especially in the areas of smart specialization, by: creating flexible adult education offers; promoting interinstitutional and international cooperation; and introduction of new technologies	MoES	MoC, MoI, MoA, MoE, MoH, MoT, MoEPRD, planning regions	SB, EU funds	Ratio of students in general secondary education and vocational education programmes after completing elementary education Young people aged 15-24 neither in employment nor in education and training (NEET), % of total population of 15-24
[167]	Raising the prestige and accessibility of vocational education institutions and colleges by: modernizing and improving the quality of the study environment; ensuring a mastery of business skills; individualisation of the educational process and work-based learning; expanding social support programmes, talent development initiatives and career guidance; strategic communication in cooperation with the industry	MoES	MoC, MoH, MoA, MoI, MoW, universities, LDDK, LBAS	SB, EU funds	Ratio of students in general secondary education and vocational education programmes after completing elementary education Graduates in natural sciences, mathematics and information technology, % of the total number of graduates of higher education institutions
[168]	Creating specific programmes for improvement of digital skills; encouraging company participation in their financing	MoES	MoEPRD, MoE, MoI, MoW, CHh, LDDK, LBAS	SB, EU funds	16-74 year olds with basic and advanced digital skills, % of all in the age group

Adult education

[169] Today's changing socio-economic environment and labor market encourage us to acquire new knowledge and skills on a regular basis, and to improve our existing ones. New products and services, created through technological development, automation and competitive pressures, require investment not only in research, but also in a skilled workforce that is open to new knowledge. This means continuous personal development for all, as well as the ability to maintain and continuously improve one's own competitiveness in the labor market.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[170]	Percentage of 25-64 old adults who participated in formal and non-formal education and training (last 12 months)	%	2016	47.5	51	54	Eurostat

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[171]	Promoting demand for lifelong learning through high-quality and flexible adult education opportunities and accessibility by: effectively using educational institutions and adult education centers; building skills funds, promoting employer and sectoral investment and employee motivation; ensuring "second chance" education in accordance with labor market trends	MoES	All ministries, Sch, LDDK, LBAS	SB, EU funds	Percentage of 25-64 old adults who participated in formal and non-formal education and training (last 12 months)
[172]	Adult education for acquisition of skills necessary for economic growth of the economy, including in universities (flexible studies, including modular education, e-learning and work-based learning, acquisition of lifelong learning competencies; educational profiling; recognition of competences acquired outside formal education)	MoW, MoES	All ministries, Sch, LDDK, LBAS	SB, EU funds	Percentage of 25-64 old adults who participated in formal and non-formal education and training (last 12 months)

Inclusive education

[173] Inclusive education must provide an environment conducive to well-being and empathy among younger generations. To ensure this, education institutions need strengthening, and strategic and sustainable support systems need to be created.

[174] The system and conditions in all educational institutions must support the inclusion of children and young people with special needs and at socio-economic risk, as well as the elimination of emotional and physical violence.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[175]	Low-achieving learners from the lower quarter of OECD PISA Socio-Economic and Cultural Status Index (ESCS)	%	2015	25	19	14	OECD
[176]	Percentage of early leavers from education and training, age group 18-24	%	2018	8.3	6.7	5	Eurostat, CSB
[177]	Prevalence of children and young people with special needs attending general education institutions and programs out of the total number of special need children and young people	%	2018/ 2019	59.26	66.4	70	MoES
[178]	15 year olds who have suffered from violence in an educational institution several times during a one month period	%	2018	11	8	5	OECD

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[179]	Prevention and interventions to reduce the risk of early school leaving and encourage social integration (cooperation between schools, support staff, parents and institutions; development of social life skills; involvement of support staff; individualized learning support; early diagnosis of educational needs; support for disadvantaged youth)	MoES	MoW, municipalities, NGO	SB, EU funds	Percentage of early leavers from education and training, age group 18-24
[180]	Development and provision of individual and institutional support for children and young people at risk of socio-economic difficulties and	MoES	Municipalities, NGO	SB, EU funds	Low-achieving learners from the lower quarter of OECD PISA Socio-Economic

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	abuse (young parents, students from poor and socially vulnerable families, children of return migrants and migrants) by: providing material support (scholarship funds, covering the transport, catering, service hotel expenses); and other types of support (language learning, psychological				and Cultural Status Index (ESCS)
[181]	Adaptation of the surroundings in educational institutions; development and provision of special teaching aids and other support for children and young people with disabilities and special needs	MoES	MoW, municipalities, NGO	SB, EU funds	Prevalence of children and young people with special needs attending general education institutions and programs out of the total number of special need children and young people
[182]	Involvement of children and young people at risk of social exclusion (socio-economic risks, special needs, young people in disadvantaged situations, school drop-out risks, etc.) in activities outside formal education (incl. hobby) activities	MoES	Municipalities	SB, EU funds	Percentage of early leavers from education and training, age group 18-24
[183]	Measures to prevent and reduce all forms of violence in educational institutions; and support measures for children, youth, teachers, school staff and families	MoES	MoW, NGO, municipalities	SB, EU funds	15 year olds who have suffered from violence in an educational institution several times during a one month period

Indicative funding for this direction: 812.03 million EUR



Priority 3: Business Competitiveness and Material Well-being

GOAL

[184] **Innovation based productivity growth is the basis for the growth of Latvian companies in the global market and material well-being.**

[185] Global challenges such as population ageing, cross-border migration and internal mobility, artificial intelligence, industry 4.0, sustainable use of resources and the circular economy, climate change, green technologies, etc. offer Latvia the opportunity for growth and increased competitiveness in global markets.

[186] An increase in living standards and individual material well-being will depend on the transition from a labour-intensive and resource-intensive economy to a knowledge- and technology-intensive economy that is also circular and a bioeconomy. A series of proactive steps need to be taken, with targeted investment in human capital, research and innovation. Cooperation between companies, government, research and social partners, provision of sustainable funding and its concentration, smart specialization and an efficient innovation ecosystem will underpin the shift to higher value added and social responsibility.

[187] Workforce availability for the emerging labour market affects the introduction of innovative technologies, higher value added of goods and services, and integration into global value chains. Stakeholder cooperation, innovative solutions, dealing with workforce decline due to demographic trends and emigration, rising costs of labour, employee skills mismatch and regional labour market disparities will all have a decisive impact on the quality of the labour force.

[188] Access to capital is a catalyst for success. This will require concerted action in two directions: first, developing the financial sector to increase available funding and investment of domestic and foreign capital in the economy; second, promoting alternative sources of financing by removing barriers to productive use of capital and ensuring investment protection.

Direction: Productivity, innovation and export

GOAL

[189] **The growth and competitiveness of companies is based on their ability to create and sell high tech, knowledge-intensive goods and services and to integrate into ever higher value added global chains. Smart specialization, innovation, technological development and modernization, as well as targeted investment in human capital are the basis for productivity growth.**

[190] Further economic growth and a higher standard of living for the people of Latvia depend on the ability to create new, knowledge-based competitive advantage in a rapidly changing environment, namely, to increase productivity through investment in human capital, research and innovation, and in the introduction of new digital technologies.

[191] The government will concentrate limited development resources in those areas with the highest potential for knowledge- and technology-intensive production and export, including manufacturing, and facilitate the dissemination of high technology in traditional industries and in the security and defense sectors. Support focuses on five areas of smart specialization - knowledge-intensive bioeconomy; biomedicine, medical technology, bio-pharmacy and biotechnology; smart materials, technologies and engineering systems; smart energy; information and communication technologies, providing financing for the initiatives having the greatest structural effect on increasing value added. Attracting international R&D investment, as well as Latvian productive investments abroad will also allow Latvian companies to compete in international markets and integrate into global value chains with higher value added products, thereby increasing export profitability.

[192] The innovation ecosystem will be built by funding private, public and academic sector cooperation that aligns research and innovation capacity with business needs, as well as by targeting investments in the full business cycle - from knowledge creation to development and sales. Design is also an essential part of the innovation ecosystem. The public sector must play an active role as both the promoter and client of innovation (including through procurement).

[193] Changing the business mindset from short-term profitability to long-term productivity and, consequently, sustainable profitability, as well as cross-sectoral partnerships in the knowledge- and technology-intensive economy, will be crucial in creating new competitive advantages.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[194]	Knowledge and technology outputs	Place in the rating	2019	45	42	39	Global Innovation Index
[195]	Market sophistication	Place in the rating	2019	40	22	21	Global Innovation Index

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[196]	Business sophistication	Place in the rating	2019	41	32	30	Global Innovation Index
[197]	Export unit value index (SITC 5-8), 5 year moving average growth rate	%	2018	1.8	>2	>2	Eurostat
[198]	ICT service exports (% of service exports)	%	2018	9.2	>13	>15	LB

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[199]	Implementation of Latvia's smart specialization strategy in 5 specialization areas: knowledge-intensive bioeconomy; biomedicine, medical technology, biopharmacy and biotechnology; smart materials, technologies and engineering systems; smart energy; information and communication technologies	MoE, MoES	MoEPRD, MoA, planning regions	SB, EU funds, Horizon Europe	Knowledge and technology outputs Business sophistication Nominal labour productivity per hour worked Export unit value index
[200]	Enhancing cooperation between government, business and research, knowledge transfer, development of new products and services and attracting human resources to the regions by concentrating support and discouraging the replacement of private investments	MoE, MoES, MoA	MoEPRD, LDDK, LBAS, planning regions	SB, EU funds	Business sophistication Knowledge and technology outputs
[201]	Supporting strategic innovation partnerships and ecosystem development, including for development of regional knowledge partnerships and design innovation	MoE, MoES	MoEPRD, MoA, MoC, planning regions	SB, EU funds, Horizon Europe	Knowledge and technology outputs
[202]	Balancing the funding structure throughout the research and innovation cycle, matching research and innovation capacity with business needs for new opportunities and market development	MoES, MoE	MoC	SB, EU funds, Horizon Europe	Knowledge and technology outputs

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[203]	Increasing the export of medium and high value-added goods and services, supporting the attraction of local and foreign investment to knowledge and technology-intensive business in Latvia, including support for investments outside Latvia, and cooperation with diaspora entrepreneurs	MoE, MoA	MoES, MFA	SB, EU funds	Export unit value index ICT service exports Knowledge and technology outputs Market sophistication Business sophistication Gross fixed capital formation
[204]	Promotion of digital transformation (digitization, automation, robotization, artificial intelligence, etc.) in business, including in manufacturing	MoEPRD, MoE	Altum, municipalities, planning regions	SB, EU funds, other financial sources	Nominal labour productivity per hour worked Knowledge and technology outputs
[205]	Development of a monitoring system for a group of 5,000 economically active enterprises for a more precise assessment of productivity changes	MoE		SB	Nominal labour productivity per hour worked
[206]	Supporting private sector productivity-enhancing activities in high technology and in non-RIS3 sectors for industrial transformation	MoE, MoA	MoEPRD	SB, EU funds	Nominal labour productivity per hour worked Knowledge and technology outputs

Indicative funding for this direction: 797.78 million EUR

Direction: Work and income

GOAL

[207] People of Latvia work in an active, inclusive labour market in high-quality work environments, and they participate in the social protection system. Individual income levels grow because people are working longer and in favorable conditions. Incomes increase due to improved financial literacy and, individuals are adept at managing their financial assets (including debt and savings). There is an overall increase in well-being.

[208] Human capital, its availability and alignment with labour market needs, as well as high-quality and inclusive workplaces are links to higher productivity and economic growth. Productivity growth, especially in the regions of Latvia, enables companies to earn more and invest more, as well as to create more jobs in the long run, while for

employees it contributes to higher workplace quality - higher wages, safer work environment, equal rights, adequate social protection, healthcare, etc. Stakeholder cooperation and social dialogue are essential mechanisms for balancing interests of employers and employees.

[209] In recent years, the number of employed in Latvia has been increasing, and the unemployment rate has been decreasing. An increase in vacancies points to a disbalance in supply and demand. Regional differences abound. Consequently, to meet labour market demand, labour market policy will promote regional and professional workforce mobility, including through new forms of employment in technology development and digitalisation, removing barriers to active participation in the labour market, and attracting a purposefully managed, qualified foreign workforce, including foreign students and persons with high levels of expertise. Return migration will also be encouraged. Special attention will be paid to targeted active labour market programmes for the unemployed and groups with a high risk of unemployment.

[210] Due to insufficient investment in quality work environments, employees retire earlier, and often suffer from health disorders. Improving the work environment would contribute to sustainable labour relations and employers' investments in human capital, and promote longer participation in the labour market and reduction in unemployment risks. The performance of labour market institutions impacts labour market efficiency and the quality of the work environment. At the same time, action is needed to ensure adequate social security contributions and to remove systemic barriers preventing people from quickly returning to work.

[211] Although income growth at individual level will root in active labor market participation and productivity gains, no less important is the ability of citizens to manage their financial assets skillfully by reducing debts and developing productive savings and investments that allow to increase the income and manage the household risks. In Latvia, the number of persons with debts and the amount of debt, in both non-bank and bank loans, is high. High financial liabilities of certain groups hinder the effective reduction of the shadow economy, as people in such situations lose motivation to engage in fair and open employment.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[212]	Employment rate, age 20-64	%	2018	76.8	77.5	78.0	Eurostat
[213]	Employment rate, age 65-74	%	2018	18.5	20.5	22.5	Eurostat, CSB
[214]	Long-term unemployment rate, age 15-74	%	2018	3.1	2.6	2.2	Eurostat, CSB
[215]	Participation in education during paid working hours, % of employees age 25-64	%	2018	42.8	49	55	CSB
[216]	Tax wedge*	%	2018	39.5	38.4	34.8	MoF
[217]	Socially insured persons making mandatory state social insurance contributions from an amount below the minimum wage,%	%	2018	31.3	27	24	SSIA

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[218]	Number of serious and fatal accidents at work (per 100,000 employees)	quantity	2018	30	29	28.5	Eurostat, State Labor Inspectorate
[219]	Debt service-to-income ratio (2nd quintile of net wealth)	%	2018	34.1	<30	<30	LB

*The labor tax burden or tax wedge describes how much the employer pays for employing the employee. It is calculated as the ratio of the amount of taxes paid by employees (PIT and SSIAI (both employer and employee shares) to the employer's cost (gross wages and amount of employer's SSIAI).

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[220]	Promoting return migration of the workforce and attraction of skilled foreign labour and talent	MoW, MoE, MoES, MFA	MoEPRD, MoC, MoI, planning regions	SB, EU funds	Employment rate, age 20-64 Participation in education during paid working hours, % of employees age 25-64 Socially insured persons making mandatory state social insurance contributions from an amount below the minimum wage,%
[221]	Development of active labour market policies (programmes for unemployed, persons at risk of unemployment, the economically inactive, and support for regional mobility) and support for disadvantaged groups (including youth, people of pre-retirement age and people with disabilities), taking into account the specific needs of the individual and geographic area	MoW, MoE, MoES	MoEPRD, LDDK, LBAS, municipalities	SB, EU funds	Employment rate, age 20-64 Employment rate, age 65-74 Long-term unemployment rate, age 15-74 Socially insured persons making mandatory state social insurance contributions from an amount below the minimum wage,%
[222]	Promoting a culture of financial and savings investment by increasing financial literacy and curbing irresponsible lending	MoF	MoE, MoEPRD, MoES, FCMC	SB	Market sophistication Debt service-to-income ratio (2nd quintile of net wealth)

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[223]	Creation and maintenance of quality (including safe) workplaces, promotion of socially responsible entrepreneurship and support to social entrepreneurship	MoW	MoF, MoE, MoEPRD, LDDK, LBAS	SB, EU funds	Employment rate, age 20-64 Employment rate, age 65-74 Participation in education during paid working hours, % of employees Long-term unemployment rate, age 15-74 Number of serious and fatal accidents per 100,000 employees
[224]	Reducing the labour tax burden on low-income earners and shifting to less growth-damaging taxes, evaluating options in the context of the social security system	MoF	MoW, MoE	SB	Tax wedge*
[225]	Adequate state social insurance (benefits, pensions), in accordance with state social insurance contributions made by the employee (decision on mandatory contributions, assessment of the option to provide social insurance in accordance with actual payment contributions, creating preconditions for a state social insurance budget reserve fund, including assessment of the need to preserve alternative tax regimes)	MoW, MoF		SB	Socially insured persons making mandatory state social insurance contributions from an amount below the minimum wage, %

Indicative funding for this direction: 149.73 million EUR

Direction: Capital and business environment

GOAL

[226] **A legal, administrative and financial environment enables the development of competitive business throughout Latvia by identifying and allowing for the effective use of national resources and opportunities to increase the inflow of foreign capital in the Latvian economy, and attracting more domestic capital for business development.**

[227] Administrative conditions must be created for the successful use and protection of capital to modernize classical industries by adding value at all stages of business, from knowledge creation, to development, production, and sales.

[228] Latvia has a relatively low level of investment, mainly due to weak lending, a low level of capital market development, relatively high private sector indebtedness, a certain degree of economic and political uncertainty. Increasing the range of financial instruments will increase lending rates and the availability of sufficient sources of alternative financing. Developing the capital market while ensuring foreign investment control mechanisms to reduce security risks for strategic companies and industries will both promote investment of domestically accumulated capital and increase attractiveness to international investors. Regarding public investment, a focus on return on investment and long-term economic growth are important.

[229] Given the rapid changes in the external environment, the ability of the institutional environment to provide appropriate business environment conditions, is hampered. There is an increased negative impact of the regulatory framework and administrative barriers on entrepreneurs. To reduce the impact of the regulatory framework and administrative barriers on entrepreneurs, it is necessary to prevent over-regulation, speed up government decision-making and ensure consistency in decisions, especially with regard to the tax system, and to streamline the judicial system concerning business and the protection of business rights. It is important to create an open regulatory framework for innovative business models and promotion of future technologies, and to unleash the potential of open data, simultaneously ensuring data protection and the financial sustainability of public registers.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[230]	Institutional index	Factor rating - scale 0-100	2018	57.89	68	72	Global Competitiveness Index
[231]	Gross fixed capital formation, % of GDP	%	2018	22.8	24	25	Eurostat
[232]	Bank loans to domestic non-financial corporations (sectors A-K), % of GDP	%	2018	14	20	23	LB, FCMC, CSB
[233]	Market capitalization, % of GDP	%	2018	3	5	7	CEIC Data
[234]	Integration of digital technology, weighted average of 4a -	%	2019	11	14	18	DESI

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	digitization of business - (60%) and 4b - e-commerce (40%)						
[235]	Global open data index	Place in the rating	2018	12	10	8	European data portal
[236]	New domestic emitents on Nasdaq Baltic stock exchange	numbe r	2017	1	5	7	Nasdaq Riga

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[237]	Development of an attractive environment for domestic and foreign investment (including judicial process efficiency enhancement, improving the quality of adjudication and improving knowledge and skills of employees of the justice system, promotion of alternative dispute resolution in the business environment, protection of intellectual property rights, minority shareholder rights, improvement of investigation quality); reduction and prevention of the inflow of criminally obtained financial resources and reduction of the shadow economy; promotion of international co-operation; implementation of a stable and predictable tax policy; strengthening corporate governance	MoJ, MoF, Courts, FIU	MoW, MoE, MoI, MoEPRD, MoT, MoH, MoA, LPS, LDDK, LBAS, NGO, planning regions	SB	Institutional index Gross fixed capital formation Market sophistication
[238]	Prevention of over-regulation of the business environment by assessing Latvia's competitiveness in the region, making decisions to improve business regulation and responding quickly to the necessary changes	All ministries, municipalities	LDDK, LCCI, NGO, planning regions	SB	Institutional index
[239]	Development of the capital market (including "green" financing instruments) and promoting access to finance (i.a., through the growth of financial innovation and lending rates in accordance with GDP growth, investing pension plan funds in the Latvian economy)	MoF, MoE, MoA, FCMC	Nasdaq	SB, EU funds	Market capitalization New domestic emitents on Nasdaq Baltic stock exchange Bank loans to domestic non-

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					financial corporations (sectors A-K) Gross fixed capital formation Market sophistication
[240]	Motivating increasing number of inhabitants to engage in entrepreneurship (including through employee financial participation, etc. instruments, employee stock options, etc.)	MoE, MoJ, MoF, MoA	MoEPRD, MoW, municipalities, planning regions	SB, EU funds	Gross fixed capital formation
[241]	Providing competitive and open regulation of future technologies (including introduction of digital solutions in the exchange of information both between entrepreneurs, and among the state and municipal institutions)	All ministries	Municipalities, planning regions	SB	Institutional index Integration of digital technology
[242]	Reasonable opening of data held by the public administration to improve the competitiveness of the private sector and develop innovative products and services	MoEPRD	All ministries, municipalities	SB	Global open data index Integration of digital technology
[243]	Concentrating foreign economic policy (including resources) to achieve clearly defined goals	All ministries, SCh		SB	Export unit value index Market sophistication

Indicative funding for this direction: 2 586.90 million EUR



Priority 4: Quality Living Environment and Regional Development

GOAL

[244] **Improving the living environment for balanced regional development.**

[245] The living environment is characterized by interactions between social, cultural, infrastructure and other factors, as well as by the availability and quality of key services (transport, housing, energy and water supply, and communications). The quality of life of a population is influenced by ecological aspects no less than by economic and social dimensions. A good living environment is a prerequisite for sustainable economic activity.

[246] Individual well-being is rooted in access to a living environment that is of high-quality, functional and reflects the uniqueness of the region. In turn, a sustainable, biologically diverse and clean environment promotes a healthy lifestyle. Regional differences are a competitive advantage, providing and attractive array of lifestyle choices in urban and rural areas throughout Latvia.

[247] Focused local community initiatives based on sustainable resource use, along with data on the economic, social and ecological advantages of the area (along with good public infrastructure and services) are the building blocks of local business support systems.

[248] Moreover, plenty of sustainable energy resources for use in energy production, and production in general, is a precondition for competitive advantage for businesses in Latvia. The contribution of research institutions to use of cost-effective renewable, local and alternative resources is vital to reduce Latvia's energy dependence on fossil fuels and increase the security of the regional energy supply. Comprehensive energy efficiency measures are also important to reduce energy consumption. Research and innovation are the drivers in the transition to a low-carbon economy.

[249] Natural resources are widely available in Latvia and can be used to create environmentally friendly, smart materials and services for economic development.

[250] The availability of quality affordable housing is a human right. It is also important for employment, raising the level of well-being of households, addressing demographic challenges and improving the national business environment. The construction of new, environmentally friendly and energy efficient housing, as well as renovation of the existing housing stock, and its availability, will make the residents feel safe and strengthen the sense of belonging to Latvia.

[251] A transport infrastructure system that ensures equal access to all regions and high-quality, sustainable internal mobility is a strategically important resource for economic activity and attracting people to the regions. It supports balanced regional development by facilitating the inclusion of regional outskirts into economic impact zones of national and local level development centers. Poor quality road sections must be renovated, and the railway infrastructure is to be enhanced to increase speed of

interregional connections. The hierarchically tiered transport infrastructure and mobility system having the rail system as its backbone will be essential for regional planning and responding to socio-economic change.

[252] The digital transformation and widespread use of secure information technology ensure integrated development of the economy. Digital solutions have value both in social cohesion and economic diversification. Digitally skilled citizens with a strong communication infrastructure create efficient electronic data exchange, e-commerce and international online trading, replacing physical movement with digital remote cooperation.

[253] Because people create a sustainable living environment and move toward a circular economy by saving energy and sustainably using resources, the principle of "energy efficiency first" should be applied when deciding on policies and infrastructure investments. Significant energy savings can be achieved through effective GHG reduction measures that increase the energy efficiency of buildings and energy production, and improve heat retention. Low-emission or zero-emission transport (including railway) also contribute.³

[254] Stemming climate change, transitioning to clean energy and the reducing social inequalities are closely interlinked aspects of sustainable development that, given rapid political initiatives, can strongly polarize society and adversely affect the quality of life of some social groups. To avoid decreases in employment and well-being of persons living in Latvia's regions, national and international (especially European Union) level policy proposals must be carefully evaluated to ensure prudence and social responsibility.

[255] A steady increase in innovation and technological solutions contributes to productivity improvements in the business environment. The regions and the Riga metropolitan area are increasingly attracting talent from various fields that play a crucial role in rapid economic development and prosperity. Innovation ecosystems, created in development centers, are gradually being rolled out in economic activity. Labour force diversity in the Riga metropolitan area is an economic, social and cultural advantage while with a strong vocational education background and knowledge-intensive skills will be behind the economic breakthrough in the regions. Targeted support in the areas of smart specialization will make the Riga metropolitan area leader among the Baltic States.

[256] More than half of the country's population is concentrated in the Riga metropolitan area, which generates a significant share of national GDP. This is a significant driver for the development of the entire country, therefore Riga must be positioned as an important European cultural, tourism and business center.

³ Zero-emission (non-emission) and low-emission vehicle is a passenger car or light commercial vehicle with tailpipe emissions between zero and 50 g CO₂/km as determined pursuant to Regulation (EU) 2017/1151.

Direction: Nature and the environment - the Green Deal

GOAL

[257] **Low-carbon, resource-efficient and climate-sustainable development enables Latvia to achieve national goals in climate change mitigation, energy, reduction of air and water pollution, and in waste management. This type of development also allows Latvia to preserve and improve the quality of the environment, produce safe and high-quality food, including organic food, as well as to utilise natural resources sustainably.**

[258] **Scientific research-based preservation of biodiversity balances ecological, economic and social interests.**

[259] **Policy is in place for sustainable management of the environment, natural resources and energy. The policy is based on fairness, trust between all stakeholders, and public support for nature and climate protection measures. It sets clear and open cooperation models between the state and the population, including for participation in decision-making.**

[260] Air pollution, low surface water and sea water quality, an insufficient proportion of protected species and habitats, and high volumes of generated waste indicate the growing negative impact of economic activity on the quality of the environment, biodiversity and natural resources depletion risks. Latvia has set national environmental, climate and energy policy goals and measures to preserve and improve the environment, promote low-carbon development, energy efficiency and a transition to renewable energy sources.

[261] Sustainable development and a high-quality living environment that is protected from significant pollution due to economic activity can be achieved through targeted diversification of production, maximum use of each resource unit and support to climate-neutral economic measures.⁴ Zero-emission vehicles and achievements of research institutions in promoting wider use of renewable or alternative energy resources are contributing factors. Air pollution is reduced by introducing efficient technology solutions in densely populated areas, for example, by reducing biomass generated pollution.

[262] Improving energy efficiency and replacing fossil fuels with local and renewable resources, especially solar and wind energy, will reduce the country's dependence on energy imports, increase the security of the energy supply and reduce air pollution.

[263] At the same time, the decarbonization of the economy⁵ is possible only in step with the introduction of high-quality and cost-effective low-carbon carbon technologies available on the global market. Public demand for climate resilience and energy efficiency drives the transition towards decarbonisation of the economy and changes in consumption patterns. The public requirements for a safe living environment and efficient economic activities in Latvia's regions require improvements in the current national disaster risk prevention and management system.

⁴ The resulting GHG emissions are fully offset by carbon sequestration or use of certain technologies prevents production of GHG emissions.

⁵ Purposeful transition towards reducing the carbon intensity in the economy at large.

[264] Increasing green zones, pedestrian streets and bicycle paths in the urban areas and between settlements will make the surroundings more attractive and will provide people, especially families with children and seniors, the opportunity to increase physical activities.

[265] Riga will become attractive for living due to efforts in reducing anthropogenic pollution. This will be accomplished by changes in the production, consumption and behavior patterns of individuals and businesses towards low-carbon development, as well as by wider use of low-emission or zero-emission public and private vehicles. In turn, green urban infrastructure will provide an esthetic way of reducing the risks of floods, erosion, pollution, and other environmental challenges.

[266] Increased public awareness and demand for goods, products of local origin and sustainable production technologies will contribute to the goals of the bioeconomy and the circular economy.

[267] Action is needed to improve waste sorting and recycling, and to develop a deposit system for used packaging. Recycling will ensure economic diversification and increase the efficiency of use of each resource unit. Materials reuse, the reduction of waste and a waste-free⁶ lifestyle will reduce waste and environmental pollution.

[268] The growing demand for more intensive use of natural capital must be balanced with biodiversity protection measures, carbon sequestration commitments and the latest scientific findings on the sustainable and efficient use of natural resources. In order to balance economic activity, public social interests, carbon sequestration commitments and preservation of biodiversity in the sustainable management of natural capital, society must reach a consensus during this planning period on what are Latvia's protected natural values, how much area they cover, what regional growth potential is offered by natural capital, the effects on employment opportunities in rural areas, just compensation for the protected areas and values.

[269] Natural capital is a key resource for employment and entrepreneurship in rural areas and a source of healthy, safe and high-quality food in line with "one health" principles. It also provides bioeconomy products and services in industries, such as construction, wood processing, and others. National support for green procurement and processing of local products will be directed toward strengthening networking and development of businesses with environmentally friendly production practices.

[270] Minimizing anthropogenic pollution is everyone's responsibility. It is an opportunity to change the economic paradigm, to build a new, climate-neutral economy by using available or creating new technological solutions for economic diversification, reusing waste as raw material, and ensuring public health and a healthy environment.

⁶ Waste-free lifestyle is about preservation of all resources, responsible production, when products, packagings and materials are consumed, reused and recycled without incineration and emissions into land, water or air, which poses risks for environment or human health.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[271]	GHG emission intensity	t CO ₂ eq / million Euro	2017	497 ⁷	Trajectory reduction towards the 2030 target (292 ⁸)	Trajectory reduction towards the 2030 target (292 ⁹)	LEGMC, CSB
[272]	CO ₂ sequestration and GHG emission ratio in certain registration categories of the ZIZIMM sector	ktCO ₂ eq.	*	*	The GHG emissions to be accounted for in the ZIZIMM sector do not exceed the GHG emissions to be accounted for ¹⁰	The GHG emissions to be accounted for in the ZIZIMM sector do not exceed the GHG emissions to be accounted for ¹¹	MoA, National Forestry research Institute "Silava", MoEPRD
[273]	Reduction in air pollution, %:	%	2016				LEGMC
	nitrogen oxides - NOx			17	33	34	
	particles - PM2.5			28	27	35	
	ammonia - NH3			9	1	1	
[274]	Water bodies of high and good ecological quality	%	2017	21	30	35	LEGMC
[275]	Recycling rate of municipal waste	%	2020	~27 %	55 %	60 %	LEGMC, National Statistical Review "3. Waste"

⁷ According to the GHG inventory of 2019 submitted under the Convention and the Kyoto Protocol.

⁸ Output data:

- GDP value (comparable prices compared to 2010) according to the Report on policies, measures and GHG forecasts submitted to the European Commission in 2019.
- Total GHG emissions (excluding the sector of ZIZIMM sector (Soil use, change of use and Forestry) in accordance with the target set in the draft Latvian Low-carbon Development Strategy for 2050 (target of 2030 - 65% GHG reduction compared to 1990).

⁹ Output data:

- GDP value (comparable prices compared to 2010) according to the Report on policies, measures and GHG forecasts submitted to the European Commission in 2019.
- Total GHG emissions (excluding the sector of ZIZIMM sector (Soil use, change of use and Forestry) in accordance with the target set in the draft Latvian Low-carbon Development Strategy for 2050 (target of 2030 - 65% GHG reduction compared to 1990).

¹⁰ Calculated as the sum of total emissions and total sequestration in all registry categories referred to in Article 2 of Regulation (EU) 2018/841 in accordance with the accounting provisions set in Regulation (EU) 2018/841.

¹¹ Calculated as the sum of total emissions and total sequestration in all registry categories referred to in Article 2 of Regulation (EU) 2018/841 in accordance with the accounting provisions set in Regulation (EU) 2018/841.

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[276]	Municipal waste generated per capita	kg	2018	470	460	450	CSB, LEGMC (National Statistical Review "Waste - 3")
[277]	Hazardous waste generated	thousand t	2018	118	113	100	CSB
[278]	Specially protected natural areas	(% of total LV area)	2018	18.2	18.2	18.2	Nature Conservation Agency
[279]	Rural bird index		2000=100	100	100>120	>120	Nature Conservation Agency
[280]	Forest bird index		2005=100	100	100>100	>100	Nature Conservation Agency

* Indicator data to indicate the base year and target value are not currently available, the target values will be specified for the period 2021–2025 and 2025-2030.

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[281]	Reducing GHG emissions through climate change mitigation and technological breakthroughs. Increasing carbon sequestration towards climate-neutral economic development through targeted energy efficiency measures and decarbonisation of the transport system	MoE, MoEPRD, MoF, MoA, MoT, MoW, MoES, CSCC, SCh, PUC	Municipalities	SB, EU funds, other financial sources	GHG emission intensity Ratio of accountable CO ₂ sequestration and GHG emissions in certain registration categories of the ZIZIMM ¹² sector ¹³
[282]	Mitigation of climate change effects through adaptation measures, and improved material and infrastructure provision (for prevention and management of disaster risks, including flood and coastal erosion), as well as in the management of economic sectors and sustainable stormwater management, taking into account the latest scientific data and forecasts for achieving and	MoEPRD, MoI, MoA	MoC, MoT, MoH, MoE, municipalities	SB, EU funds, other financial sources	GHG emission intensity

¹² Soil sector - Soil use, change of use and forestry sector (ZIZIMM).

¹³ Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU.

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	strengthening climate resilience				
[283]	Improving the air quality to reduce nitrogen oxides (NO _x), ammonia and PM _{2.5} pollution in densely populated areas and in the entire country through targeted high energy efficiency, low-carbon production and improved transport systems	MoEPRD, MoE, MoA, MoT, municipalities		SB, EU funds, other financial sources	Reduction in air pollution (nitrogen oxides - NO _x , particles - PM _{2.5} , ammonia - NH ₃), %
[284]	Increasing the ratio of high and good quality surface and groundwaters, as well as improving the quality of inland waters and marine environment, and protecting the groundwater resources by reducing anthropogenic pressure, including harmful effects of wastewater on natural resources and environment by establishing necessary infrastructure and processing of sewage sludge	MoEPRD	MoA, MoE, MoH, MoT, municipalities	SB, EU funds, other financial sources	Water bodies of high and good ecological quality
[285]	Efficient use of local resources, including bio-resources (application of eco-design principles and introduction of circular economy into different sectors of the economy), in particular by achieving higher standards and innovation in food flows and animal health in line with the "one health" principle, as well as by introducing waste-free production technologies and innovation into the economy	MoEPRD, MoA, MoH	MoE, MoT	SB, EU funds, other financial sources	GHG emission intensity Municipal waste generated per capita
[286]	Exploration and management planning of subterranean depths for sustainable use of local resources	MoEPRD	MoA, MoE	SB, other financial sources	
[287]	Reduction of generated and landfilled waste and an increase in the share of recycled and recovered waste with special emphasis on - sewage sludge treatment; an increase in the share and capacity of biodegradable waste recycling and recovery	MoEPRD	Municipalities	SB, EU funds, other financial sources	Recycling rate of municipal waste Municipal waste generated per capita
[288]	Remediation and revitalization measures for historically polluted sites to improve environmental quality (soil,	MoEPRD	Municipalities	SB, EU funds, other financial sources	Water bodies of high and good ecological quality

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	ground, groundwater and surface water)				
[289]	Improving the biodiversity protection system by developing scientifically based biodiversity preservation objectives and indicators and by implementing measures to ensure a favorable preservation status of habitats and species of EU and national importance in Latvia, taking into account the public economic and social interests and regional development needs	MoEPRD	MoA	SB, EU funds, other financial sources	Rural bird index Forest bird index
[290]	Improving the preservation of protected habitats and species in accordance with scientifically based species and habitat protection and nature protection plans	MoEPRD	MoA, municipalities	SB, EU funds, other financial sources	Rural bird index Forest bird index
[291]	Integrating biodiversity preservation measures into economic sectors, in particular into agriculture, forestry and fishery, through the sustainable management of natural resources and use of green infrastructure, while protecting and enhancing biodiversity and landscape diversity through promotion of sustainable tourism	MoEPRD	MoA, municipalities	SB, EU funds, other financial sources	Rural bird index Forest bird index
[292]	Promoting change in public behavior patterns and habits, raising awareness on the environment and sustainable management of natural resources	MoEPRD	MoA, municipalities, planning regions	SB, EU funds, other financial sources	GHG emission intensity Municipal waste generated per capita Specially protected natural areas

Indicative funding for this direction: 1370.45 million EUR

Direction: Technological environment and services

GOAL

[293] **An integrated, sustainable transport system provides high-quality mobility opportunities for people and freight throughout the country and ensures both local and international accessibility, using the railway as the backbone of public transport. The system is fully integrated into the EU network (*Rail Baltica*) and provides interconnections between the basic and comprehensive network.**

[294] **Broadband electronic communications infrastructure is compliant with the EU connectivity objectives.**

[295] **A digitally transformed public administration - a rationally managed organizational and technological ecosystem is integrated (internally) and open (externally) to create shared value, innovation, with a user-oriented approach for delivering public services both in the physical and digital environments.**

[296] **Affordable, innovative and energy efficient solutions are available for the energy supply to achieve greater self-sufficiency and distributed energy production.**

[297] Transport infrastructure, and transport and logistics services directly impact competitiveness and economic growth by creating preconditions for the development of other sectors and investments that provide significant export revenues.

[298] Transport in Latvia is the largest energy consumer. It also emits a significant amount of GHG emissions and pollutes the air. Pollution from traffic jams and related pollution is an unresolved issue, especially in Riga.

[299] Factors such as globalisation, rapid technological development, the need to adapt to climate change and increase productivity under conditions of limited funding - call for new and flexible transport solutions. In response to changes in the socio-economic and technological environment, an integrated, sustainable transport system will provide for the mobility of people and goods throughout the country, and ensure international accessibility. Mobility will be safe, and the transport system will be environmentally, socially and economically sustainable. Investments in regional infrastructure, including in innovative solutions, will support domestic mobility to regional centers of economic activity and mitigate consequences of the decline in population. A future challenge is the synergy of transport infrastructure with IT solutions and its security so that the transport system is user-oriented and intelligent transport services become part of every citizen's daily life.

[300] Latvia has a high level of public digital services, although there are some shortcomings in terms of quality and open data availability. However, digital skills of individuals will have to improve if Latvia wants to raise business productivity and further integrate digital technologies. Raising public awareness of cybersecurity will reduce potential risks and prevent cybercrime. Latvia will introduce the "digital by default" principle to provide citizens with convenient and timely access to public services because electronic services and solutions are cost-effective and more flexible than face-to-face services. Each electronic service and solution will be subject to an initial cyber security risk assessment, and cyber security will be provided throughout

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the life cycle to ensure the continuity, integrity and data protection. A significant future challenge is to provide and improve the quality, safety and accessibility of public services while providing new services without increasing public spending.

[301] The energy supply and security infrastructures provided by the state to the population are prone to various risks. Cost-effective investments will provide sustainability to the energy supply system and prevent national energy supply risks that could impact any infrastructure and the economy as a whole. Areas for support include the energy supply infrastructure, energy production, energy management and energy efficiency in various sectors (including energy supply, heat supply, cooling, transport). Improving energy efficiency and meeting energy saving commitments will require incentives to attract greater private investments in this area, support mechanisms to encourage citizens and companies to increase their use of renewable energy sources (including for own consumption), and more investments to develop additional renewable energy production.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[302]	Transport Infrastructure Index	ranking / points	2019	52/57.3	52/58.0	52/58.5	Global Competitiveness Index (2A)
[303]	Proportion of railway passengers in public transport	%	2018	7.38	8	12	CSB
[304]	Proportion of energy produced from RES in transport ¹⁴	%	2017	2.56	4.69	5.85	CSB
[305]	Proportion of zero emission vehicles of total vehicles	%	2018	0.05	0.5	2	CSB
[306]	Reduction in the number of road traffic fatalities	%	2020	0	12	35	CSB
[307]	Digital Economy and Society Index (DESI)	ranking	2019	17	15	13	EC, DESI
[308]	Energy Trilemma Index	ranking	2019	22	20	18	World Energy Council, Energy Trilemma Index
[309]	Proportion of energy produced from RES in total final energy consumption	%	2017	39.02	44.9	47.5	CSB
[310]	Accumulated (cumulative) final energy savings in final consumption*	GWh	2021	-	3722	10,422	EE monitoring system, EM, BVKB
[311]	Total primary energy consumption, not greater than*	PJ	2017	187	182	175	CSB

*According to the methodology / definition of Directive 2012/27/EU.

¹⁴ The target values are set on the assumption that by 2026 so-called first generation biofuel registration has been gradually ceased.

Measures

No.	Measure	Responsible authorities	Co-responsible authorities	Funding source	Indicator
[312]	Establishment of a multimodal public transport network with railway as its "backbone" that integrates <i>Rail Baltica</i> into the existing national and municipal transport network, creates multimodal transport and passenger transfer hubs, promotes regional accessibility and population mobility, and continues the railway electrification, while developing safe roads and street infrastructure and providing convenient connections between train and bus routes, meeting accessibility requirements in all activities	MoT	MoEPRD, MoI, MoH, MoF, municipalities	SB, EU funds, other financial sources	<p>Transport Infrastructure Index</p> <p>Proportion of railway passengers in public transport</p> <p>DESI</p> <p>Proportion of energy produced from RES in transport</p> <p>Proportion of zero emission vehicles of total vehicles</p> <p>Reduction in the number of road traffic fatalities</p>
[313]	Improving international connectivity by implementing the <i>Rail Baltica</i> project, developing Riga International Airport and increasing the attractiveness of transit services and entry into new markets, making Riga an important and modern multimodal transport hub, thereby increasing the productivity of the unified European transport network and promoting environmental objectives	MoT	MoF, MoI, MoA, MoEPRD, municipalities	SB, EU funds, other financial sources	<p>Transport Infrastructure Index</p> <p>Proportion of railway passengers in public transport</p>
[314]	Improving the transport system to encourage the use of bicycles and other environmentally friendly vehicles as well as RES - by creating appropriate infrastructure and encouraging older vehicle replacement, while ensuring infrastructure accessibility for different groups	MoT	MoE, MoEPRD, municipalities	SB, EU funds	<p>Proportion of energy produced from RES in transport</p> <p>Proportion of railway passengers in public transport</p> <p>Proportion of zero emission vehicles of total vehicles</p> <p>Reduction in the number of road traffic fatalities</p>

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[315]	Establishing a broadband electronic communications network in line with the connectivity objectives of the European Union by developing "middle mile" and "last mile" infrastructure and doing broadband mapping	MoT		SB, EU funds	DESI
[316]	Introduction of modern technologies and rational, resource-efficient, user-oriented and open management in order to provide high-quality public services in accordance with the principle "digital by default", proactive "one-time" services, including in international service provision, optimization and centralization of public administration and local government ICT infrastructure and support processes	MoEPRD, MoH, MoT	All ministries, SCh, CSCC (DLC), municipalities, authorities providing services to VPVKAC	SB, EU funds, municipalities, other financial sources	DESI
[317]	Increasing the availability and accessibility of the national and municipal physical and digital environment, as well as encouraging the use of digital solutions by improving individuals' digital skills, improving the electronic identification and secure electronic signature system, and providing environmental access to quality services	MoEPRD, MoW, MoI, MoD	All ministries, SCh, municipalities	SB, EU funds, municipalities	DESI
[318]	Enhancing energy security and independence, and moving towards full integration of energy markets by participation in the synchronization of the Baltic electricity grids and the unified natural gas market, while supporting civil energy micro-projects to encourage households to produce energy for their own consumption from renewable sources and constructing and renovating energy-saving buildings	MoE		SB, EU funds, other financial sources	Energy Trilemma Index Proportion of energy produced from RES in total final energy consumption Accumulated (cumulative) final energy savings in final consumption Total primary energy consumption, not greater than

Indicative funding for this direction: 4073.09 million EUR

Direction: Balanced regional development

GOAL

[319] Increasing the potential of the regions of Latvia and reducing economic disparities by strengthening their internal and external competitiveness, as well as providing region-specific solutions to encourage settling and development of the living environment.

[320] Regional development in Latvia is related to several goals - promotion of national competitiveness, increasing business productivity and social responsibility, reducing income inequality and inequality of opportunity, while ensuring a good quality of life for inhabitants in all regions (employment, services, public space, natural resources and cultural heritage).

[321] Latvia's largest cities, and Riga in particular, have played a dominant role in Latvia's economic growth, but gains to date will not continue to provide rapid national development without an increase in productivity and competitiveness in an open labor market. Risks are also posed regional imbalances. Inequality is still high, and growth, especially in peripheral regions, lags behind that of the Riga region.

[322] Negative demographic trends combined with low productivity pose risks to sustainable economic development. The relatively low income level of people living outside the largest cities and their surrounding areas encourages emigration, resulting in a decrease in the quantity and quality of the workforce.

[323] The business structure of economically weaker regions needs reorientation towards technology-intensive manufacturing and service sectors that create greater added value. Simultaneously, development of small businesses, including in the cultural and creative industries and tourism is to be encouraged.

[324] Due to current demographic trends, the Latvian public sector of the future will face the need to provide more public services under conditions of limited funding, so value for money of spending and the efficiency and transparency of the public sector will be particularly important.

[325] Population ageing calls for policies that increase participation in the labor market for a longer period of time, the availability of quality social services, including long-term care (also in family-like care environments), and continuous learning opportunities throughout the country. In regions with declining populations, public services can be improved through mobility and digital access solutions.

[326] Aligned action is needed at national, regional and local levels for development of urban, rural, and border areas, Riga metropolitan and coastal areas to attract both public and private investment in order to reduce socio-economic disparities. Latvia will create specific solutions to improve the quality of daily life and business environment for the people living in the regions. Creating symbiosis between cities as "development centers" and their surrounding areas will improve the attractiveness of the entire area. Increasing the efficiency of cooperation between local governments can lead to significant gains for all.

[327] The following set of measures aims to improve public infrastructure to support entrepreneurship through targeted local government policies, attract investment for innovation, create diversity of jobs and services, improve the business environment, provide workforce mobility within and between regions, while maintaining access to

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public services at a decent level - both by using opportunities provided by digitalization and by introducing alternative provision models of physical services adapted to the needs of specific settlements.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[328]	Regional GDP gap - ratio of average GDP per capita of the four planning regions with lowest GDP per capita - against the GDP per capita of the planning region with the highest GDP per capita	%	2017	47	52	55	CSB, calculation
[329]	City evaluation index, Riga	points	2017	19.1	25	30	EC Monitoring of Cultural and Creative Cities
[330]	Attracting private investment in planning regions - the average level of the four less developed planning regions against the average level of the most developed planning region	%	2017	33.4	37	45	CSB, calculation
[331]	Wages in planning regions - the average level of the four least developed planning regions against the average level of the most developed planning region	%	2018	73.9	80	89.0	CSB, calculation

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[332]	Creation of public infrastructure to encourage entrepreneurship based on the regional specialisation defined in spatial development planning documents and current private investor needs to motivate businesses in the regions to develop new products and services, increase productivity, diversify, use innovation and competence transfer opportunities and attract a qualified workforce	MoEPRD	MoA, MoE, MoES, MoW, planning regions, municipalities, LDDK, LTKR	SB, EU funds	Regional GDP gap - ratio of average GDP per capita of the four planning regions with lowest GDP per capita against the GDP of the planning region with the highest GDP per capita Wages in planning regions - the average level of the four least developed planning regions

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					against the average level of the most developed planning region
[333]	Establishment of a coordinated support system for attracting investment and supporting business in the regions, and establishment of a regional development fund (regional project programmes) for targeted investments	MoEPRD	MoF, MoE, LPS, planning regions, municipalities	SB, other financial sources	Attracting private investment in planning regions - the average level of the four less developed planning regions against the average level of the most developed planning region
[334]	Improving the capacity, knowledge and administrative processes of planning regions, municipalities and other stakeholders involved in spatial development in order to increase cooperation between local governments, offer mobility solutions, promote an investment-friendly environment and ensure high quality, cost-effective municipal services	MoEPRD	Sch, MoA, municipalities, planning regions, LPS, LLPA	SB, EU funds, other financial sources	Attracting private investment in planning regions - the average level of the four less developed planning regions against the average level of the most developed planning region City evaluation index, Riga
[335]	Ensuring local mobility to encourage employment and access to services by improving infrastructure, supporting innovative micro-mobility solutions	MoT	MoEPRD, MoE, MoA, MoW, planning regions, municipalities	SB	Regional GDP gap - ratio of average GDP per capita of the four planning regions with lowest GDP per capita against the GDP of the planning region with the highest GDP per capita Attracting private investment in planning regions - the average level of the four less developed planning regions against the average

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					level of the most developed planning region
					City evaluation index, Riga
[336]	Improving public services in line with population dynamics by developing alternative service models and infrastructure, energy efficiency of municipal buildings, as well as the quality of public outdoor space	MoEPRD	MoF, MoE, MoA, MoI, MoES, MoC, MoW, MoH, SCh, municipalities	SB, EU funds, municipalities	City evaluation index, Riga
[337]	Deployment of indirect and back-office functions of national level public authorities outside the Riga region	SCh	All ministries, municipalities	SB, other financial sources	Regional GDP gap - ratio of average GDP per capita of the four planning regions with lowest GDP per capita against the GDP of the planning region with the highest GDP per capita Wages in planning regions - the average level of the four least developed planning regions against the average level of the most developed planning region

Indicative funding for this direction: 824.12 million EUR

Direction: Housing

GOAL

[338] **Housing is available to all households in Latvia. By 2050, housing meets high standards in energy efficiency, construction, safety and amenities. The legal framework encourages private and public investment in housing.**

[339] Decent housing in a safe living environment is a basic human need. From the national point of view, the availability of quality housing encourages people to remain in the country, have children, live near work. It creates jobs and reduces poverty and social exclusion.

[340] The lack of affordable and high-quality housing reduces mobility within Latvia, which indirectly causes other negative effects: it reduces access to the labor market for job-seekers and the unemployed, slows economic growth and increases depopulation. The rental housing market is stagnant. There are both economic,

regulatory and administrative barriers to attracting investment in the construction and management of low-cost rental housing. The construction process is long and expensive, fees are high, the rental disputes take long time to resolve and the interests of landlord are poorly protected. Above all, there is no long-term (30+ year) project funding available. In addition, the growing housing costs and housing availability for low- and middle-income households is problematic both in the regions and Riga and the adjacent area.

[341] For many, housing costs are often the largest households expenditure, which can lead to debt if there are other basic needs to be covered. There is a lack of social housing in Latvia and the existing units are often unsuitable for living and are far from places to work.

[342] The following set of measures is designed to make housing available to all households in Latvia and to ensure that the existing housing stock meets high standards of energy efficiency, construction, safety and amenities by 2050. Growing sustainable cities with blooming businesses that need to attract workers require support to better respond to the growing housing demand, secure housing prices at level commensurate with the population's ability to pay and facilitate workforce mobility. An ecologically, socially and economically sustainable long-term housing policy will be developed taking into account climate change and environmental protection aspects. Increasing the construction of state-subsidized, affordable housing will attract private investment to create a diverse housing offer in economically active areas. At the same time, housing policy will also provide sufficient public support for specific groups and for social housing in areas with declining and ageing populations.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[343]	Persons registered in the municipal assistance register for housing	quantity	2018	7215	6700	5700	Information provided by local governments compiled by the MoE
[344]	Proportion of households experiencing financial distress due to total housing expenditure (very burdensome / slightly burdensome)	%	2018	75.6	73.2	69.2	CSB
[345]	Share of renewed housing in total housing per year*	%	2021	-	2	3	Construction information system
[346]	Share of households reporting unsatisfactory housing conditions	%	2018	31.0	25.0	22.0	CSB
[347]	New apartments commissioned per year	quantity	2018	2,966	7000	10000	CSB
[348]	Housing units, including apartments with improved energy efficiency	quantity	2019	16,363	25,500	40,000	Information provided by the MoE ¹⁵

*New indicator, data not yet available for setting baseline and target values.

Measures

No.	Measure	Responsible authority	Co-responsible authority	Funding source	Indicator
[349]	Renovating and increasing the number of social housing units and creating an instrument to provide housing support for low-income persons relocating for participation in the labour market	MoE	MoW, MoEPRD, municipalities	SB, EU funds	Persons registered in the municipal assistance register for housing Share of households reporting unsatisfactory housing conditions
[350]	Supporting sustainable, low-running and construction-cost housing primarily in areas with new workplace potential, including addressing market shortcomings that hamper resource-efficient, energy-	MoE	MoF, municipalities	SB	Proportion of households experiencing financial distress due to total housing expenditure (very

¹⁵ <https://www.altum.lv/lv/pakalpojumi/maju-energoefektivitate/daudzdzivoklu-maju-energoefektivitate-pamatinformacija/programmas-apguves-dati/>

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	efficient modular construction which provides energy saving, GHG emission reduction, application of innovative technologies and smart home solutions and use of local resources				<p>burdensome / slightly burdensome)</p> <p>Share of households reporting unsatisfactory housing conditions</p> <p>New apartments commissioned per year</p> <p>Accumulated (cumulative) final energy savings in final consumption</p>
[351]	Improving housing availability for disadvantaged persons by developing a mechanism to provide financial support and remove barriers to rental housing	MoE	MoW, MoEPRD	SB	<p>Proportion of households experiencing financial distress due to total housing expenditure (very burdensome / slightly burdensome)</p> <p>Share of households reporting unsatisfactory housing conditions</p> <p>New apartments commissioned per year</p>
[352]	Developing a mechanism for grants to individuals for the purchase or construction of housing, where the grant amount would depend on the number of children in the family	MoE	MoW, MoF	SB	<p>Proportion of households experiencing financial distress due to total housing expenditure (very burdensome / slightly burdensome)</p>
[353]	Improving housing quality by modernizing and improving the energy efficiency and affordability of housing, and improving property management to reduce long-term building maintenance risks	MoE	MoW, MoI, MoEPRD, MoF, municipalities	SB, EU funds	<p>Share of renewed housing in total housing per year</p> <p>Amount of housing, including apartment with</p>

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					improved energy efficiency Accumulated (cumulative) final energy savings in final consumption
[354]	Improving the rental housing market by establishing an effective regulatory framework and application of taxes / fees, and updating the regulations on management, ownership and construction areas	MoE	MoJ, MoF	SB	Share of renewed housing in total housing per year New apartments commissioned per year
[355]	Simplification of construction procedures for residential construction	MoE	MoEPRD, municipalities	SB	Proportion of households experiencing financial distress due to total housing expenditure (very burdensome / slightly burdensome) Share of renewed housing in total housing per year New apartments commissioned per year

Indicative funding for this direction: 480.00 million EUR



Priority 5: Culture and Sport for an Active Lifestyle

GOAL

[356] Everyone has access to a wide range of cultural and sport opportunities, and culture and sport contributes to the development of talent and international recognition.

[357] Culture plays a leading role in human intellectual development and personal growth. It helps people develop various skills and creativity, promotes a sense of identity in personal, regional, and national dimensions, and encourages a sense of belonging. Culture contributes to economic development¹⁶, but nowadays faces specific global social and economic challenges like digitalisation, inequality of opportunity, demographic change, societal mobility, etc. Challenges faced by culture call for improved and modern infrastructure, improved personal competencies and skills. The field also faces shrinking audiences due to the demographic decline in Latvia, and insufficient support for creativity that impacts the spectrum of cultural events.

[358] Smart sport policy results in sporting achievements and healthy lifestyles, strengthens pride in Latvia and increases Latvia's visibility abroad. In turn, a variety of physical activities both provide physical and mental well-being and improve health conditions of the population at large. Sporting activities also promote social integration. In order to harness the potential of the Latvian sport industry, we have to support high-achievement sport and motivate people of all ages to engage in physical activity on a daily basis, thus contributing to the goal of the European Sport Charter: to offer everyone the opportunity to engage in physical education and acquire basic sport skills, and ensure that everyone can participate in sporting activities and active recreation in a safe and healthy environment.

[359] Tourism is one of Latvia's economic and environmental priorities. Increasing the tourist flow would facilitate the growth of other sectors. The development and marketing of attractive tourism opportunities would attract travelers and improve Latvia's recognition internationally.

¹⁶ These include the growing contribution of the cultural sector to the UN Sustainable Development Goals: <http://www.unesco.org/culture/flipbook/culture-2030/en/mobile/index.html#p=1>

Direction: Public participation in culture and sport activities

GOAL

[360] **Cultural and physical activities for all increases the quality of life of the Latvian population.**

[361] Participation in cultural life contributes to the development of civil society and strengthens the values of democracy¹⁷. Equal spectra of cultural events for different target groups, respecting the diversity of cultural expression, can serve as an instrument for social cohesion that elevates the sense of quality of life in society¹⁸.

[362] Cultural and sports education¹⁹, according to the National Centre of Education, are traditionally the most popular of all interest-related education programmes.

[363] Physical activity is a precondition for health that must be practiced regularly from childhood and continued throughout life. According to the World Health Organization, this reduces the risk of cardiovascular disease, type 2 diabetes and certain types of oncological diseases, as well as it prevents obesity. Being physically active on a daily basis significantly impacts a person's mood. Unfortunately, the Center for Disease Prevention and Control data indicate that the majority of children and adults in Latvia insufficiently engage in physical activities.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[364]	Share of recreation and culture in total household expenditure	%	2016	7.6	8.5	9.0	CSB
[365]	Share of the population (aged 15–74) engaged in physical activities at least twice a week for 30 minutes ²⁰	%	2018	25.4	26.5	28	CDPC
[366]	Number of amateur performing units in cultural centres, thsd	quantity	2018	66.2	68	69	CSB

¹⁷ <https://www.coe.int/en/web/culture-and-heritage/indicators-culture-and-democracy>

¹⁸ <https://cultureactioneurope.org/knowledge/the-value-and-values-of-culture/>

¹⁹ Cultural education (~ 60-62%), sport education (~ 18-20%)

²⁰ Table 146.A. (https://www.spkc.gov.lv/upload/spkcresearchfailicol/finbalt_2018_i_ii_dala.pdf)

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[367]	Engaging the public, especially less active persons, in cultural, sporting and physical activities, including active tourism by offering various initiatives in non-formal education, culture, sport (including international sport events with public participation) and physical activities	MoES, MoH, MoC	MoEPRD, MoW, municipalities, NGOs	SB, EU funds, other financial sources	Share of recreation and culture in total household expenditure Share of the population (aged 15–74) engaged in physical activities at least twice a week for 30 minutes
[368]	Educating the community about physical activities, their role in health promotion and the role of culture, sport and physical activities in the development of the personality through public procurement for various groups and developing library services	MoES, MoH, MoC	MoA, MoW, municipalities, NGOs	SB, EU funds, other financial sources	Share of recreation and culture in total household expenditure Share of the population (aged 15–74) engaged in physical activities at least twice a week for 30 minutes
[369]	Cooperation of state and municipal institutions, educational institutions, private sector and non-governmental organizations for coordinated use of sport and cultural infrastructure (including cultural and sacred heritage sites). Development of active tourism to improve the quality of life of citizens by implementing inter-institutional and intersectoral joint projects and activities	MoC, MoES	MoF, MoEPRD, MoE, municipalities, planning regions, educational institutions, NGOs	SB, EU funds, other financial sources	Share of recreation and culture in total household expenditure Number of attended cultural events per year per 100 inhabitants Number of amateur performing units in cultural centres, thsd Total expenditure of international multi-day visitors in Latvia, millions
[370]	Preserving the cultural heritage, sporting traditions and values and entrusting them to the next generations by involving citizens and using the latest ICT to fully	MoC	MoES, MoEPRD, municipalities, NGOs	SB, other financial sources	Share of recreation and culture in total household expenditure

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	integrate into the global culture and sport space				<p>Share of the population (aged 15–74) engaged in physical activities at least twice a week for 30 minutes</p> <p>Number of amateur performing units in cultural centres, thsd</p> <p>Total expenditure of international multi-day visitors in Latvia, millions</p>
[371]	Teacher training in culture and sport, strengthening the capacity of specialists and professionals by developing educational programme content in cooperation with Latvian high schools, and providing professional teacher and coach-led leisure activities	MoES	MoC, MoH, educational institutions	SB	<p>Share of the population (aged 15–74) engaged in physical activities at least twice a week for 30 minutes</p> <p>Number of amateur performing units in cultural centres, thsd</p>

Indicative funding for this direction: 86.05 million EUR

Direction: Contribution of culture and sport to sustainable society

GOAL

[372] **Culture and sport promote the economic growth and social development of Latvia by contributing to a creative and sustainable society.**

[373] Culture and creative industries play a key role in the economy and have a direct positive impact on creating jobs, economic growth and foreign trade. According to the European Commission, cultural and creative industries account for 4.2% of the European Union's total GDP and employ 8.4 million Europeans²¹. At the same time, cultural and creative industries also add significant value to other sectors of the economy by stimulating innovation and increasing exports.

[374] Cultural products contribute to the regional development, creating jobs and economic value and improving the quality of life²². One of the drivers of a local economy is the positive image of a venue or region, created by identifying and valuing cultural resources. According to a European Commission Eurobarometer survey²³ preserving cultural heritage is important to Europeans, with more than 80% saying it is important for them personally, important for the local community, for the region and for the country at large. Almost 3/4 of Europeans think that public authorities should be given more resources to preserve Europe's cultural heritage, and a large number think that national, local and regional level authorities and the EU should do more to protect Europe's cultural heritage.

[375] The physical abilities of Latvia's athletes with high-achievements - their strength, endurance, speed, flexibility and agility - have already reached such high level that further improvement of athletic performance can be achieved through innovative technologies, equipment, methods and techniques. Applied research in engineering and technology can support athletes by producing innovative materials, while highly qualified coaches and infrastructure ensure physical and psychological endurance and training of athletes. Not to be forgotten is the need for a generational change to ensure a handing down of sport traditions and introduction of international best practice that will increase Latvia's visibility globally.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[376]	International trade in cultural goods (Latvia)	%	2017	1.27	1.6	2.1	Eurostat
[377]	Number of attended cultural events per year per 100 inhabitants	quantity	2018	255	260	265	MoC

²¹ EC Communication "A New European Agenda for Culture" https://ec.europa.eu/culture/sites/culture/files/commission_communication_-_a_new_european_agenda_for_culture_2018.pdf

²² OECD publication "Culture and Local Development" <http://www.oecd.org/cfe/leed/venice-2018-conference-culture/documents/Culture-and-Local-Development-Venice.pdf>

²³ https://europa.eu/cultural-heritage/news/eurobarometer-2018-results-have-been-published_en

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[378]	Total expenditure of international multi-day visitors in Latvia, millions	EUR	2018	517	530	540	CSB
[379]	Number of international sporting events held in Latvia / participants per year	quantity	2018	137/ 23,122	150/ 24,000	165/ 26,000	LSFP

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[380]	Mapping cultural and sport services and infrastructure. Establishment of a regional coordination system to develop and effectively use existing cultural and sport infrastructure and investment in new infrastructure	MoES, MoC	MoF, MoT, MoEPRD, municipalities, planning regions, NGOs	SB, EU funds, other financial sources	Share of recreation and culture in total household expenditure Number of international sporting events held in Latvia / participants per year Number of attended cultural events per year per 100 inhabitants Total expenditure of international multi-day visitors in Latvia, millions
[381]	Improving a coordinated funding system for culture and sport by increasing organizational capacity, providing support to sport, including in high schools, and establishing a funding system for international sport events	MoC, MoES	MoF, high schools, NGOs, municipalities	SB	Number of international sporting events held in Latvia / participants per year Total expenditure of international multi-day visitors in Latvia, millions
[382]	Supporting professional artistic creativity by developing remuneration system for artists and improving financial support instruments for professional artistic creativity	MoC	MoF, MoEPRD, NGOs, municipalities	SB, other financial sources	International trade in cultural goods (Latvia) Share of recreation and culture in total household expenditure

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[383]	Creating a supportive environment for small entrepreneurs and non-governmental organizations in the field of culture, active recreation and creative industries (including products and services for export) by introducing national and municipal support instruments. Reassessing the option to allow NGOs to engage in economic activity	MoC	MoA, MoE, MoF, NGOs	SB, EU funds	International trade in cultural goods (Latvia) Total expenditure of international multi-day visitors in Latvia, millions EUR
[384]	Increasing the export of cultural, sport and tourism services by popularizing Latvia and attracting demand for and investment in cultural and sport services	MoC, MoES, MoE	MFA, NGOs	SB, EU funds, other financial sources	International trade in cultural goods (Latvia) Total expenditure of international multi-day visitors in Latvia, millions EUR Number of international sporting events held in Latvia / participants per year
[385]	Systematic identification of new talent in the fields of culture and sport, engagement of experienced and internationally recognized athletes and specialists in the development of the sport industry (pupils, students)	MoES, MoC	Municipalities, educational institutions, NGOs	SB	Number of international sporting events held in Latvia / participants per year

Indicative funding for this direction: 174.29 million EUR



Priority 6: A United & Open, Safe and Secure Society

GOAL

[386] People help each other more and contribute to the development of the country because of an increase the sense of belonging and social trust, and because the state is just and has good governance . Society and professionals cooperate in ensuring safety and security in the country and in addressing global challenges. A safe & secure environment is the basis for prosperity and development.

[387] A united and open, safe and secure society is key to Latvia's sovereignty. People are pro-active and cooperate with each other because they have sense of belonging and trust in society and the state. This type of society is best suited for ensuring well-being, but is especially crucial for personal safety and national security.

[388] Transparent information and an understanding of governance facilitate public participation in government decision-making and the ability to effect change. This contributes to reduced alienation and unlawful behavior (tax evasion, corruption, etc.). In emergencies, people are able rely on public services, be prepared and know how to act.

[389] Objective and subjective factors such as personal and peer experience, the media, social and the government activities influence belonging and trust.

[390] Cohesion of society can be increased by reducing the social distance between different groups and ensuring confidence in the rule of law. Good governance - fair, open and consistent relationships between the state and the individual and an efficient public administration are also important for cohesion of society.

[391] Measures foreseen in this priority alone will not ensure social (mutual) and political trust. Because a person develops trust and sense of belonging from birth, and this is extended through family and relatives, communities, society and the state, as well as the international environment, this priority is inextricably linked to other NDP2027 priorities: a positive family environment, childhood experiences, emotional well-being and personal self-confidence, the fulfillment of basic needs (see Priority 1); sufficient income and financial stability (see Priorities 1 and 3), quality education (see Priority 2) and opportunities for self-fulfillment - at work (see Priority 3), in culture and sport (see Priority 5). Strengthening social inclusion of vulnerable groups (see Priority 1) and developing empathy are especially critical.

[392] Latvia's bid for election to the United Nations Security Council in 2026-2027 will contribute to development of a united and open, safe and secure society while bringing Latvia's voice to the top global arena.

Direction: Cohesion of society

GOAL

[393] **People identify with national values and European culture. Communication and cooperation has significantly increased, and diversity is seen as a valuable resource. People take care of each other, are active in civil society and socially.**

[394] **More people speak Latvian, use the Latvian democratic information space and receive reliable information.**

[395] Cohesion of society, which increases resources available to people, does not always happen spontaneously. Initiative, cooperation skills and experience gained in non-governmental organisations and volunteering facilitates cohesion. In an age of individualism, cohesion is not to be taken for granted.

[396] People with no or low skills and opportunities for participation need support to become involved. Belonging in the psychological, cultural sense, a sense of belonging to a locality (neighborhood, town, etc.), a common sense of history and economic space, as well as a political affiliation with the state and society are important dimensions of national identity that bind people – whether they live in Latvia or are a part of the diaspora.

[397] Manipulation, including through stereotypes and discrimination, is a threat to the cohesion of society. In some countries the media and political rhetoric risk splitting society. Strengthening the democratic information space can prevent disinformation and improve media literacy, encourage participation in policy-making, and communication between different groups and cultures. Content in the information space strengthens democracy and civic values. Quality media content in the national language and information on social processes strengthens society and democracy.

[398] Wide use of the Latvian language is fundamental for an integrated society. Latvia pro-actively offers language learning and skill improvement opportunities. Both language experts and volunteers actively help Latvian language learners gain proficiency through practice. Moreover, measures ensure that the Latvian language is dynamically enriched to keep up with rapid changes.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[399]	Pride in belonging to Latvia (very close, close)	%	2015	88.9	92	95	ESS
[400]	Mutual support between inhabitants	Scale 0-10	2015	4.77	4.9	5.5	ESS
[401]	Involvement in civil society organisations, % of respondents answering "nowhere"	%	2019	71.5	70	68	SKDS
[402]	Civic trust - in NGOs / trade unions (fully trust or rather trust)	%	2018	37.6/37.1	39.3/43.3	42.2/45.8	SKDS

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[403]	Subjective experience of discrimination	%	2015	7.4	7.2	7.0	ESS
[404]	Adults speaking Latvian whose mother tongue is not Latvian (25–64 year olds), % of adult population	%	2016	81.5	82.5	84	CSB
[405]	Media literacy (respondents who check content before sharing on social media / check the reliability of information sources)	%	2019	11.3	15	20	RSU Research on media literacy

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[406]	Strengthening a sense of national identity for different groups - through activities in culture, language, local area identity, history, the political dimension and the common economic space	MoC, MFA	All ministries, Sch, SIF, municipalities, NGOs, LDDK, LBAS, merchants	SB	Pride in belonging to Latvia
[407]	Increasing skills and opportunities for networking and civic engagement, especially through youth civic education, participation in non-governmental organizations, trade unions and voluntary work, support from the Latvia NGO Fund	MoC	SCh, MFA, MoES, SIF, municipalities, NGOs, LDDK, LBAS	SB, EU funds, EU programs in the field of youth	Mutual support between inhabitants Involvement in NGOs Young people involved in youth NGOs (13 - 25 year olds), % Trust in NGOs / trade unions Civic participation index
[408]	Raising public awareness of diversity as a resource by strengthening intergroup and intercultural communication skills and intensifying communication, diversity management, and reduction of discrimination	MoC, MoW	MoJ, MoI, MoES, MoEPRD, SCh, SIF, municipalities, NGOs, LDDK, LBAS	SB, EU funds, other financial sources	Subjective experience of discrimination
[409]	Increasing the use of the Latvian language in daily communication, including in the digital and social media space, by expanding the availability and quality of language learning opportunities	MoES, MoC, NEPL	MFA, MoJ, MoW, MoJ, SCh, SIF, municipalities, NGOs, LDDK, LBAS	SB	Adults who speak Latvian and whose mother tongue is not Latvian (25–64 year olds), %
[410]	Ensuring public media independence, modernization	MoC, NEPL	MoT, MoE, MoEPRD	SB, EU funds	Number of inhabitants able

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	of technologies, infrastructure and content. Support for diversification of the national information space. Accessibility of quality media content in the regions, including in peripheral areas, and for people with disabilities				to receive public media broadcasts Share of population that watches, listens to and trusts the public media
[411]	Strengthening media literacy through formal and non-formal education that encourages identification of fake news and disinformation, and critical thinking	MoC	MoES, Sch, MoT, MoD, NEPLP	SB	Media literacy Respondents who are "absolutely convinced" they can identify any news or information that distorts or falsifies reality

Indicative funding for this direction: 331.35 million EUR

Direction: Rule of law and governance

GOAL

[412] **Together, the people of Latvia and public authorities create a better society and good governance. People enact their legal rights, and the public administration in all branches of power has become more professional - open, modern, effective and efficient. There is increased satisfaction with the state and trust in the public administration, as well as the judicial and law enforcement systems. Services are personalized, and public interests are balanced. Digitalisation and coordinated action across sectors is key.**

[413] The rule of law and good governance are essential aspects of democracy.

[414] The ability of the individual to exercise and protect their own rights, together with an independent and effective judicial and law enforcement system, increases public awareness of the rule of law, the willingness to abide by the law and trust in the system.

[415] People participate in and influence governance processes, can trust policy makers and are actively involved in civil society. Public administration and society are not juxtaposed, but cooperate to achieve agreed goals in the environmental, social and economic dimensions of development.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[416]	Satisfaction with the way democracy works (fully satisfied, rather satisfied)	%	2019	41	43	45	SKDS

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[417]	Civic participation index	%	2015	10	25	30	ESS
[418]	Perceived ability to influence policy	Scale 0-10	2015	1.51	2.8	3.5	ESS
[419]	Perceived ability to influence the work of the Saeima and Government (strongly disagree, rather disagree)	%	2019	21	19	17	SKDS
[420]	Political Confidence Index (Saeima / Law Enforcement System / Police / Political Parties / European Parliament / UN)	Scale 0-10	2015	3.3	3.5	4.1	ESS
[421]	Political Confidence Index:	%	2018				SKDS
	Saeima			18.2	23.1	25.0	
	Cabinet of Ministers			21.4	25.5	28.0	
	Administration of your county/city			56.3	59.6	62.2	
	political parties			10.8	13.8	15.4	
[422]	Trust in the law enforcement system:	%	2018				SKDS
	Courts			43.5	45.5	46.9	
	Prosecutor's office			43.9	45.8	47.1	
	Police			60.2	62.0	64.0	
[423]	Perception of corruption	Points	2018	58	64	67	<i>Transparency International / Delna</i>
[424]	Awareness, experience and satisfaction with received public services	Scale 0-10	2018	8	8	9	SCh
[425]	Average length of court proceedings (1st instance district (city) courts:	months	2018				MoJ
	administrative cases			8.2	5.9	4.7	
	administrative infringement cases			1.7	1.5	1.4	
	civil cases			9.0	8.7	8.6	
	criminal cases			5.75	5.1	4.5	

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[426]	Strengthening rule of law and democracy through civic education, a balanced evolution of the Latvian legal system (including respect for human rights in the face of innovation and technological change), reducing bureaucracy and improving the quality and accessibility of laws and regulations	SCh, MoJ	All ministries, CPCB, VSIA "Latvijas Vēstnesis", municipalities, NGOs, LDDK, LBAS	SB, EU funds, other financial sources	Satisfaction with the way democracy works Perception of corruption
[427]	Developing a culture of dispute resolution through the use of alternative dispute resolution methods, including an increased role for mediation	MoJ	Sch, all ministries, municipalities, NGOs	SB	Trust in other (aged 16+)
[428]	Ensuring smart, efficient and open governance in all public administration processes that puts people first. Promoting a proactive approach, implementing evidence-based solutions, facilitating cross-sectoral cooperation through innovative methods and digitalisation. Providing clear and readily available information to enable public participation in policy processes, while achieving a balanced representation of social groups in governance	SCh	MoEPRD, all ministries, SIF, municipalities, NGOs, LDDK, LBAS	SB, EU funds, other financial sources	Political Confidence Index Civic participation index Perceived ability to influence the work of the Saeima and Government Perceived ability to influence policy Awareness, experience and satisfaction with received public services Perception of corruption
[429]	Ensuring that the judicial and law enforcement system becomes more efficient, convenient, easy to access and understand. Strengthening capacity, improving cooperation, simplifying legal processes (through cooperation between institutions - digitally, in coordination platforms, exchange of best practice,	MoJ, MoI	Prosecutor's office, CPCB, MoW, municipalities, NGOs, LDDK, LBAS	SB, EU funds, other financial sources, civic initiative	Trust in the law enforcement system Average length of court proceedings (1st instance district (city) courts Perception of corruption

	joint training, research and expertise). Introducing innovative, results-oriented and cost-effective solutions in all pre-trial investigation institutions, courts and out-of-court dispute resolution institutions. Improving support and protection systems for vulnerable persons and victims				
[430]	Improving the system for protection the rights of the child and ensuring co-operation by reassessing roles of national and municipal level authorities, including the Orphans' Court, and by reforming the juvenile crime prevention system	MoW, MoJ	MoI, MoH, municipalities, NGOs	SB	Trust in the law enforcement system

Indicative funding for this direction: 73.81 million EUR

Direction: Safety & security

GOAL

[431] **People rely on public services to protect their safety and security. A growing number of people know how to prevent various risks and act in emergency situations by cooperating with the responsible authorities and helping each other. The state maintains a safe environment, including in the social media space, and raises awareness on risk prevention and reduction. Public safety and law enforcement are ensured by professionals. National defense is comprehensive and is based on partnership between inhabitants and public authorities, as well as on the readiness of the community to overcome any threat. Latvia is a safe place for people and business.**

[432] People can ensure their safety and security by identifying risks and preventing threats. If threats do occur, they can deal with them on their own and by relying on responsible authorities. Coordination between individuals, families, businesses, communities, NGOs, municipalities, national and international organizations strengthens security.

[433] This direction addresses threats to physical safety, including violence, crime, fire, water and road safety, data and digital security (including cybersecurity) and protection of property. It encompasses disaster and risk prevention, safety of the border zones, protection of human resilience (including psychological resilience), civil protection and ensuring critical functions. It also includes people's readiness to withstand external threats and defend the state, should it be necessary, by voluntary participation in overcoming threats and ensuring comprehensive national defense. This direction does not address issues directly concerning national military defense and operation of the national security system.

Indicators

No.	Indicator	Unit	Base year	Base year value	Target value 2024	Target value 2027	Data source
[434]	Deaths from external causes (per 100 000 population)	quantity	2018	81.7	75	72	CDPC/ CSB
[435]	National defense is the responsibility of the whole society, share of respondents who agree with statement	%	2018	76	78	80	SKDS
[436]	Criminal offenses, per 10 000 population	quantity	2018	225.3	212.5	204.5	State police
[437]	Individuals know how to react when they hear an emergency siren or receive information via electronic media (radio, TV) / receive notification on mobile phones (SMS or cell broadcast or other communication solution), % respondents	%	2013	60	64	68	SKDS
[438]	Recidivism rate of persons serving full sentence among convicts (a new crime committed 2 years after the end of sentence (for which proceedings have been commenced or person has been convicted))	%	2012	51	51	50.5	MoJ

Measures

No.	Measure	Responsible authority	Co-responsible authorities	Funding source	Indicator
[439]	Strengthening the capacity of people to deal with emergencies - cooperation with government services, participation in voluntary organizations. Citizen involvement in crime detection and prevention, civil protection and comprehensive national defense	MoI, MoD, MoH	MoW, municipalities, NGOs, LDDK, LBAS	SB, EU funds	Individuals know how to react when they hear an emergency siren or receive information via electronic media (radio, TV) / receive notification on mobile phones (SMS, cell broadcast or other communication solutions)

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					<p>National defense is the responsibility of the whole society, share of respondents who agree with statement</p> <p>Number of participants in Jaunsardze</p> <p>Number of participants in Zemessardze</p>
[440]	<p>Strengthening the response capabilities of public safety and law enforcement services. Coordinated action by national and local government. Maintaining the infrastructure and capacity of law enforcement, security and border control services. Capacity building, physical training, the fight against crime, joint training, new competences to deal with emerging challenges, use of modern technologies, civil-military cooperation and cooperation for comprehensive national defense</p>	MoI, MoD, MoF, MFA	MoW, MoT, MoH, MoEPRD, MoA, municipalities	SB, EU funds, other financial sources	<p>Deaths from external causes (per 100 000 population)</p> <p>Criminal offenses, per 10 000 population</p>
[441]	<p>Effective reintegration of ex-convicts into society by improving the resocialization process, increasing staff and ensuring infrastructure, as well as strengthening the role of municipalities and NGOs</p>	MoJ	MoW, municipalities, NGO	SB, EU funds, other financial sources	<p>Criminal offenses, per 10 000 population</p> <p>Recidivism rate of persons serving full sentence among convicts</p>
[442]	<p>Reduction of mortality from external causes, primarily from drowning, traffic accidents and fires by ensuring appropriate monitoring, introduction and implementation of control measures, public education and other preventive measures</p>	MoI, MoT, MoH, MoES, municipalities	municipalities, NGOs	SB, EU funds, other financial sources	<p>Deaths from external causes (per 100 000 population)</p>

Indicative funding for this direction: 195.37 million EUR

NDP2027 Spatial Development Perspective

[443] The spatial development perspective provides an integrated view of the development of the country so that Latvia's valuables, resources and advantages are used efficiently and with minimal investments to create higher value and ensure the sustainable use of resources. It offers guidelines for further planning and promotion of development at the national, regional and local administrative level in accordance with needs and growth potential of the area. The guidelines, initially elaborated in Latvia2030, continue to be relevant regarding both the needs and growth potential of the territories, and the main aspects of spatial development – improved accessibility, urban-rural symbiosis and a specific approach for development of "spaces of national interest".

[444] Latvia2030 identifies spaces of national interest – unique, special types of territories that are important for the development of country as a whole.

[445] The objectives, priorities, directions and measures set to achieve the NDP2027 goals are generally aimed at the integrated and sustainable development all of Latvia, setting the following development accents for each type of space of national interest for the period from 2021 to 2027:

Space of national interests defined in Latvia2030	Directions for the spatial development perspective until 2027
Rural Development Space	<p>[446] Diversification of the rural economy to maintain the rural population and reduce emigration - through interaction and cooperation with regional development centers.</p> <p>[447] Use of bioresources in cross-sectoral partnerships for production of exportable and high value added products</p> <p>[448] Strengthening communities to maintain both urban and rural populations and to raise living standards; increasing local involvement in important societal processes, encouraging civic interest and participation, as well as initiatives for mutual (people-to-people) support</p>
<p style="text-align: center;"><i>Dimensions of urban-rural interaction:</i></p> <ul style="list-style-type: none"> - <i><u>Economic dimension</u> - trade, tourism, commuting migration, cooperation (networking) between companies, including municipal companies.</i> - <i><u>Social dimension</u> - cooperation in providing social services, networks between communities.</i> - <i><u>Political dimension</u> - governance, regional and inter-municipal partnerships, integrated policies and development strategies.</i> - <i><u>Administrative dimension</u> - implementation of joint projects (for public services and mobility through public transport networks and alternative mobility models; providing essential services for business operations; providing social and healthcare services; providing utilities (heating, cooling, water management, waste management, etc.))</i> 	

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<p>Development centers (cities)</p>	<p>[449] Cooperation and interaction between development centers and rural areas to create jobs and increase employment opportunities, improve services, promote business activity and create quality living conditions.</p> <p>[450] Creating strong business centers to unlock the potential of development centers as drivers of regional development. Establishment of functional networks of development centers that agree on the efficient use of resources that is based on the principles of complementarity and cooperation.</p> <p>[451] Strengthening communities to maintain both urban and rural populations and to raise living standards; increasing local involvement in important societal processes, encouraging civic interest and participation, as well as initiatives for mutual (people-to-people) support</p>
<p>Metropolitan Area of Riga</p>	<p>[452] Cooperation between municipalities, planning regions and public authorities to achieve unified and sustainable development of the metropolitan area of Riga. Joint projects to provide integrated, easily accessible, quality and cost-effective services.</p> <p>[453] Establishment of a unified transport infrastructure for the metropolitan area to provide public and bicycle transport; planning of urban (building) development, joint projects for better access to services, including services for businesses, social and healthcare services, utilities (heating, cooling, water management), waste management, etc.</p> <p>[454] Reconstruction and new multifunctional objects of national significance for culture, sports and science events and events of national or international significance in the city of Riga and its metropolitan area.</p> <p>[455] Support for local initiatives (neighborhoods, creative industry zones, etc.) by strengthening their role in suburban-metropolitan interaction, including initiatives to promote health and safety of the living environment.</p>
<p>Coast of the Baltic Sea</p>	<p>[456] Development of coastal natural and cultural heritage sites. Improving coastal planning by investing in the coastal public infrastructure network.</p> <p>[457] Cooperation between coastal municipalities, landowners, planning regions, public administration authorities and society in joint projects, for good coastal management and effective projects for economic and social use of natural resources.</p> <p>[458] Creating a business-friendly environment for economic activity and employment along the coast that reduces</p>

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	the negative effects of seasonality and balances traditional and "new" economic activities with environmental interests.
Eastern Border Area	<p>[459] Cooperation between neighboring countries and border cities, settlements and rural areas to promote the economic potential of the border area.</p> <p>[460] Improving access to roads leading to development centers to increase economic activity and mobility in the border area.</p> <p>[461] Safe and accessible media space in border area</p>
Outstanding Areas of Nature, Landscape and Cultural and Historical Territories	<p>[462] Support for measures to preserve biological diversity and unique natural, cultural and historical scenic areas typical of Latvia, as well as to create multifunctional and productive rural areas, while ensuring reasonable compensation for restrictions on economic activity.</p> <p>[463] Research and defining valuable territories; landscape planning, regeneration of degraded landscapes. Determining the conditions for use of natural and cultural scenic and recreation areas of public importance, ensuring public access and protection.</p> <p>[464] Public participation and education on the management and preservation of protected nature areas, as well as cultural and historical scenic areas in cooperation with landowners (in line with the principle that nature and cultural/historic heritage are valued by the local community)</p> <p>[465] Sustainable and considerate use of nature, as well as cultural and historical resources to create an environment conducive to business and economic development of the areas</p>

NDP2027 implementation, financing, monitoring and evaluation

[466] NDP2027 is implemented by ministries through policies and investments, municipalities through plans and investments in accordance with the spatial planning perspective and national regional development policy, and by citizens through their action behalf of their own future and that of the country.

[467] NDP2027 sets an indicative (provisional) amount of additional funding for activities to achieve goals through a tiered set of priorities, directions and measures. The implementation of NDP2027 does not preclude an increase in funding for other objectives set by the Cabinet of Ministers, if the requested budget appropriation is within the fiscal framework determined by the Cabinet. Binding decisions on financial resources are based on costs of proposed activities submitted for the NDP2027. Decisions regarding the state budget are made in the annual budget process for the next year and medium-term (three years). Financing from EU Structural Funds is agreed through Operational Programmes and relevant regulations approved by the Cabinet. According to forecasts of the GDP growth rate for 2021-2027, the government will be able to allocate approximately 2.2 billion euros of additional financing in the respective period. However, a balanced distribution of general public expenditure across all levels of government (state, municipalities, independent authorities) is required.

[468] NDP2027 sources of financing are a) national and municipal budgets, b) EU funds, programmes and instruments, c) other foreign financial instruments. Social partners, other government stakeholders, as well as citizens contribute significantly to national development at a micro level and are invited to participate in achieving the NDP2027 goals.

[469] The funding of NDP2027 from national and municipal budgets is determined by the Law on Budget and Financial Management. In accordance with the annual budgeting schedule, the Cabinet of Ministers decides the amount of financing to be allocated for the medium-term, priorities for the budget period and fiscal policy ceilings. It also forecasts changes in the gross domestic product, national budget revenues, and the budget financial balance, while observing fiscal discipline requirements.

[470] If macroeconomic forecasts show that there is fiscal space for priority activities in the coming financial years, ministries and other central authorities submit proposals in accordance with Cabinet submission requirements (if approved by the Cabinet for the given period). According to the requirements, proposals are prepared to achieve priorities and objectives set in the NDP2027, the National Defense Concept and other development planning documents, and can include initiatives to strengthen the administrative capacity of state financed institutions.

[471] The Law on the Development Planning System states that EU funding is planned in order to achieve the National Development Plan.

[472] NDP2027 includes outcome indicators for 2024 and 2027.

[473] The Parliament of the Republic of Latvia plays an important role in monitoring and evaluation. The Cabinet of Ministers bi-annually submits a *Report on Progress Towards Achieving Latvia2030, NDP2027 and the Sustainable Development of the*

Country to Saeima. This gives *Saeima* the opportunity to assess progress towards achieving the goals and objectives of Latvia's long term development strategy and its main medium term planning document, and serves as a basis for amendments to the documents, should such be necessitated by changes in the domestic or external environment.

[474] The bi-annual reports include information on Latvia2030 and NDP2027 regarding:

- • progress toward implementing measures through specific activities during the relevant reporting period;
- • actual costs of activities financed for the reporting period, as well as an assessment of the contribution the activities and measures (measures include towards achieving goals;
- • distance to targets at the direction level (a direction consists of a series of measures to achieve outcomes), development trends, as well as proposals for action to counteract negative trends;
- • significant changes that have taken place in the domestic and international environment that may warrant amendments to Latvia2030 and NDP2027.

[475] The *Report on Progress Towards Achieving Latvia2030, NDP2027 and the Sustainable Development of the Country* will be prepared in co-operation with all ministries and with non-governmental organizations for consideration by the Cabinet of Ministers and the Saeima. The process of preparing the report will engage society in discussions on national development. It will provide people the opportunity to assess the choice of goals, priorities and directions set out for the country in these documents and give them the opportunity to draw conclusions about the solutions chosen by the implementing authorities to achieve results.