

**Declaration of the Intended Activities
of the Cabinet of Ministers Headed by
Māris Kučinskis**

Rīga, February 2016

Introduction

The Union of Greens and Farmers, the party “Unity” and the National Alliance "All for Latvia!" – "For Fatherland and Freedom/LNNK" have agreed to form a government that will focus on faster economic growth, employment and productivity. It will be rooted in targeted reforms that have been discussed with social and cooperation partners to increase the return on human and other valuable resources of Latvia for the national economy and to achieve a higher quality of life for society.

The government’s priorities – strengthening the national economy, national security and national identity, improvement of the demographic situation, quality of family life and social security, reforms in education and science, and health care reforms - are directed towards achieving the objectives set forth in the Sustainable Development Strategy of Latvia by the year 2030 and in the National Development Plan of Latvia for 2014–2020.

Dialogue with society is significant in the government's work, underscoring the important role and shared responsibility of every resident of Latvia in national development. Reforms bring changes and a new reality; therefore society should be involved in the implementation of reforms and should be educated on their benefits. The government must increase its capacity in addressing society.

The work of the government will be based on the values and objectives defined by the Constitution of Latvia. On 18 November 2018, Latvia will celebrate its centenary. The government will prepare for this unique event in a timely manner and create a festive programme that enables every resident of Latvia to celebrate with honour and pride.

Latvia’s Centenary Celebration serves as a long-term investment in strengthening awareness of statehood and unity of the people of Latvia, based on shared national values and collective social memory. It is important to continue Latvia's branding globally, and to explain complex events in Latvia’s history.

Strengthening the national economy

Although Latvia’s competitive advantage is still based on cheap labour, an increase in labour costs is inevitable due to the open labour market. To avoid the middle-income trap, Latvia must not lose its competitiveness in low-cost segments prior to gaining advantages in the manufacturing of high value-added goods. The open labour market and friendly business environment should motivate Latvia’s employers to ensure real wage increases in the private sector. This Declaration provides a set of measures for economic growth that will increase the wellbeing of every resident of Latvia. To accelerate economic growth and approach the average level of wellbeing in the European Union, the state, for its part, must remove barriers and create opportunities for more rapid development of entrepreneurship and ensure more targeted use of state assets.

Attracting investment – a clearly defined strategy to attract direct investment with measurable results within a specified period by creating a unified investment project portfolio and ensuring close cooperation among the ministries as well as the state and local government authorities that are involved.

1. We will ensure the implementation of large investment projects of strategic importance in Latvia by mobilising and coordinating activities of the public administration in creating a favourable business environment and attracting investment.

2. We will provide local and foreign investors with a unified offer by the state and local governments (a portfolio of investment projects) that includes well-developed investment proposals by the private and public sectors for attracting funding from each defined global target region (with specific, measurable results – volume of investment per year (in *euros*) attracted from target regions).
3. We will substantially increase the role and responsibility of local governments in attracting investments, facilitating their close cooperation with state institutions and businesses, while expanding opportunities for local governments to use various instruments to promote entrepreneurship.

Increasing natural resource productivity (by 5 % a year); defining environment and climate policy objectives in line with national economic interests while balancing the objectives of environment policy with economic growth, and preserving natural, biological and landscape diversity, reducing pollution and creating a high-quality living environment and recreation services.

4. We will develop climate policy in line with economic and public interests. We will attain binding climate policy objectives by enforcing economically justified, goal-oriented measures to reduce greenhouse gas emissions (balancing costs and benefits by sector – energy, agriculture, transport and industry).
5. We will create a bio-economy strategy. We will develop support instruments to enhance synergies of the agriculture and forestry sectors with the pharmaceutical, construction, energy, ICT and other sectors, thereby developing competitive products based on local natural resources with higher added value.
6. We will make efficient and rational use of land for agriculture and forestry, and of inland, coastal and Baltic Sea waters for fisheries to increase resource productivity.
7. We will develop a new regulatory framework for subsoil use as a sector with economic potential. The framework will also encourage more sustainable involvement of private capital. We will audit land resources and subsoil, and digitize information.
8. We will provide strategic support to exporters of products manufactured from Latvian natural resources to major world markets by focusing attention on higher value added product groups.
9. We will improve an economically justified waste management system in order to make full use of the circular economy, protect the environment and comply with requirements set at the European Union level.

Implementation of energy policy that strengthens the national economy and encourages industrial development – complete opening of the natural gas market in 2017 and the compulsory requirement not to increase the mandatory procurement component above 26.79 EUR / MWh.

10. We will decide on further actions regarding assets of the natural gas infrastructure company that are of national strategic importance (including the state's use of the right of first refusal for shares of the natural gas transmission and storage operator).
11. We will implement electricity projects and natural gas infrastructure development projects that are of strategic importance to Latvia.
12. We will increase energy efficiency in the public and private sector.
13. We will review existing policy to support renewable energy and develop a new, sustainable and economically justified support mechanism.

14. We will implement compensatory measures for the mandatory procurement component, including support measures for electricity for energy-intensive enterprises.

Effective use of strategic public assets – an increase in return on assets in commercially-oriented enterprises on an equal basis with comparable indicators of the private sector. Retaining state ownership of strategic enterprises.

15. We will ensure further development of railways, airports and ports by increasing and diversifying passenger flows for Latvia, as well as by integrating regional airports in a single offer. We will develop freight handling services by increasing the added value. We will attract cargoes and investment of western and eastern origin by preparing a unified offer of the Latvian transport corridor for potential partners (freight owners, logistics service providers or investors).
16. We will implement the *Rail Baltica* project as the largest infrastructure project of the Baltic countries in order to fully complete it within the next multiannual financial framework of the European Union.
17. We will support the establishment of logistics/distribution/industrial centres to channel the flow of products through Latvia ("the national single corridor proposal") including the use of European Union funds for industrial territories.
18. We will ensure centralized supervision of large strategic development projects to promote timely and high-quality implementation of these projects.
19. We will have a responsible policy for governance of state-owned capital companies (including dividends) that increases the value of assets in the long-term, contributes to activation of the economy and growth of national economy sectors while taking into account non-financial objectives to meet societal needs.
20. We will support the development of infrastructure that is crucial to attract business and investment, particularly in the regions. We will continue to provide special support for the Latgale region.
21. We will create a stable, predictable and sustainable model to fund transport infrastructure.

Development of a medium-term tax policy and efficient planning of budgetary expenditure - In order to ensure the availability of public services, tax revenues collected in 2020 will amount to one third of the GDP. The revenues to attain the objective will come primarily from reducing the shadow economy. By reviewing the system of taxes and fees, we will balance national development goals, state budget revenues and expenditures.

22. We will continue to implement a responsible fiscal policy and fiscal discipline, which will provide for a balanced budget over the economic cycle in compliance with the Fiscal Discipline Law.
23. We will evaluate the tax system of Latvia. We will develop a balanced and predictable tax policy together with social and cooperation partners that helps attain the strategic national development goals – economic growth, demographic growth and reducing inequalities.
24. We will transfer the tax burden from the labour force to capital income and capital gains, consumption, real estate and use of natural resources.
25. We will review baseline expenditures of budgetary programmes and link them with results set in programming documents by piloting a project in one of the sectors and gradually transitioning from baseline budgeting to results based budgeting.

A set of measures enhancing the motivation of business and society to reduce the shadow economy, increasing taxes revenues on an annual basis - achieving a one percentage point increase in revenue to GDP in 2018. Combating the shadow economy as a horizontal task of the government.

26. We will take measures that best contribute to tackling the shadow economy (combating smuggling, VAT fraud, international tax evasion, tampering with cash registers and enforcing more stringent penalties for "envelope wages" etc.).
27. We will apply an appropriate level of punishment and prevention measures to reduce the shadow economy.
28. We will balance the responsibility of parties in tax fraud schemes.
29. We will expand the reverse charge procedure for VAT.
30. We will increase the benefits of the In-Depth Cooperation Programme of the State Revenue Service for its members and will consider the involvement of other institutions in the programme.

Improving the business environment and increasing national competitiveness - more rapid growth of exports (exports reaching 60% of GDP in 2018) and approaching the European Union average for productivity (employee productivity in manufacturing in 2018 - at least 26 000 euros at current prices).

31. We will introduce a system to pre-empt changes in the labour market to adapt to medium-term employment challenges.
32. We will develop a new regulation on taxes and operational conditions for small and micro enterprises in the initial stage of operation (a draft law on support to start ups).
33. We will promote exports, including by expanding the transnational economic contractual base.
34. We will implement annual action plans for improvement of the business environment to ensure that in 2018 Latvia ranks in the TOP20 of *Doing Business* ratings and TOP 40 of the *Global Competitiveness Index*.
35. We will ensure that ICT public investment and e-services are focused on the development and commercialization of new products and services. We will introduce e-government in public sector administration and services.
36. We will facilitate the transfer of culture capital to other areas to create new businesses and products and to encourage innovation in the economy, social and environmental fields and in public administration. We will also promote the export capacity of creative industries of Latvia.
37. We will draft a construction policy to ensure legal conditions for the quality and safety of the construction process and to clearly define the accountability of all parties involved.
38. To foster polycentric national development, we will establish territories for local government cooperation that will increase their economic development potential and cooperation in public service delivery, as well as create economic levers for voluntary cooperation between local governments.
39. We will create public support instruments for rental housing to promote business development in regional centres, creating conditions for businesses to attract high-quality professionals and workforce.

40. We will look for opportunities to provide balanced funding for farmers to retain proportional state aid funding as the single area payment of the European Union funds increases.

Ensuring a legal environment that promotes entrepreneurship development and competitiveness by improving Latvia's ranking in ratings characterising judicial efficiency on an annual basis.

41. We will complete the revision of the judicial map to develop larger and more powerful courts, streamline judges' workloads, reduce the judicial timeframe and enhance specialization of judges and the principle of random distribution of cases. We will systematically evaluate norms of procedural laws in order to ensure both the right to a fair trial and compliance with a modern understanding of a rapid and effective judicial process.
42. We will define expected long-term results of insolvency policy, the role of the state in ensuring supervision of insolvency proceedings; we will review functions of the Insolvency Administration and the role of the court. We will complete the reform of the Insolvency Administrators profession that will improve administrators' supervision and accountability.
43. We will develop a solution to terminate forced divided ownership of land and building property in respect to apartment buildings with due consideration to the impact of the regulation on business and society.
44. We will complete the reform of the misdemeanor law.
45. We will improve the procedure for settlement of business-related disputes, including encouraging the development of alternative dispute resolution methods.
46. We will strengthen endorsement of human rights, with particular attention to the work of the public administration and law enforcement institutions, legislation and judicial work in order to bring them closer to the legal space of the European Union.
47. We will improve cooperation between public administration institutions and the Ombudsman on fundamental human rights and security issues by providing effective and immediate protection mechanisms.

Targeted activation of the financial and capital market sector, thereby achieving sustainable net growth of credit portfolios and risk investments of households and companies.

48. We will increasingly use securities markets to attract alternative financial resources to private and state-owned enterprises.
49. We will increase capital inflow by providing banks' credit funds with alternative financial instruments (including from pension and investment plans).
50. We will strengthen cooperative credit unions.
51. We will implement in a coordinated manner urgent measures to improve the policy of the financial sector; we will define the medium-term and long-term vision of the sector with particular focus on reducing the risks of money laundering and terrorist financing.
52. We will perform an in-depth evaluation of opportunities for more extensive use of financial instruments to provide more substantial access to state support in the longer term.
53. We will create mechanisms to motivate employees and to promote the flow of private capital of individuals into the economy.

Effective implementation of the European structural and investment funds and foreign financial assistance programmes – European structural and investment fund projects amounting to at least 2.4 billion euros will be launched by the end of 2018.

54. We will purposefully consider opportunities and use the European Union and other foreign financial assistance instruments for investments in Latvia.
55. We will ensure timely and efficient implementation of the European Union funding programmes, as well as their continuous monitoring by strengthening the management system for the EU funds 2014 – 2020 programming period.
56. We will plan timely and balanced implementation of major construction projects, thereby reducing price volatility and exhaustion risks for the industry in the future.

International integration and foreign policy activities of Latvia to ensure national security, promote economic growth and attract resources.

57. We will represent Latvia's national interests in all international organizations to which Latvia has acceded, including by attracting additional funding from international financial institutions.
58. We will use Latvia's membership in the United Nations Organization, the European Union and the North Atlantic Treaty Organization (NATO) as a framework for the execution of this principal task and pursue the interests of Latvia in the context of bilateral, regional and global foreign policy challenges.
59. We will actively participate in the development of the European Union as a sound union of nation states. By defending national interests, we will support the political and economic unity and efficiency of the European Union. We will promote a single foreign, security, energy, and single market policy, as well as the stability of the eurozone. We will encourage further integration of Latvia in European energy and transport systems.
60. We will strengthen our strategic partnership with the United States, including in the fields of security policy, free trade and economic cooperation, Europe's energy security, cyber security, strategic communication, education, the media and freedom of expression.
61. We will promote the European Union's maximum integration with the transatlantic trade area. We will support the intensification of negotiations of the Transatlantic Trade and Investment Partnership Agreement to achieve better conditions of competitiveness for EU manufacturers, taking into account Latvia's interests with respect to sensitive manufacturing and service sectors and products.
62. We will achieve the objectives of the European Union's external activities by promoting stability and development in the regions that are the foreign policy priority of Latvia – the Eastern Partnership and the Central Asian countries.
63. We will finalize negotiations on Latvia's accession to the Organization for Economic Cooperation and Development (OECD) by concluding the remaining open issues by the end of 2016.
64. We will promote national competitiveness and sustainable development. We will implement an effective and common foreign economic policy. We will defend our foreign economic interests and actively support the strengthening of Latvian companies in both traditional partner countries and new export markets, developing closer relations with the new leaders of economic growth.
65. We will strengthen cooperation between the Baltic states and Nordic countries (particularly in the fields of security, transport, and energy) through the Baltic Assembly,

the Baltic Council of Ministers and the cooperation framework of the Baltic and Nordic countries (NB8). We will further promote cooperation between the Nordic countries, Baltic countries and countries of the Visegrad Group.

66. We will establish relations with the European Union's neighbourhood countries, based on the principles of international law, mutual respect and the values of the European Union. We will promote a political settlement of the conflict in Ukraine caused by Russia by supporting uniform and consistent EU policy in relations with Russia in order to achieve Russia's compliance with the principles of international law. We will continue consistent non-recognition policy on the illegal annexation of Crimea.

National security and national identity

A cohesive society that shares common values and is united by a sense of belonging to Latvia, its language, culture and fundamental values is quintessential to the security of the country. In today's changing and dynamic international environment, national and public security is a government priority.

Development of the information space in Latvia based on fundamental principles and values of democracy is crucial for security. While strengthening the capacity of law enforcement and security institutions, it is important to increase public confidence and involvement in safeguarding national security. We will improve the self-defence capabilities of Latvia by improving and upgrading the National Armed Forces and by strengthening the role of the Latvian National Guard in national defence, as well as by participating in the collective defence system. At the same time, civil society must be strengthened by improving civic participation skills and providing opportunities to engage in resolving common public concerns.

Strengthening the sense of belonging to the state and responsibility for the sustainability of the national culture.

67. We will approve and implement a mass media policy. We will strengthen Latvia's information space.
68. We will celebrate Latvia's centenary (from 2017 to 2021) with a diverse programme throughout Latvia. We will develop and support measures to strengthen the cohesiveness of Latvian society, sense of belonging and patriotism. We will intensify research on Latvia's history, popularise it and work on collective social memory.
69. In anticipation of the country's centenary, we will improve the infrastructure for national culture. We will agree on the launch of a modern acoustic concert hall project in Riga. In cooperation with private patrons, we will build the Latvian Museum of Contemporary Art. We will renovate the Museum of the Occupation of Latvia, the New Riga Theatre and the Latvian National History Museum (in Riga Castle) and will develop the Ventspils Music School with a concert hall.
70. We will expeditiously prepare the XXV Latvian Song and Dance Festival programme and ensure its success. In cooperation with the Riga City Council, we will modernise a national stadium and the Mežaparks stage in preparation for the festival.
71. We will help deepen Latvian society's appreciation of culture and cultural heritage. We will ensure excellent and diversified cultural services and accessibility for the widest possible public, including by improving the funding model of the State Culture Capital Foundation. We will preserve the culture and the unique qualities of the language in the regions of Latvia as a significant contributing factor to our common national identity.

72. We will complete the drafting of the legal framework to define the status and support for creative occupations and their organizations.
73. We will define national procurement of culture education for all educational levels, taking into account Latvian cultural developments and the needs of the labour market.
74. We will implement a support programme for non-governmental organizations, thus supporting civil society in addressing current challenges. We will support non-governmental organizations of national minorities by expanding their opportunities to actively participate in the cultural processes and social life of Latvia.
75. We will assess the efficiency of society integration policy and its implementation. We will improve the Society Integration Fund.

Strengthening national defence capabilities - funding the defence sector to 1.7 % of GDP in 2017 and 2 % of GDP in 2018 (allocating no less than 20% of the defence budget for investment, no more than 50% for staff expenditures).

76. We will improve the self-defence capability of Latvia by strengthening the combat readiness, response and fighting ability of the National Armed Forces, as well as by enhancing their presence in the eastern region of Latvia.
77. We will strengthen capacity of the National Guard and its role in national defence by developing battle and response capabilities, modernizing the equipment of the National Guard and increasing the number of recruits, and by identifying economic incentives for businesses to ensure regular participation of employees in National Guard training.
78. We will support youth education on national defence, encourage civic consciousness and patriotic education by strengthening the Youth Guards movement - making it available for Latvia's school youth, providing the Youth Guards with new equipment and continuing to increase the number of units.
79. We will participate in strengthening the NATO collective defence system, providing host nation support to allied forces in the territory of Latvia by expanding the infrastructure and training opportunities required to host the allied forces, as well as by participating in international training, missions and operations.
80. We will establish a national military industrial base for maintenance and supply needs of the National Armed Forces and the National Guard, leveraging the potential of the local economy and scientific community. We will ensure the opportunities of Latvian businesses in NATO's supply chains and the European Union-wide support programmes, thereby contributing to the creation of competitive, new and innovative defence products and military technologies.
81. We will strengthen national cyber security by introducing uniform minimum security requirements for all public authorities.
82. By strengthening the security of Europe and the Northeast Region of NATO, we will contribute to the long-term presence of NATO allies in the Baltics.
83. We will contribute to global security by participating in and supporting the fight against terrorism, preventing hybrid threats and by strengthening border security, cyber security and areas of strategic communication. We will strengthen EU-NATO cooperation in these areas.

Internal security as one of the major cornerstones of national security - We will invest in the modernization of human resources and logistics to improve the capabilities of the home affairs sector and its cooperation with society. We will strengthen the European

Union's external borders. As regards European Union migration policy, we will insist on a long-term solution to the causes of the migration crisis that would stop uncontrolled migration flows, while simultaneously creating a coordinated and effective return mechanism for persons who do not qualify for international protection and have no legal grounds to stay in the territory of the European Union.

84. We will build and equip the EU - eastern Latvia border to eliminate national security threats.
85. We will develop and strengthen counter-terrorism capabilities through the effective engagement of security and law enforcement institutions.
86. We will complete the implementation of the remuneration system based on new principles for officials with special service ranks of the Ministry of the Interior and Prison Administration. We will enhance the capacity of the penitentiary staff (salaries, pensions, training, etc.).
87. We will develop modern educational programmes for investigators and other staff involved in investigative activities and will improve study programmes in order to provide qualified personnel for public security institutions and authorities that conduct criminal proceedings. We will develop a professional higher education system for senior officers of the State Police in line with newly established professional standards.
88. To reduce the risks posed by prisoners to the security of society and prison staff and to improve the prospects of successful re-socialization of prisoners, we will build a new prison in Liepaja.
89. Respecting the decisions already adopted by the Latvian government within the framework of the European Union's solidarity mechanism, we will ensure practical implementation of the decisions, ensuring that the risks and adverse effects posed by immigration are substantially reduced. In view of the conditions of Latvia's integration and administrative capacity, we believe that, with the previous decisions, Latvia has exhausted its possibilities to host additional asylum seekers within the framework of the European Union's mechanism for relocation of asylum seekers. Therefore, with respect to reallocation of persons between the Member States of the European Union and the reallocation from third countries, we will only support a position that allows the European Union Member States to host asylum seekers on a voluntary basis and does not create an obligation or pressure to do so.
90. We will assess each asylum seeker who has arrived in Latvia, taking into account the aspects of national security, public order and integration.

Improving the demographic situation, quality of family life and social security

The demographic situation improves if family conditions are stable and secure throughout life. It is important for Latvia that families have children. An increase in the number of children in a family increases the need for living space, stable income and opportunities to reconcile family and working life. Stability motivates people to be active in society.

Economic development, stable employment opportunities, state and local government support, strengthening families, as well as intersectoral cooperation are crucial aspects to achieving the demographic objectives set in the National Development Plan for 2014 - 2020.

91. In cooperation with the non-governmental actors and experts, we will develop a comprehensive and targeted state support programme for families raising children. We will launch its implementation before Latvia's centenary, thus developing Latvia as the most family friendly country.
92. We will increase the availability of housing by continuing and expanding the housing support programme for young families and families with children. We will develop new regulations on residential tenancy relations, as well as promote the availability of public sector rental apartments.
93. We will support political and civic engagement of diaspora in Latvian business, culture, education and science. We will provide support to families residing abroad that are considering the possibility of returning to Latvia, promote closer ties with Latvia and target state support to facilitate their return.
94. We will move toward a targeted "third child" policy. We will gradually increase family state benefits to an amount that would encourage families considering a second and - especially- a third and subsequent child.
95. We will implement comprehensive and innovative solutions for childcare in order to facilitate reconciliation of work and family life, including for parents who are employed in shift work.
96. We will evaluate the launched process of de-institutionalization, identifying the long-term benefits, losses and potential costs while maintaining national level funding contributions for community-based care.
97. We will facilitate corporate social responsibility by evaluating and encouraging flexible forms of employment (part-time employment, remote work).
98. We will continue developing community level services by improving the adoption and out-of-family care system, including the development of specialized foster families across the country, preventing poverty of children without parental care.
99. We will continue and develop rehabilitation programmes for abused children; we will provide support to families where abuse has been discovered, we will provide support measures for victims.
100. We will assess the possibility of increasing social security contributions to pension funds in the full amount of parental benefits for the duration of parental leave.
101. We will introduce a guaranteed minimum income level that empowers the recipient, linking it with labour taxes, social assistance, state social benefits, the minimum state pension and unemployment benefits. We will encourage a gradual transition from social benefits to regular employment income.
102. We will contribute to ensuring the rights and opportunities of persons with disabilities by developing community-based and family-oriented services and providing environmental accessibility in public areas, thus promoting social inclusion and non-discrimination. We will assess the possibility of providing support to children in the case of disability of a household income earner.
103. In the coming years, we will annually index all types of pension benefits, taking into account a larger share of the increase in the average social insurance contribution wage. We will assess the option of considering the total state social insurance record (length of service) in indexing the state old age pension, as well as early retirement options for all parents with three or more children. We will ensure the stability, sustainability and fairness of the national social insurance security system.
104. We will develop a social entrepreneurship support system.

105. We will support initiative group activities that involve families in popular sports events and promote a healthy lifestyle.

Reforms in education and science

The overarching goal of education and science is to educate well-versed individuals, contributing members of the Latvian democratic state and society, developing a knowledge-based economy and strong sense of national identity to ensure the development of the Latvian nation, language and culture. The low birth rate, regional development dynamics, an aging population and emigration all require decisions on efficient and prudent use of educational resources. The education system of Latvia has to provide school graduates with modern skills and competencies to ensure a high added value in the economy and success in the knowledge society. We have to adjust the school network, curriculum, teachers' qualifications, and link studies with labour market needs. The use of modern technologies needs to be expanded, as does available infrastructure. It is necessary to take concrete measures toward social integration. A plan must be developed and launched for the transition to a unified education standard in the state language in state and local government funded educational institutions. The education needs to be strengthened based on national fundamental values framed in the Constitution of Latvia. Scientific and research potential should be used to strengthen the national economy, the quality of higher education and Latvia's international competitive advantage.

Reform of the network of general education institutions and spatial mobility and education system by improving the quality of education and reducing the proportion of early school leavers to 7.5 %. Motivating young people to purposefully choose vocational education programs in accordance with labour market demand, balancing the proportion of students in general secondary education programmes and vocational secondary education and training programmes after completion of basic education (55/45). Reducing youth unemployment.

106. In order to provide each pupil with a high quality education, we will develop a network of sustainable schools through a complex approach to reforms, including ensuring mobility, providing the opportunity for people who have lost jobs to return to the labour market and compensatory social support to learner needs.
107. We will implement a comprehensive curriculum reform in general education to provide graduates with the skills necessary in the knowledge society.
108. We will assess the possibility of introducing a third physical education lesson per week and health education in educational institutions.
109. We will develop a system to ensure that the most knowledgeable and goal-oriented people become teachers. We will reorganize new teacher training programs at pedagogical universities, carefully select the new teachers, develop practice-based learning and provide professional support in schools.
110. We will establish a system to ensure high quality professional development for the heads and teachers of general education schools and to have more innovative approaches to teaching in order to improve the quality of education.
111. We will develop a system to evaluate the quality of schools in line with relevant educational objectives.
112. We will set deadlines for the transition to compulsory secondary - general or vocational - education.

- 113. We will implement measures to improve the quality of education in the fields of natural sciences and mathematics.
- 114. We will agree on a long-term solution for financing pre-school teachers.
- 115. We will increase access to work-based learning environments in vocational education, including the provision of motivational mechanisms to ensure active involvement of employers.
- 116. We will implement career education and support measures at all levels of education.
- 117. We will develop a sustainable system to support professional sport, including in the regions.

More efficient management of the funding invested in higher education, improvement of quality, focus on improving the exportability of higher education – the implementation of a three-pillar funding model, as well as an increase in the proportion (up to 10%) of those foreign students who are studying for a degree or qualification.

- 118. We will implement a three-pillar funding model. (Following the evaluation of the tax system of Latvia, we will develop a plan for funding higher education and science). The first pillar will provide funding for study places and core academic and research work, and includes an increase in the number of state funded budget places in national priority areas (STEM). The second pillar is a performance-oriented pillar, which is granted for results achieved. The third pillar – the innovation-oriented pillar – provides funding for higher education and research that contributes to targets set in university performance agreements. We will also strengthen regional higher education institutions.
- 119. We will redefine qualification requirements and will provide academic and scientific staff with opportunities for career advancement in higher education.
- 120. We will promote academic mobility in the European Union and Northern Europe by increasing the proportion of foreign students from these areas in the student population and by legislating a minimal proportion of visiting academic personnel from European Union countries. We will develop cooperation with diaspora in academic and research institutions across the world.
- 121. We will activate the interoperability of higher education institutions with vocational education institutions, thus contributing to the quality of vocational education and its ability to meet the requirements of the labour market and providing the economy with necessary human resources.

Provision of excellence in scientific activity – the renewal and development of human resources (25% of researchers employed in the private sector by 2018), transfer of research to entrepreneurship (in 2018, the proportion of innovative companies in the country - 40 %, private sector investment in R&D - 47 % of total investment in the country in 2018), provision of infrastructure.

- 122. We will implement Latvia's smart specialization strategy and together with entrepreneurs, we will make investments with a focus on higher added value and more efficient use of local resources, and will consider the development of sectoral investment platforms for Latvia's competitiveness programme for higher education, science and innovation.
- 123. We will concentrate research resources by developing a territorial map of future science and innovation research. We will define infrastructure investment priorities and

implement measures to develop human resources to raise competitiveness and ensure a critical mass of research institutions.

124. We will develop research infrastructure of national importance for research of strategic significance, including national and public security.

Development of an effective life-long learning (adult education) system that pre-empts changes in the labour market by increasing the proportion of persons (aged 25-64 years) involved in adult education to 9.5%.

125. We will develop and introduce a model for management of adult education.
126. We will implement flexible training programmes which are aligned with work and training schedules.
127. We will develop motivational mechanisms to encourage employer contributions to the improvement of employees' professional competencies.

Reforms in health care

The health care system in Latvia receives significantly less funding from the state budget than those of other European Union countries. Therefore, the proportion of patient co-payments for health care services is one of the highest in Europe. This has a substantial negative impact on access to health care and is a factor contributing to inequalities in health. The health care financing system needs to be reformed in order to preserve and improve people's health which is the basis for long and productive working lives, as well as to increase the birthrate and promote employment in the country, thus ensuring sustainable economic development.

Development of a sustainable health care funding system to improve access to services at all levels of health care.

128. We will develop a model of a mandatory health insurance system by specifying the source and rate of mandatory health contributions.
129. We will review health service tariffs, conditions of payment and determine the basket of publicly funded services. Following the evaluation of the tax system of Latvia, we will consider increasing the proportion of health sector funding to the GDP.
130. To ensure a comparable level of service quality, we will review the planning of health care services and the location of service providers using an integrated approach to health care service development.
131. We will complete the implementation of a single electronic information system for the health sector and will provide its full operation.
132. We will reduce the proliferation of harmful substances and harmful health behaviours.
133. We will have a targeted human resources policy in health care, adjusting the remuneration and the professional development system for employees in the sector.
134. During the implementation of health care reforms and structural changes, we will strengthen fruitful cooperation and dialogue with employee and employers' organizations and professional associations of the health sector.
135. We will contribute to the development of health tourism as an export sector by improving the supply of services, including spa and resort treatment research.

Prime Minister	Māris Kučinskis
Deputy Prime Minister, Minister for Economics	Arvils Ašeradens
Minister for Defence	Raimonds Bergmanis
Minister for Foreign Affairs	Edgars Rinkēvičs
Minister for Finance	Dana Reizniece-Ozola
Minister for Interior	Rihards Kozlovskis
Minister for Education and Science	Kārlis Šadurskis
Minister for Culture	Dace Melbārde
Minister for Welfare	Jānis Reirs
Minister for Transport	Uldis Augulis
Minister for Justice	Dzintars Rasnačs
Minister for Health	Guntis Belēvičs
Minister for Environmental Protection and Regional Development	Kaspars Gerhards
Minister for Agriculture	Jānis Dūklavs