

# The National Development Plan 2021-2027

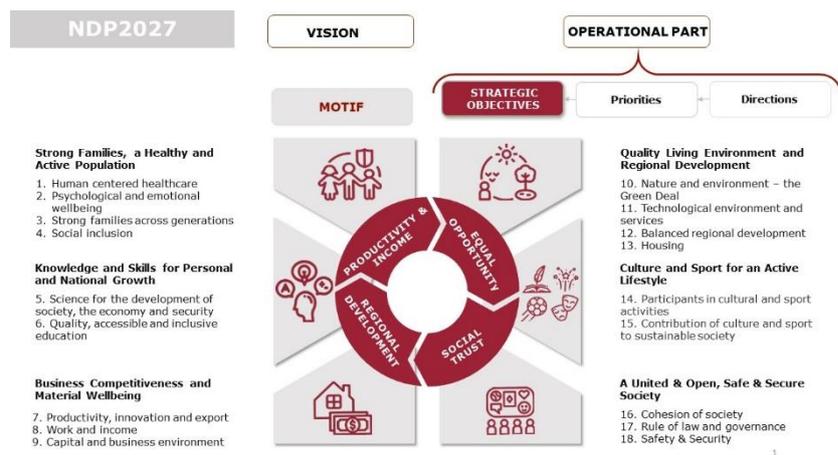
## Summary

The National Development Plan for 2021-2027 (NDP2027) is Latvia's main medium-term development planning document. It programmes Latvia's commitments to achieve the Latvian Sustainable Development Strategy 2030 (Latvia2030), the UN Sustainable Development Goals and to improve the quality of life in Latvia over the next seven years.

National Development Plans are approved by the National Development Council, the Cabinet of Ministers and the *Saeima* (Parliament) of the Republic of Latvia.

## The NDP2027 Framework

NDP2027 sets four strategic goals for 2027 in six priority areas. Each priority consists of several directions for key policies. Together there are 18 directions. Each direction includes measures (a total of 124), outcome indicators and names responsible authorities. Policy changes are supported by public investment from the national budget, European Union (EU) funds and other financial instruments. The plan evolved in an inclusive multi-stakeholder process. 6 working groups co-created the content, and public discussions took place in all regions of Latvia and on-line.



## NDP2027 Strategic Objectives

All initiatives contribute to four strategic objectives:



**Equal Opportunity** is the key element of social justice and is a factor in reducing income inequality and decreasing other barriers to development.

**Productivity and Income** are the main preconditions for competitiveness and growth (in human resources, investment, governance, innovation, export).

**Social Trust** is a critical social resource and development dimension that facilitates cooperation in the community, business and all levels of public governance; moreover, it is integral for democracy.

**Regional Development** is the basis for the long-term balanced growth of the country that reduces socio-economic disparities between the regions, creates preconditions for new jobs and promotes the uniqueness of each region.

## Strategic Indicators

<b>Nr.</b>	<b>Indicator</b>	<b>Unit</b>	<b>Base-line Year</b>	<b>Value</b>	<b>Target Value 2024</b>	<b>Target Value 2027</b>	<b>Source</b>
<b>[1]</b>	Nominal productivity per hour of work (as a % of the EU-27 average)	%	2018	59,2	65	68	Eurostat
<b>[2]</b>	GDP per capita in purchasing power parity	%	2018	71	75	80	
<b>[3]</b>	GINI coefficient	%	2018	35,6	34	30	Eurostat
<b>[4]</b>	At risk of poverty rate for children	%	2018	17,5	14	10	Eurostat
<b>[5]</b>	Life satisfaction	%	2018	73,6	77	81	Eurostat
<b>[6]</b>	Mutual trust	Scale 0–10	2015	6,4	6,8	>7	CSB, Eurostat
<b>[7]</b>	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



## **Priority 1: Strong Families, a Healthy and Active Population**

**Goal:** 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.

**Direction:** Human centered healthcare

### **Goals:**

- Equal access to high-quality healthcare
- Significant improvement in the quality of healthcare
- Development of new models for the provision of health and social care services

### **Measures:**

- Improving access to state-funded healthcare services, including medicine by ensuring both financial and geographical access
- Ensuring an optimal number of medical practitioners in state-funded healthcare by increasing salaries and providing other motivational tools
- 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
- Development of multidisciplinary and interdisciplinary collaborative services in outpatient, inpatient and long-term care for patients with chronic diseases
- Strengthening healthcare management by digital health data and evidence-based decision-making, developing collaboration between healthcare areas

**Direction:** Psychological and emotional well-being

### **Goals:**

- Increased breadth of crisis-support
- Strengthened emotional and psychological resilience
- Mitigation of behavioral risks
- Health as a value

### **Measures:**

- Strengthening mental and emotional health through targeted prevention measures and interventions for specific groups by expanding public information and monitoring
- Supporting the improvement of parenting skills that ensure the psychological and emotional well-being of children, and reducing the probability of mental health disorders and learning disorders
- Evidence-based, effective and innovative solutions to limit the spread of addictive substances and processes
- Violence prevention and timely intervention in various crisis situations

- Improving psychological and emotional health by strengthening sexual and reproductive health and reducing the risk of infectious diseases
- Creating equal opportunities for children and young people with special needs by strengthening inclusive education and improving coordination between social and healthcare providers

### Direction: Strong families across generations

#### Goals:

- Family values strengthened
- Equal opportunities for every child

#### Measures:

- Reexamining pensions, social benefits and remuneration, improving the tax system to reduce the poverty risk in households with children
- Developing a family-friendly environment, honoring large families, strengthening the father's role in the family, educating young people and society
- Creating favorable conditions for reconciling family and work life by supporting flexible and teleworking opportunities
- Improving access to pre-school education, childcare and organized leisure activities for young children
- Promoting return migration by developing a comprehensive and uniform support system for integrating return migrants and their families throughout Latvia

### Direction: Social inclusion

#### Goals:

- Pro-active provision of social support for those who need it
- Friendly and personalised social support

#### Measures:

- Access to personalized social services and provision of social innovation services to priority groups, in particular, to persons with disabilities
- Development of the personnel compensation and benefit system and strengthening of professional competence
- Strengthening planning, monitoring and evaluation of social policy by improving data collection, digital data flow and compatibility for making evidence-based decisions
- Creating a family environment for children in out-of-home care, improving the protection of the rights and interests of children, improving support and services
- Reducing of poverty, material deprivation and income inequality
- Encouraging youth engagement and activity



## **Priority 2: Knowledge and Skills for Personal and National Growth**

**Goal:** A knowledgeable, inclusive and creative society in an efficient, innovative and productive economy.

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

### **Goals:**

Scientific excellence is accelerated for the development of society, the economy and security

### **Measures:**

- Attracting the human resources in research and capacity building by significantly increasing funding for doctoral students by implementing a postdoctoral funding programme, and attracting foreign researchers
- Effective implementation of a three-pillar funding model with performance and innovation incentives in higher education and science
- Effective coordination and management of research and innovation investments by strengthening R&D management capacity and concentrating support programmes in one institution
- Strengthening the R&D capacity of state and municipal institutions and state-owned enterprises
- Strengthening scientific excellence through the development and sharing of national research infrastructure
- Transfer of knowledge created in the public sector to Latvian small enterprises, social enterprises, public organizations and creative industries

**Direction:** Quality, accessible, and inclusive education

### **Goals:**

Quality education ensures the acquisition of knowledge and skills applicable in business and daily life for every inhabitant of the country

### **Measures:**

- Ensuring quality of pre-school education, improving the environment and infrastructure
- Implementation of new curricula and approaches in general education and dissemination of good practice in learning
- Training, attraction, retention and effective professional development of outstanding teachers
- Improving the quality of the education process in general education institutions
- Strengthening the universities as centers of innovation for world-class knowledge creation, transfer and smart growth
- Implementation of modern and effective higher education management practices

- Ensuring a comprehensive assessment process of higher education quality
- Strengthening vocational education institutions as centers of sectoral excellence and innovation
- Raising the prestige and accessibility of vocational education institutions and colleges
- Development of society's digital and new technology skills
- Promoting adult interest and involvement in lifelong learning
- Prevention and intervention to reduce the risk of early school leaving
- Development and provision of individual and institutional support measures for children and young people at socio-economic and abuse risks
- Informal education opportunities for youth at risk
- Preventive and permanent measures to reduce all forms of violence in educational institutions



### **Priority 3: Business Competitiveness and Material Well-being**

**Goal: Innovation based productivity growth increases the presence of Latvian companies in the global market and the material well-being of the population.**

**Direction: Productivity, innovation and export**

#### **Goals:**

- Development and marketing of knowledge-intensive products and services to local and international markets
- Smart specialisation, innovation, technological development, as well as modernization and investment in human capital are the basis for productivity gains

#### **Measures:**

- Promoting Smart Specialisation Strategies in five specialization areas: 1) Knowledge-intensive bio-economics; 2) Biomedicine, medical technologies, 3) Bio-pharmacy and biotechnologies; 4) Smart materials, technologies and engineering systems; 4) Smart energetics; 5) Information and communication technologies (ICT)
- Supporting national, business and scientific cooperation in the development of new products and services and in attracting human resources to the regions
- Supporting strategic innovation partnerships and the development of ecosystems
- Balancing the funding structure throughout the research and innovation cycle
- Aid for export of medium and high value-added goods and services and attracting foreign investors to knowledge and technologically intensive business in Latvia
- Support for high-tech applications in traditional industries to boost productivity
- Promoting the increased use of digital technologies in business

## Direction: Work and income

### Goals:

People have the opportunity to work in high quality, modern jobs with sufficient social protection. The quality of the work environment promotes longer employability. There is an increase in financial literacy

### Measures:

- Labour remigration and targeted recruitment of foreign labour
- Continuing active labour market policies, supporting disadvantaged to find jobs
- Raising financial literacy of the general population
- Creating high-quality, secure jobs and promoting socially responsible entrepreneurship
- Reducing the labour tax burden for low income earners
- Adequate benefits and pensions in accordance with social security contributions

## Direction: Capital and business environment

### Goals:

The legal, administrative and financial environment promotes competitive business development throughout Latvia. Local and foreign capital properly identifies and takes advantage of investment opportunities

### Measures:

- Further development of the legal environment to support local and foreign investment
- Preventing overregulation of the business environment by assessing competitiveness in the regions
- Developing capital markets and promoting access to finance
- Promoting greater involvement of citizens in business
- Further introduction of digital solutions for the exchange of information between economic operators, national and local authorities
- Targeted opening of data at the disposal of the government



## Priority 4: Quality Living Environment and Regional Development

**Goal: Improving the living environment for balanced regional development**

### Direction: Nature and the environment – the Green Deal

#### Goals:

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 that improve the environment and ensure sustainable use of natural resources. Biodiversity is preserved. Stakeholders cooperate and participate in decision-making.

**Measures:**

- Reducing GHG emissions through climate change mitigation and technological breakthroughs, increasing carbon sequestration
- Mitigation of climate change effects through adaptation measures, and improved materials and infrastructure for prevention and management of disaster risks
- Improving air quality, especially in large cities, through high energy efficiency, low carbon production and decarbonisation of the transport system
- Increasing the quality of water bodies and the marine environment
- Applying circular economy principles, achieving waste-free production
- Sustainable use and governance of subterranean resources
- Reducing waste generation and disposable waste, especially by improved sewage sludge treatment, recycling and recovery of biodegradable waste
- Revitalisation of historically contaminated sites
- Improving the biodiversity protection system
- Protecting habitats and species
- Management of nature protected areas, introducing species protection and nature conservation plans
- Promoting changes in behavior patterns and habits of society to promote environmental sustainability

**Direction: Technological environment and services**

**Goals:**

An integrated, sustainable transport system provides 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. Broadband electronic communications infrastructure is compliant with EU connectivity objectives.

The public administration goes digital, with an integrated and open ecosystem that is user oriented and creates value. Affordable, innovative and energy efficient energy supply solutions are available for greater self-sufficiency and distributed energy production.

**Measures:**

- Establishment of a multimodal public transport network with the railway system as its "backbone"
- Improving international competitiveness and connectivity through Rail Baltica, Riga International Airport and increasing Riga's role in multimodal transport.
- Improving the transport system to encourage the use of bicycles and other environmentally friendly vehicles using RES.
- Improving the broadband electronic communications network by developing "middle mile" and "last mile" infrastructure and broadband mapping.
- Mainstreaming the "go digital first" principle for user-oriented, open public services
- ICT infrastructure optimisation for public administration and municipalities

- Increasing physical and digital accessibility to national and municipal physical and digital infrastructure
- Synchronisation of the Baltic States' electricity grids, creation of a unified market for natural gas, increasing household renewable energy production and energy efficiency

## Direction: Balanced regional development

### Goals:

Increasing the potential of the regions of Latvia and reducing economic disparities by strengthening their competitiveness and providing region-specific solutions to encourage settling and development of the living environment.

### Measures:

- Creation of public infrastructure to encourage entrepreneurship based on the regional specialisation
- Establishment of a coordinated support system for attracting investment and supporting business in the regions, including the establishment of a regional development fund
- Improving the capacity of stakeholders involved in spatial development
- Promoting local mobility through improved infrastructure and micro-mobility solutions
- Improving public services in line with population dynamics
- Deployment of indirect and back-office functions of national level public authorities outside the Riga region

## Direction: Housing

### Goals:

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.

### Measures:

- Renovating and increasing the number of social housing units and creating an instrument to provide housing support for low-income persons
- Promoting the availability of affordable sustainable housing (also by addressing market failures), primarily in new economically viable areas.
- Improving housing availability for disadvantaged persons by developing a mechanism to provide financial support
- Developing a grant mechanism for purchase or construction of family housing, with support contingent on the number of children
- Improving housing quality through energy efficiency and real estate management
- Improving the rental housing market by establishing an effective regulatory framework, improving taxes and fees, and updating the regulation on management, ownership and construction
- Simplifying the construction procedures for uniform residential construction



## Priority 5: Culture and Sport for an Active Lifestyle

**Goal:** A wide range of cultural and sport opportunities are available to all. Culture and sport contribute to the development of talent and international recognition.

**Direction:** Public participation in culture and sport activities

### Goals:

Participation in cultural and physical activities are available to all, improving the quality of life

### Measures:

- Engaging the public, especially less active persons, in a wide range of non-formal, cultural, sport and physical activities
- Educating and informing the public about opportunities in these areas, including through library services
- Coordinated use of cultural and sports infrastructure, development of active recreation
- Preserving and sharing cultural heritage, sports traditions and values with future generations, including through ICT
- Provision of leisure activities under the management of professional educators and trainers

**Direction:** Contribution of culture and sport to a sustainable society

### Goals:

Culture and sport promote the economic growth and social development of Latvia.

### Measures:

- Mapping cultural and sports services and infrastructure, and the establishment of a regional coordination system to effectively use and invest in infrastructure
- The development of a coordinated financing system for culture and sports, support for sport in higher education institutions and improved financing of international sporting events
- The development of a remuneration system for artists and improving financial support instruments for professional artistic creativity
- Support for small businesses and non-governmental organisations in the fields of culture, active recreation and the creative industries
- Increasing the attractiveness of Latvia's cultural and sports events abroad
- Discovery, support and retaining of young talent in culture and sports



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

**Goal:** People support each other contribute to the development of the country due to an increase in the sense of belonging, 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.

**Direction:** Cohesion of society

### Goals:

People take care of each other, actively create and participate in social activities and see the diversity of society as a valuable resource. The Latvian language is increasingly used and media literacy has improved.

### Measures:

- Strengthening the sense of national identity
- Increasing skills and opportunities for social networking and civic engagement, especially for youth and for participation in NGOs
- Improving intergroup and intercultural communication skills, reducing discrimination
- Increasing the use of Latvian in daily communication
- Improving media literacy and accessibility of Latvian media

**Direction:** Rule of Law and Governance

### Goals:

Citizens together with public authorities create a better society and governance. Public governance has become more open, efficient and effective, leading to increased satisfaction with services and trust in public administration and the rule of law.

### Measures:

- Strengthening an understanding of the rule of law and democracy, including by protecting human rights in this era of technological change and ensuring civic education
- Increasing the use of alternative forms of dispute settlement, including mediation
- Strengthening the principles of open governance, including by providing opportunities for people to participate in policy making and achieving a balanced representation of public groups in government decision making
- Smart and efficient governance, focusing on needs based, proactive services through evidence-based solutions and coordinated action
- Improving the efficiency of the justice system by strengthening cooperation between law enforcement authorities, simplifying legal processes, innovate pre-trial investigation institutions, courts and out-of-court dispute settlement bodies, creating a system to support and protect the vulnerable and victims
- Improving the system for the protection of the rights of the child, including improving cooperation between the involved institutions

## Direction: Safety & Security

### Goals:

People rely on public services that protect their safety and security. People prevent risks and cooperate with responsible authorities and helping each other in emergencies. The state maintains a safe environment, including in the social media space, and raises awareness on risk prevention and mitigation. Public safety and law enforcement are ensured by professionals. National defense is comprehensive, based on partnership between the people 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.

### Measures:

- Strengthening the capacity of people to deal with emergencies
- Strengthening the response capabilities of public safety and law enforcement authorities, coordinated action of government and local government in the event of threats, and the maintenance of the infrastructure and capacity of law enforcement, security and border control services
- Prevention of domestic violence, gender-related violence and harassment by improving protection systems and penal mechanisms, coordinated action by stakeholders and monitoring mechanisms
- Effective reintegration of ex convicts into society, by improving programmes, increasing staff, providing adequate infrastructure and strengthening the role of municipalities and NGOs

## Financing

The NDP2027 programmes national investments for the implementation of the objectives, priorities and measures set out in the document for the period from 2021-2027, however other initiatives may be financed for this period, if they are programmed in a fiscally responsible manner.

Funding sources include: (a) State and local government budgetary resources, (b) EU funds, programmes and instruments, (c) other foreign financial instruments.

Financing procedures for state and local government funding are governed by *the Law on Budget and Financial Management*.

*The Law on the Development Planning System* stipulates that EU and other foreign financial instruments for the period 2021-2027 are programmed in accordance with the NDP2027.

Social and other government partners, as well as individuals are invited to contribute to achieving the development goals.

## Monitoring and evaluation

The NDP2027 includes performance indicators for 2024 and 2027. A mid-term evaluation assesses progress towards achieving the 2024 performance indicators. Subsequently, changes can be made in measures and activities or in the reallocation of resources.

The *Saeima* plays an important role in the monitoring and evaluation of NDP2027. Every two years the Cabinet submits to the *Saeima* an integrated report on the implementation of Latvia2030 and NDP2027 and the sustainable development of the country.

The Report contains information on:

- Progress towards the attainment of the goals set Latvia2030 and NDP2027, including with respect to specific measures and relevant activities implemented in the reporting period;
- Resources invested within the reporting period;
- Performance at the direction level, as reflected by indicators and secondary data;
- Significant changes domestically and in the external environment that may warrant amendments to the documents.

The reports on the implementation of Latvia2030 and NDP2027 and the sustainable development of the country will be drawn up in cooperation with sectoral ministries and non-governmental organization prior to consideration in the Cabinet and the *Saeima*. The report will therefore inform the public of progress on the specific national sustainable development pathways elaborated in the plan. All interested persons will have the opportunity to engage in a national development debate to review the appropriateness of goals, priorities and directions, thereby ensuring accountability.