



Finanšu ministrija

Progress Report 2025

of the Fiscal Structural Plan 2025 – 2028 of Latvia

**RIGA
2025**

FOREWORD



Arvils Ašeradens

/Minister for Finance of the Republic of Latvia/

The Progress Report of the Fiscal Structural Plan is a new document and this is the first year of preparation thereof. It includes macroeconomic and fiscal projections, as well as the available fiscal space for the period up to 2029. This document basically analyses the state of public finances and illustrates the challenges that can be expected this autumn when drafting the next budgetary framework which will be strongly influenced by the economic development. The development of the Progress Report arises from the new EU legal framework in the field of economic governance, i.e. Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97.

At present, there are two fundamental global challenges. First, EU Member States need to substantially and rapidly increase their defence capabilities and develop their military industries. In Latvia, we plan to move towards defence spending of 5% of GDP. Second, the recent announcement by the USA on 2 April to impose comprehensive customs tariffs will have adverse effects on national economies and significantly increase uncertainty. Both of these challenges have major fiscal implications.

The Progress Report is based on the macroeconomic projections developed by the Ministry of Finance in February 2025, taking into account the GDP data for the first three quarters of 2024, as well as information on short-term macroeconomic indicators available until February. The baseline macroeconomic scenario is supplemented by optimistic and pessimistic scenarios. The biggest negative risk is related to trade tariff escalation, which would limit economic growth of the main foreign trade partners of Latvia and would leave a negative impact on export growth due to reduced demand for Latvian exports. At the same time, geopolitical uncertainty would also limit investment activity and consumer confidence, also reducing domestic demand. Trade tariff wars and geopolitical escalation would also lead to faster price increases, which would force the European Central Bank to slow down or refrain from further reduction of interest rates, thus holding back economic growth even more. Unfortunately, additional tariffs of 20% announced by the USA on imports from the European Union increases the probability of the pessimistic scenario. However, the high degree of uncertainty in USA politics may contribute to the relative advantages of the European Union as a safe jurisdiction for investment and strengthen the international role of the euro. These circumstances suggest that this year there is greater uncertainty about the projections of the Progress Report than in previous years.

According to the macroeconomic projections developed by the Ministry of Finance in February 2025, after the economic downturn of 0.4% of GDP in 2024, mainly due to low economic growth in external markets and persistently high interest rates, the Latvian economy will become stable with moderate growth of 1.2% of GDP in 2025. In the coming years, growth is projected to accelerate to 2.1% in 2026 and 2.2% thereafter. The economic recovery will be achieved through growth in public and private consumption, as well as stronger absorption of EU funds investments and faster growth in exports. Annual average inflation will be 2.5% this year, compared to 1.3% in 2024, due to more rapidly increasing food prices in Latvia and certain energy resource prices on global markets, subsequently leaving an impact on heat and gas tariffs. In 2026, inflation is expected to fall slightly to 2.2% and is expected to stabilise around 2.5% by 2028, in line with the rate of price increase in a converging country.

The state of public finances of Latvia is generally good. The year 2024 was concluded with a general government deficit of 2.1% of GDP, below 2.6% of GDP projected in the Fiscal Structural Plan. Latvia's public debt is sustainable. The general government debt is projected to peak in 2027, when it will reach 52.8% of GDP. In the long term, the debt amount will gradually decline and stabilise at 45% of GDP in 2038 with a 50% probability. According to the results of the stochastic debt analysis, the debt amount in 2038 will be below 55% of GDP with a 70% probability.

These good news, however, does not give reason to neglect fiscal discipline. In the coming years, we will need to find ways to compensate for decline in tax revenue by around EUR 200 million resulting from lower GDP growth, compared to what was planned during the budgeting process last autumn. Lower revenue and higher expenditure of EU funds projects increase the deficit and create negative fiscal space. Current projections show a negative fiscal space of around EUR 200 million in 2027 and close to EUR 300 million in 2028. In that regard, efforts towards increasing the efficiency of public sector functions and reducing the expenditure of general government sector institutions can help significantly.

The need to increase defence funding is a major challenge. This is where a balance needs to be found between increasing the deficit and reducing other expenditures, so that the state of public finances of Latvia remained generally good even after reaching 5% of GDP in the defence sector. It should be noted that according to Communication from the EC on the implementation of the national escape clause for defence, the approval of the escape clause does not suspend compliance with the existing fiscal rules, the corresponding increase in expenditure will be above the fiscal rules and is therefore not reflected in the fiscal indicators of the Progress Report when assessing compliance with the fiscal rules.

The Progress Report also includes a description of the structural reforms and investments of the country. They are aimed at improving the sustainability of the national economy. The tax policy revision implemented in 2024 is one of such measures. It will increase the resilience of the Latvian economy to economic shocks by boosting domestic consumption and improving business activity. This is particularly important during this period of uncertainty.

Let the information provided in the Progress Report serve as a useful starting point for the development of a fiscally responsible budgetary framework for 2026-2028 and a national budget for 2026 that ensures national defence and economic development!

TABLE OF CONTENTS

1. Introduction	7
2. Summary.....	10
3. Economic situation	12
3.1. External economic environment	12
3.2. Macroeconomic indicators in 2024 and projections for 2025.....	12
3.3. Macroeconomic development scenario for 2026–2029	18
3.4. Long-term GDP forecast, potential GDP dynamics.....	20
4. Fiscal situation.....	21
4.1. Fiscal indicators in 2024 and projections for 2025	21
4.2. Fiscal projections under no-policy-change scenario for 2026–2029	24
4.3. Tax revenue projections for 2026–2029	27
5. Fiscal trajectory – implementation	30
6. Policy measures	37
6.1. Ex-post assessment of discretionary revenue measures included in the FSP	37
6.2. New discretionary measures, their assessment	40
7. Fiscal policy strategy, fiscal conditions and indicative fiscal space.....	42
7.1. Fiscal conditions and fiscal space	42
7.1.1. Fiscal condition of the FDL structural balance	42
7.1.2. Structural primary balance rule.....	43
7.1.3. Net expenditure growth rule	44
7.1.4. Nominal balance rule	46
7.2. Decisive fiscal rule and fiscal space	46
8. Government debt development trends and long-term projections	48
8.1. Government debt development trends	48
8.2. Long-term general government debt projections	50
8.3. Long-term development scenario for public finances.....	51
9. Sensitivity analysis and macroeconomic scenario risks	55
9.1. Pessimistic scenario	55
9.2. Optimistic scenario.....	56
10. Green budgeting	58
11. Fiscal risks (State guarantees, contingent liabilities).....	60
12. Reforms and investments.....	66
Annex. Table 9. Progress with reforms and investments	67

COMMONLY USED ABBREVIATIONS

BoL	Bank of Latvia
CCT	Company Car Tax
CID	Council Implementing Decision
CIT	Corporate income tax
CFCA	Central Finance and Contracting Agency
CoM	Cabinet of Ministers
CPI	Consumer Price Index
CSB	Central Statistical Bureau
CSR	Country-specific recommendations
DRM	Discretionary revenue measures
ECB	European Central Bank
EC	European Commission
ED	Excise Duty
ERDF	European Regional Development Fund
ESA	European system of national and regional accounts
ESF+	European Social Fund Plus
ESI	Economic Sentiment Index
EU	European Union
EU CF	European Union Cohesion Fund
FDC	Fiscal Discipline Council
FDL	Fiscal Discipline Law
FFA	Foreign Financial Assistance
FRD	Fiscal Risks Declaration
FSP	Fiscal Structural Plan
GDP	Gross domestic product
GJ	Natural gas consumption per year
IMF	International Monetary Fund
JTF	Just Transition Fund
LALRG	Latvian Association of Local and Regional Governments
LBFM	Law On Budget and Financial Management
LCS	Latvian Council of Science
LGT	Lottery and gambling tax
MFF	Multiannual Financial Framework
MoA	Ministry of Agriculture
MoC	Ministry of Culture
MoCE	Ministry of Climate and Energy
MoD	Ministry of Defence
MoE	Ministry of Economics
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
MoSARD	Ministry of Smart Administration and Regional Development
MoW	Ministry of Welfare
MSSIC	Mandatory State social insurance contributions
NAF	National Armed Forces

NNFPE	Nationally financed net primary expenditure
NHS	National Health Service
NRT	Natural Resources Tax
OECD	Organisation for Economic Co-operation and Development
PIT	Personal Income Tax
PMI	Purchasing Managers' Index
Regulation 2024/1263	Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97
RF	Recovery Fund
RoL	Republic of Latvia
RRF	Recovery and Resilience Facility
RSS	Rural Support Service
SB	State Budget
SCCB	State Construction Control Bureau
SDG	Sustainable Development Goals
SP	Stability Programme
SRS	State Revenue Service
SSIA	State Social Insurance Agency
TEN-T	Trans-European Transport Network
TT	The Treasury
UN	United Nations
USA	United States of America
VAT	Value Added Tax
VOT	Vehicle Operation Tax

1. INTRODUCTION

A new medium-term planning document, i.e. the Fiscal Structural Plan of Latvia 2025–2028¹ (hereinafter – the FSP), was endorsed by the EU Council on 21 January 2025, and accordingly in 2025 Latvia is working on the first annual Progress Report on the implementation thereof.

The development of the Progress Report 2025 of the Fiscal Structural Plan of Latvia 2025–2028 (hereinafter – the Progress Report) is required by the new EU legal framework in the field of economic governance, namely by Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97 (hereinafter – Regulation 2024/1263).

The FSP and its Progress Report in general replace the annual Stability Programme (hereinafter – the SP). The SP was one of the elements in the preparatory cycle of the draft law on the State budget for the current year and the medium-term budgetary framework which included forecasts of macroeconomic indicators for the relevant period, fiscal projections and structural balance targets for the general government budget. The balance targets served as the basis for calculating the fiscal space available for financing priority measures within the framework of the national budgetary procedure.

Accordingly, the purpose of this Progress Report is also twofold: first, to fulfil the requirements of Regulation 2024/1263 and to report on the fulfilment of the fiscal commitments made in the FSP and progress in the implementation of the structural part of the FSP, while providing the latest assessment of the macroeconomic and fiscal development scenarios and of the financing potentially available in the autumn cycle, serving as a basis for decisions on medium-term fiscal policy objectives and on possible priority development directions of the State budget.

The development of the Progress Report takes place in 2025 when economic uncertainty remains high, i.e. there are signals of geopolitical fragmentation, trade war fears, low global growth forecasts and Europe is still facing war. It is the fourth year since Russia began its bloody invasion of Ukraine. Latvia has provided and will continue to provide military and financial support to Ukraine and is rapidly building up its defence capabilities. In 2021, before the Russian invasion of Ukraine, Latvia's defence spending reached 2.1% of gross domestic product (hereinafter – the GDP), according to NATO methodology, but is set to rise to 5% of GDP in the near future. The European Commission (hereinafter – the EC) has launched the *ReArm Europe Plan*² which aims to significantly boost defence capabilities and develop the defence sector. It should be noted that the Progress Report does not include information on the planned priority development directions, including strengthening of defence capabilities. The planned increase in defence spending and its potential sources of financing, as well as the measures to implement the *ReArm Europe Plan* will be detailed in other planning documents in accordance with the process of preparing the draft law on the State budget for the current year and the medium-term budgetary framework.

In terms of structure, the Progress Report is similar to the FSP and includes two parts, i.e. a fiscal part and a structural part. The fiscal part of the Progress Report first describes macroeconomic indicators (Chapter 3) and fiscal indicators (Chapter 4) in 2024 and their progress in 2025. In addition, both sections also provide an overview of the updated projections for the no-

¹ Council Recommendation endorsing the national medium-term fiscal-structural plan of Latvia available at: https://eur-lex.europa.eu/legal-content/LV/TXT/HTML/?uri=OJ:C_202500652

² Statement by the EC President, available at: https://ec.europa.eu/commission/presscorner/detail/sv/statement_25_673

policy-change scenario, extending the projection period to 2029. The projections of macroeconomic indicators for the period 2025–2028 were approved by the Fiscal Discipline Council (hereinafter – the FDC) on 12 February 2025, while the fiscal projections take into account implementation of the budget in 2024 and in the first two months of 2025, as well as decisions taken until 10 March 2025. General government revenue and expenditure projections have been adjusted in line with the updated macroeconomic development scenario and also take into account the projections provided by general government enterprises on the impact of their economic and financial performance on the balance sheet. **The Progress Report provides information on compliance with the maximum level of growth of net nationally financed primary expenditure (hereinafter – the NNFPE) approved by the EU Council or the fiscal trajectory, as well as calculates the balance for control account deviations (Chapter 5).** For the purpose of the national budgetary procedure, the Progress Report also covers the setting of the general government budget structural balance targets for 2026–2029, providing a description of the fiscal conditions applied in Latvia and the calculation of the potential fiscal space for new policy measures, based on projections of fiscal indicators for 2025–2029 (Chapter 7) and taking into account all the decisions taken, including those taken in the context of the 2025 budget and the budgetary framework for 2025–2027, before the entry into force of the relevant budget law (Chapter 6). Fiscal space can be expanded by deciding on discretionary measures (revenue-raising or expenditure-reducing). Chapter 8 provides information on the long-term development of public debt according to Latvia's projections. Chapter 9 describes the sensitivity analysis which analyses the impact on macroeconomic and fiscal indicators in the event of a negative or a positive macroeconomic scenario. There are two supplementary chapters: Chapter 10 which provides information on 'green budgeting' and Chapter 11 which provides information on fiscal risks, potential liabilities. The structural part of the document consists of Chapter 12 which provides information on the implementation progress of the FSP structural part, i.e. measures, reforms and investments that are being implemented to meet the country-specific recommendations of the EU Council for Latvia of 2019–2024 and common EU priorities.

The year 2024 was characterised by economic downturn deriving mainly from low economic growth in external markets where the Russian-led war in Ukraine and the resulting price hikes, as well as persistently high interest rates continued to hold back economic growth. The tense geopolitical situation, high uncertainty and insecurity about the future have hampered domestic demand growth.

The macroeconomic scenario for 2025–2029 foresees the Latvian economy stabilising with moderate growth in 2025, when GDP growth is projected at 1.2%; growth is projected to accelerate in the following years (to 2.1% in 2026 and 2.2% thereafter). The economic recovery will be achieved through growth in public and private consumption, as well as stronger absorption of EU funds investments and faster growth in exports.

According to the forecasts of the Ministry of Finance (hereinafter – the MoF), annual average inflation will be 2.5% this year, compared to 1.3% in 2024, due to more rapidly increasing food prices in Latvia and certain energy resource prices on global markets, subsequently leaving an impact on heat and gas tariffs. In 2026, inflation might fall slightly to 2.2% and is expected to stabilise around 2.5% by 2028, in line with the rate of price increase in a converging country.

With a continued downward trend from 2021, the general government deficit in 2024 was EUR 849.6 million or 2.1% of GDP which is by 0.5 percentage points lower than projected in the FSP. The lower-than-expected deficit derived from higher revenues and lower actual expenditure, both for EU funds projects and for fundamental functions of the State. However, taking into account lower projected revenues due to weaker projected economic growth, as well as rising expenditures (both social spending, compensations, public debt servicing and the implementation of investment projects), under no-policy-change scenario the general government budget is

projected at a deficit of 3.0% of GDP in 2026, 3.2% of GDP in 2027, 2.8% of GDP in 2028 and 2.3% of GDP in 2029, exceeding the deficit threshold of 3% of GDP for two years. The general government deficit in 2025 is estimated at 3.1% of GDP.

According to the defined fiscal rules, the current projections assess the indicative fiscal space available for the preparation of the 2026–2028 budgetary framework which remains negative over the medium term: minus EUR 22.9 million in 2026, minus EUR 202.6 million in 2027, minus EUR 292.4 million in 2028, and minus EUR 420.7 million in 2029.

Bearing in mind the geopolitical and domestic challenges, the situation of public finances in the medium term will remain tense and a number of difficult decisions will have to be taken during this year's budgetary procedure to balance revenue and expenditure.

Consultations, opinions and access to information

Taking into account the requirements of Regulation 2024/1263, the Progress Report is available on the MoF website³.

The social partners have been informed of the implementation of the FSP reform and investment part (Annex “Table 9. Progress in the implementation of reforms and investments”).

Latvia's independent fiscal institution, the FDC, issued an opinion on the Progress Report, including on compliance with the fiscal trajectory. The opinion is attached to this Progress Report. The *Saeima* is being informed of the Progress Report in the format of the European Affairs Committee of the *Saeima*.

³ Fiscal Policy, available at: <https://www.fm.gov.lv/lv/fiskala-politika>

2. SUMMARY

On 21 January 2025, the EU Council approved the following maximum NNFPE growth for Latvia:

Table 1. Maximum NNFPE growth approved by the EU Council

year		2025	2026	2027	2028
Growth rate, %	annual	5.9	3.6	3.4	3.3
	cumulative (*)	15.5	19.7	23.8	27.9

(*) Cumulative growth rates are calculated according to the base year of 2023.

The growth of NNFPE is estimated on the basis of the MoF macroeconomic projections of February and fiscal projections of March in 2025 and is summarised in Table 1a.

Table 1a. Fiscal commitments fulfilment

			2024	2025
NNFPE growth approved by the EU Council, %	annual		9.1	5.9
	cumulative		9.1	15.5
Actual NNFPE growth, %	annual		3.9	5.7
	cumulative		3.9	9.9

The NNFPE growth in 2024 is significantly lower than the NNFPE growth approved by the EU Council. According to the estimate of the MoF, **the general government deficit in 2024 comprised EUR 849.6 million or 2.1% of GDP**. The budget deficit was by 0.5 percentage points lower than projected when the FSP was prepared in September 2024. The lower-than-expected deficit derived from higher revenues in January 2025, which according to the methodology of the European system of national and regional accounts (hereinafter – the ESA) are attributable to 2024, and lower actual expenditure, both for EU funds projects and for fundamental functions of the State. In particular, lower expenditure for fundamental functions of the State ensured that the NNFPE growth in 2024 is substantially lower than projected during the development of the FSP. A number of fundamental function projects have experienced delays in implementation and therefore have not increased general government expenditure. The most recent estimate of the general government deficit for 2025 is 3.1% of GDP which is by 0.2 percentage points higher than projected during the development of the FSP, but the projected NNFPE growth also in 2025 remains within the limits approved by the EU Council.

During the development of the FSP, the general government budget structural balance target and the corresponding available fiscal space were determined using a number of fiscal rules, i.e. the structural balance rule laid down in the Fiscal Discipline Law (hereinafter – the FDL), as well as two rules stemming from the new EU framework for economic governance, i.e. the EU structural primary balance rule and the EU expenditure growth rule. The NNFPE growth approved by the EU Council, which is derived from the EU debt sustainability methodology, was set at 5.9% for 2025. The EU structural primary balance rule was a key condition when preparing the budget for 2025. Therefore, the NNFPE growth was set at 4.6%, but given the lower level of general government expenditure in 2024, the NNFPE growth will be higher than 4.6% in 2025, but it will not exceed the permitted level of growth in the amount of 5.9%.

Better implementation of the budget has resulted in a significant balance in the **control account** which in accordance with Article 22 of Regulation 2024/1263 keeps track of upward and downward deviations from the NNFPE approved by the EU Council. The control account balance is provided in Table A. Negative values in the control account indicate a lower NNFPE growth than that approved by the EU Council. The control account balance is not a planning tool which means that the balance cannot be used to finance new measures, but the control account balance is one of the relevant factors taken into account when the actual NNFPE growth exceeds the NNFPE approved by the EU Council.

Table A. Control account balance

	2024	2025
NNFPE growth approved by the EU Council, %	9.1	5.9
Actual NNFPE growth, %	3.9	5.7
Difference, EUR million	-830.1	-27.6
Cumulative difference, EUR million	-830.1	-857.7
Annual control account balance, % of GDP		-0.1
Cumulative control account balance, % of GDP		-2.0

Similar to the SP, the Progress Report provides a first glimpse of fiscal policy developments and the condition of public finances in the current year. The general government deficit is projected to be slightly above 3.1% of GDP in 2025. The MoF will continue to monitor the development of the general government budget deficit and, if necessary, will make proposals to the Cabinet of Ministers (hereinafter – the CoM) for measures to ensure that the general government budget deficit is kept below 3% of GDP in 2025. In the medium term, under no-policy-change scenario the general government deficit is projected at the following level: 3.0% of GDP in 2026, 3.2% of GDP in 2027, 2.8% of GDP in 2028 and 2.3% of GDP in 2029. Similar to the FSP, the deficit trajectory followed a downward trend, but the overall level of the deficit has increased as tax revenue projections have been revised upwards. According to the defined fiscal conditions, the current projections also assess the indicative fiscal space available for the preparation of the 2026–2028 budgetary framework which remains negative over the medium term: minus EUR 22.9 million in 2026, minus EUR 202.6 million in 2027, minus EUR 292.4 million in 2028, and minus EUR 420.7 million in 2029. According to the timeline for the drawing up of the Draft Law “On the State Budget for 2026 and the Budgetary Framework for 2026, 2027 and 2028”, the MoF will, during the preparation of the Informative Report “On the Projections of Macroeconomic Indicators, Revenues and General Government Budget Balance in 2026, 2027, 2028 and 2029” in August 2025, update the projections of fiscal indicators for the general government budget and fiscal space on the basis of the projections of macroeconomic indicators updated in June.

3. ECONOMIC SITUATION

3.1. External economic environment

Global economic growth in 2024 remained at a historically low level of 3.2% that was slightly below the economic growth in 2023. The slow progression was largely due to low growth rates in developed countries, notably in the euro area where the economy grew by only 0.9% last year, still some way short of previous projections. The euro area is significantly affected by the slowdown in growth in its largest economy, Germany, which is facing falling industrial production volume and weak export demand. Domestic demand has started to recover along with real income growth, but growth rates remain weak.

In 2025, global growth forecasts remain below the long-term average of 3.7%, at 3.3% for both 2025 and 2026, according to the International Monetary Fund (hereinafter – the IMF). The dynamics vary from country to country, e.g. in the USA, where demand remains strong, relatively strong growth of 2.7% is forecast for 2025. Growth in the euro area is also picking up, but at a slower pace than previously expected. In 2025, according to the IMF January forecasts, the euro area economy might grow by 1.0% which is by 0.2 percentage points slower than the IMF forecast in autumn 2024. The euro area development is further hampered by low industrial growth rates and high political uncertainty, as well as by persistently high interest rates.

Latvia's top ten foreign trade partners, i.e. Lithuania, Estonia, Germany, Sweden, Russia, United Kingdom, Denmark, Poland, Finland, and the Netherlands, have a higher combined weighted average growth forecast for 2025 than the EU as a whole – at 1.9%, but down by 0.3 percentage points compared to the mid-2024 forecast. At the same time, for Latvia's main trade partners, this is a significant improvement compared to 2024, when their economies were estimated to have grown by 1.2%.

The outperforming business and consumer confidence indicators do not yet signal a return to strong economic growth in Europe. The EC Economic Sentiment Index (hereinafter – the ESI), which plummeted in 2022 due to the war and the energy crisis, has stabilised since mid-2023. However, the dynamics of improvement since then has been muted and business and consumer sentiment remains more negative than the long-term average. The euro area Purchasing Managers' Index (hereinafter – the PMI), which represents economic output, is also still only marginally above the 50-point mark that separates economic growth from decline. In both January and February 2025, the index stood at 50.2 points, indicating only very weak economic developments.

Inflation rates also have a significant impact on the pace of economic growth and, as prices stabilise, they provide a forecast for the pace of interest rate falls as central banks lower their base interest rates. The inflation rate in the euro area will be only marginally lower this year than in 2024, slipping to 2.3% compared to 2.4% last year, according to February forecasts of the European Central Bank (hereinafter – the ECB). The ECB inflation forecast for this year has been revised up by 0.2 percentage points, on the back of stronger consumer price inflation in the first months of the year.

3.2. Macroeconomic indicators in 2024 and projections for 2025

Gross domestic product: By 2023, the Latvian economy had managed the problems caused by both the COVID-19 pandemic and the Russian-triggered war better than expected, including strong growth of 2.9% in 2023, but in 2024 the negative impact of the external environment became more pronounced, and Latvia's GDP decreased by 0.4% compared to the previous year.

The economic downturn in 2024 was mainly caused by low economic growth in external markets where the Russian-led war in Ukraine and the resulting price hikes, as well as persistently high interest rates continued to hold back economic growth. The tense geopolitical situation, high uncertainty and insecurity about the future have hampered domestic demand growth. Private consumption, which had all the potential to grow rapidly given the very strong income growth of the working population, grew by only 0.6% in 2024, while investments fell by 6.7%. Thus, last year's economic growth was mainly driven by a 7.6% increase in public consumption, with a small positive contribution from foreign trade, where the fall in exports (-1.7%) was slightly lower than the fall in imports (-2.4%).

Analysed by sector, the most significant positive impact on economic growth in 2024 was the 3.4% increase in the trade sector, as well as growth in the public administration and health and social work sectors, while the overall economic slowdown was driven by strong declines in the manufacturing, construction and transport sectors – 4.6%, 6.9% and 7.9% respectively.

Industry: The sector's value added fell by 2.9% in 2024, while manufacturing, which accounts for 77% of all industry, contracted by 4.6%. Industrialists have indicated in surveys that a lack of demand has been the main factor negatively affecting the sector throughout 2024. The low demand for Latvian products is driven by weak economic growth in Latvia's main export partners and in the EU as a whole, where manufacturing volumes also decreased by 2.5% in 2024. The construction sector also has a significant impact on the level of demand in manufacturing. The reduction in interest rates on loans in 2024 could not prevent the drop of 1.3% in construction volumes in the EU, while in Latvia domestic construction shrank even more, and therefore the demand for Latvian industrial products from the construction sector was rather weak.

Manufacturing industry declined by 2.6% in 2024, while total industry contracted by 2.2%. Total industry decline was less, as small-scale mining grew strongly (+16.6%), while electricity and gas supply fell by 2.7%. Manufacturing industry volumes in the first half of 2024 were at their lowest since the beginning of the pandemic in 2020, but picked up slightly in the second half of the year, although the sector only achieved growth in relation to the corresponding month of 2024 at the very end of the year in December. Among the largest manufacturing industry subsectors, the manufacture of non-metallic minerals showed growth in 2024 (+4.1%), food production was only slightly higher than in 2023 (+0.3%), while timber industry remained without growth (+0.0%). By contrast, the manufacture of fabricated metal products experienced a significant decline (-7.2%). Additional negative effects on the overall manufacturing industry were caused by declines in smaller industries such as manufacture of computer, electronic and optical products (-13.8%), manufacture of machinery and equipment n.e.c. (-14.1%), manufacture of motor vehicles, trailers and semi-trailers (-13.5%) and manufacture of leather and related products (-14.6%).

Electricity and gas supply accounts for 19.8% of all industry and declined by 2.7% in 2024. The decrease was due to low volumes at the end of the year, when the start of winter was relatively warm, thus reducing the amount of energy needed for heating. The produced electricity volumes were by 1.1% lower than in 2023, while natural gas consumption grew by 6.6%.

The development of Latvia's manufacturing industry will continue to depend very much on economic development in export partner countries, as the share of exports of Latvian products is around 66%. The industry has seen positive indications in order volumes in the first months of 2025 and also the low base in 2024 is likely to support growth this year.

Trade: After a sharp increase of 10.1% in 2023, the value added of the sector grew further by 3.4% last year. Trade volumes in both wholesale and retail and also motor trade in the first half of 2024 were quite low, but in the second half of the year, and especially in the fourth quarter, volumes increased rapidly compared to the previous months, ensuring an overall growth in the sector in 2024.

Among the aforementioned three subsectors, only wholesale trade showed no growth in 2024 compared to 2023 as trade volumes dropped by 1.7%. This was influenced by both volume declines in the industrial sector and weak economic growth across the EU, thus leading to weak demand for goods produced in Latvia, while also decreasing Latvian imports and exports.

After the decline of 2.2% in 2023, retail trade volumes rose by 0.9% in 2024, driven by increased trade in non-food goods and fuel, while food trade was lower than in 2023. The situation in the retail sector in 2024 was improved by the normalisation of inflation rates, along with continued high wage growth boosting private consumption. Interest rates were also cut throughout the year and also the heating bills were on average lower than last year due to mild winter at the end of the year, leaving more spare cash for people. High uncertainty, including due to the geopolitical situation, when deciding on larger purchases, as well as a shrinking population prevented higher growth in the sector.

Total motor trade in the first three quarters of last year did not show growth compared to 2023, but the trade volume increased significantly in the fourth quarter of 2024, delivering an overall growth of 3.8% in 2024.

This year, trends in the wholesale sector will be influenced by both the overall EU economy and the growth rates of domestic industry. Mild winter and also low base volumes will continue to have a positive effect on the retail sector in 2024, while rise in inflation rate and a slowdown in wage growth are expected as well. Nevertheless, price increase is not expected to outpace wage growth, so private consumption will remain high, which will also be reflected in the volume of retail trade.

The **construction** sector showed a significant growth in 2023 with its value added increasing up to 20.9%. In 2024, however, the value of the sector shrank by 6.9% due to the slow absorption of EU funds that in turn was affected by both bureaucracy and insufficient construction capacity. Total investment in 2024 has also decreased compared to 2023, but a more significant increase in investment is projected for 2025. The decline in construction volumes in 2024 (-4.3%) was slightly smaller than the decline in value added. The changes in volumes varied between construction subgroups. Due to a significant decrease in the construction of residential housing, building construction volumes dropped by 19.7% in 2024, while civil engineering increased by 8.4%, driven by the construction of water and electricity supply systems. Meanwhile, specialised construction volumes were similar to 2023. Henceforth, in 2025 and 2026, the use of EU funds is expected to increase significantly and also the size of areas applied for building permits in 2024 was higher than in 2023, indicating an expected increase in construction demand, but limited sector capacity and the informal economy may limit potential growth.

Transport: There was a drop by 7.9% in the transportation and storage sector in 2024, mainly due to a decline in freight, especially in transit through ports and rail. The drop in freight volumes was due to sanctions against Russia and a decrease in the transit of energy products as Russia redirected freights to their ports. Domestic freight transport volumes also declined, while international transport volumes increased. Passenger traffic, especially in the aviation sector, continued to recover from restrictions imposed during the pandemic and the drop in tourism activity after the invasion of Ukraine by Russia, but this could not compensate for the losses in freight traffic. The number of passengers at Riga Airport increased by 7.3% to 7.1 million, while the number of passengers in land transport, including road, rail and urban electric transport, increased by 2.0%.

Passenger transport is expected to continue to grow in 2025, especially in aviation and road transport, but transit freight volumes are likely to remain low and may continue to decline, making it difficult for the sector as a whole to achieve growth. In the coming years, as transit volumes stabilise at their low level, the sector is expected to recover overall, which will be largely attributed

to domestic demand and growth in transport volumes within the territory of Latvia, as well as moderate growth in international road transport in Europe.

The value added of the **agricultural** sector increased by 3.7% in 2024, after a decline of 8.8% in 2023, when the sector was negatively affected by adverse weather conditions, including severe storms. Farmers experienced both frosts and heavy rains also in 2024, but the year as a whole was better than the previous one. This is also reflected in the 10.3% increase in wheat and rye exports by weight compared to 2023. Sown areas decreased by 0.9% last year, but the average yield of crops per hectare was significantly higher than in 2023. In livestock production, raw milk production in 2024 was by 0.4% higher than in 2023, egg production was up by 1.1% and meat production dropped by 1% compared to a year before.

Finance: The decline in inflation in the euro area and the EU as a whole and the reduction in ECB refinancing rates, followed by the reduction in *Euribor* rates, have also led to a decline in total profits of banks in 2024 which amounted to around EUR 522 million in 2024 and it is by 8.5% less than in 2023.

Despite the decline in bank profits, banks in Latvia remain well-capitalised and continue their business at a stable level, increasing both credit portfolio volumes and total assets, and will continue to generate profits also in 2025. The total amount of new housing loans to resident households and non-financial corporations increased by 23% and 19% respectively in 2024. In 2024, retail deposits also continued to grow, ending the year around by 7.3% higher than a year earlier.

Domestic consumption: In 2024, private consumption growth was low at 0.6%, despite strong wage growth and low inflation. Consumer uncertainty about their future financial situation has held back consumption growth, but the growth rate in 2025 is expected to increase, with private consumption making a stronger contribution to GDP growth. Public consumption, on the other hand, continued to increase rapidly, rising by 7.6% at constant prices in 2024. Public consumption growth is driven by public spending, including public sector wage increases and higher defence spending. Public consumption growth will be lower in the coming years, but EU investment projects will also have a significant impact on growth.

Investments: Investment activity in Latvia was weak in 2024 and had a negative impact on economic growth. Latvia's GDP dropped by 0.4% due to a fall in both exports and investment volumes. Investment volumes fell by 6.2% at constant prices to EUR 7249 million, slowing down GDP growth by 1.7 percentage points. The share of investment in GDP fell by 1.5 percentage points to 22.2%, consistent with the level of 2022 and the average level of the last decade, and is considered high. However, boosting competitiveness and productivity requires higher levels of investment in the long term.

In 2024, an investment drop was recorded in all types of fixed assets and the overall decline was mainly caused by a fall in investment in technological equipment and machinery. Investments in this segment fell by 9.6% or EUR 299 million, but in the transport segment – by 8.9% or EUR 96 million. According to the Road Traffic Safety Directorate, the number of first-time registered motor vehicles decreased by 5.1% and the number of trucks decreased by 5.5% in 2024; the number of registrations of other vehicles decreased as well. Investment in other technological equipment (including information and communication equipment and weapon systems) also fell by 9.9% or EUR 203 million. The fall in investment in equipment and machinery is also reflected in foreign trade figures, with imports of capital-intensive goods falling by 28.7% in real prices in 2024.

Survey data show that manufacturing companies will allocate 31% of planned investments to the replacement of end-of-life equipment in 2025, down from 34.2% in 2024 and around 40% in the period until 2022. At the same time, the share of investment devoted to the rationalisation

of production processes is rising, reaching 26.7% in 2025 (up from around 20% in previous years). These trends are positive, but they only reflect intentions, not actual investments. Moreover, the share of investment in rationalisation needs to be sustained at a high level in order to achieve significant productivity gains in the long term.

Investment in the construction of buildings (offices, housing, warehouses, etc.) fell by 5.0% or EUR 195 million in 2024. The decline reached 8.7% in the residential segment and 3.9% in the segment of other buildings and structures. EU Structural Funds, the Recovery and Resilience Facility (hereinafter – the RRF) and other foreign financial assistance (hereinafter – the FFA), which constitute a major source of investment, amounted to EUR 792.6 million in 2024, representing a decrease of EUR 320.8 million compared to 2023. As most of these funds are invested in construction, their decline slowed down the activity in the sector, especially in the civil engineering segment. Construction volumes fell by 4.3% in 2024. The sector was also negatively affected by high interest rates, which hampered the implementation of new projects and increased the cost of maintaining credit commitments.

In 2025, construction activity is expected to pick up and investment in both residential and non-residential buildings and structures is expected to increase, driven by a number of factors. First, construction costs have stabilised. In 2024, total construction costs increased by only 2.1% (wages for workers +6.2%, machinery maintenance +3.0%, construction materials -0.5%), and this moderate increase in costs is no longer a serious obstacle to starting new projects. Second, financial conditions are gradually improving. Interest rates are starting to fall (although they remain higher than before 2023), which improves lending opportunities and may give a boost to new projects. In addition, banks are more active in attracting new customers (e.g. in the household sector), which is also boosting lending activity. Third, higher inflow of investment from EU funds is expected. According to projections, it is expected that in 2025 EU Structural Funds and FFA investment volumes will exceed the amounts in 2024 by EUR 200 million, thus increasing public investment and providing a further boost to private investments. At the same time, economic activity will remain weak, so there is no reason to expect a sharp increase in the investment ratio. Investment volumes are projected to grow by 3.6% in 2025 at constant prices.

Foreign trade: The year 2024 was a challenging year for Latvian exporters as total exports of goods and services dropped by 1.7% amounting to EUR 20.9 billion. The fall in exports was due to weak external demand, especially in EU countries which are the main exports markets of Latvia. In total, Latvian exports have fallen by 6.3% over the past two years, which similar to Belgium and Estonia, is one of the sharpest declines in the EU. The value of imports fell even faster in 2024, by 2.4% to EUR 21.7 billion, reducing the external trade deficit. The foreign trade deficit last year amounted to EUR 807 million, which was EUR 175 million less than the year before. Consequently, foreign trade made a positive contribution of 0.6 percentage points to GDP last year.

As regards the exports of goods, the largest negative changes were observed in the machinery and electrical equipment segment (-6.3%), metal exports (-6.5%) and exports of mineral products (-4.2%), mainly affected by a decrease in natural gas exports to the Baltic countries due to a drop in prices and demand. At the same time, exports of wood products (+5.5%) and chemical products (+4.8%) grew positively. Exports of agricultural and food products remained stable (+0.5%).

Exports of services rose by 2.9% in real prices, but fell by 2.7% in real terms when excluding inflation. The main contribution to increase in the exports of services in real prices was ensured by export growth in the field of transport services (+3.7%), especially air passenger and road freight transport. Exports of information and computer services continued their steady growth (+8.7%).

According to the projections of the MoF, exports of goods and services will grow moderately by 1.7% in 2025. However, external demand for goods and services will remain weak, aggravated by international trade restrictions and rising protectionism, in particular due to the trade conflict between the USA and China. In this context, it is particularly important to improve export competitiveness through targeted investment in boosting productivity and reaching higher value added.

Labour market: External shocks, including the pandemic, the war launched by Russia, soaring prices and slowing European growth, have so far had very little impact on the Latvian labour market – after rising to 8.1% in 2020, unemployment rate resumed its decline in the following years, falling to 6.5% in 2023. However, as economic growth slowed down more noticeably in 2024, unemployment increased slightly, with the unemployment rate rising to 6.9% according to the Labour Force Survey. At the same time, quarter-on-quarter unemployment growth slowed last year, rising by only 0.1% in the fourth quarter compared to the fourth quarter of 2023, and the registered unemployment rate continued to fall throughout 2024. This signals that the unemployment rate will continue to fall this year according to the Labour Force Survey, returning to its downward trend observed since 2021, which is being affected by the shrinking working-age population alongside economic growth. The unemployment rate is forecast at 6.7% for 2025, and it will continue falling in the following years, reaching 5.2% by 2029.

The total number of people employed in the economy decreased to 877.4 thousand last year (by 0.8% or 6.8 thousand). The fall in the number of employed, together with the rise in the number of unemployed, somewhat alleviates concerns about acute labour shortages, which would require a wider opening of borders from outside the EU. Also business surveys still show that insufficient demand, rather than labour shortages, remains a more important factor in hampering business activity, especially in manufacturing.

Overall, however, the labour market situation will continue to be affected by the decline in the working-age population as a result of demographic processes and emigration, despite the rise in unemployment last year. Consequently, the number of people employed in the economy is projected to remain stable in the coming years, with a slight annual decline of 0.1-0.5%, and the labour force will require a further increase in the level of economic activity of the population, with more and more people entering the labour market as employees or job seekers. The economic activity rate has already gradually increased in recent years, rising from 67.7% in 2021 to 68.7% last year, but it is still lower than in neighbouring Estonia and Lithuania.

Although the economy suffered a downturn last year, personal incomes continued to grow strongly. Average monthly gross wages increased by a further 9.7% to EUR 1685 in 2023, following an 11.9% increase last year. The fastest wage growth in 2024 was in the public sector, by 12.2%, driven by wage increases in the education, defence, and home affairs sectors, as well as one-off payments to the employees of the system of interior affairs. In the private sector, average wages increased by 8.7%, and wage growth in the economy as a whole was boosted by a substantial increase in the monthly minimum wage – by EUR 80 to EUR 700.

Real net wages, which reflect purchasing power, recovered from a fall in 2022 to grow by 2.2% in 2023 and by 7.6% in 2024. In 2025, average monthly gross wages are expected to continue to increase, but at a slower pace, reflecting both the slowdown in economic growth, the restraint on wage growth in the public sector and a smaller increase in the minimum wage, which is expected to rise by only EUR 40. Average monthly gross wage in 2025 may increase by 5.8% to EUR 1783 and continue to increase at close to this 5–6% pace in the period until 2029.

Inflation: In 2024, inflation in Latvia was moderate and reached 1.3%. The low inflation rate was mainly driven by a decline in energy prices, which was particularly reflected in electricity (-13.8%) and heating (-16.1%) tariffs. Prices of gas (-7.9%) and solid fuels (-10.1%) also fell, but

less significantly. These declines were reinforced by the base effect upon the end of government support measures to compensate energy prices in April 2023.

Utility prices rose by 3.1% for water supply and 15.0% for waste management due to increases in labour costs and natural resource tax rates. Fuel prices decreased by 1.7%, mainly due to the fall in global oil prices (Brent oil price fell to USD 73.9 per barrel in 2024), as well as increased competition in the Latvian fuel retail market.

Overall price level of goods fell by 0.2%, but a more significant decline was limited by a 2.8% increase in food prices, which was higher than average inflation. Despite the decline in food production costs, food prices remained on an upward trend, which has a significant impact on household spending, given the high share of food (26.5%) in the consumption basket.

Service prices rose by 5.5% in 2024 due to increased labour costs. Price increases were particularly pronounced for health care, education, culture and leisure services, as well as for passenger transport. Core inflation reached 3.8%, while imported inflation contributed negatively (-1.6 percentage points), driven by lower energy prices. In 2024, changes in tax rates (excise duty and natural resource tax) increased inflation by 0.5 percentage points.

In early 2025, inflation picked up to 3.7% in February, mainly due to rising food prices and electricity tariffs (+11.8% in February). Gas and heat tariffs are expected to be revised upwards in the coming months, taking into account the rise in energy prices across Europe. Service price inflation will remain high as business costs, including labour costs, continue to rise. The average inflation rate is projected at the level of 2.5% in 2025, affected by food and energy prices, as well as higher excise duties (+0.5 percentage points).

3.3. Macroeconomic development scenario for 2026–2029

The MoF has developed the medium-term macroeconomic development scenario in February 2025 on the basis of the GDP data for the first three quarters of 2024, as well as information on short-term macroeconomic indicators available until February. While developing the medium-term macroeconomic development scenario, the MoF has consulted experts of the Bank of Latvia, the Ministry of Economics (hereinafter – the MoE) and the EC. The projections of macroeconomic indicators for the period 2025–2028 have been approved by the FDC on 12 February 2025. The macroeconomic development scenario prepared by the MoF for the period 2025–2029 foresees the Latvian economy stabilising with moderate growth in 2025, when GDP growth is projected at 1.2%, accelerating to 2.1% in 2026 and continuing at around 2.2% in the following years. The economic recovery will be achieved through growth in public and private consumption, as well as stronger absorption of EU funds investments and faster growth in exports.

Private consumption growth will turn stronger in 2025, reflecting both rising personal incomes and improving consumer confidence, but uncertainty remains high and constrains both further consumption growth and investment decisions. This year, both investment and export volumes are expected to increase after downfall last year, but growth rates will remain relatively low. A stronger recovery is expected in 2026, as external demand improves significantly and lower interest rates stimulate lending and investment activity, further boosted by faster absorption of EU funds.

Private consumption will increase by 1.3% in 2025, driven by stabilising inflation, rising personal incomes and recovery of purchasing power. In the coming years, along with improvement of consumer confidence and simultaneously strong wage growth rates, private consumption growth will pick up, reaching 2.0% in 2026 and rising to 2.5–2.8% in the following two years. The rise in private consumption will also be supported by falling interest rates, reducing the attractiveness of deposits. Private consumption will contribute 0.8 percentage points to GDP

growth in 2025, with the percentage gradually increasing and approaching around 1.5 percentage points in the medium term.

Public consumption, which has so far been boosted by wage increases for public sector employees, primarily in the interior and education sectors, as well as increase in defence spending, will continue to grow quite rapidly (+4.6%) in 2025, before moderating in later years and stabilising around 2% per year in the medium term.

Investment growth is projected in the amount of 3.6% in 2025 at constant prices, driven by a recovery in construction activity, improving credit conditions, as well as faster implementation of investment projects under EU funds. In 2026, gross fixed capital formation is expected to increase to 4.3%, before stabilising at 2% in the period until 2029. Exports of goods and services will return to moderate growth of 1.7% this year, after falling in the previous two years, as demand in external markets improves and growth then approaches 3% in the medium term.

Inflation is projected to be higher in 2025 than last year due to more rapidly increasing food prices in Latvia and certain energy resource prices on global markets, subsequently leaving an impact on heat and gas tariffs. According to the projections of the MoF, annual average inflation will be 2.5% this year, compared to 1.3% in 2024. In 2026, inflation might fall slightly to 2.2% and is expected to stabilise around 2.5% by 2028, in line with the rate of price increase in a converging country.

After rising sharply in the past two years, average monthly **wage** will increase at a slightly slower pace this year due to the overall economic situation, i.e. relatively low growth and contained inflation, as well as by the envisaged wage restraint in the public sector. The MoF forecasts that average monthly gross wage this year will increase by 5.8% to EUR 1783 and continue to increase at close to this 5–6% pace in the period until 2029.

The labour market indicators and unemployment have so far not been significantly affected by the economic slowdown and, in recent quarters, the contraction, mainly due to demographics and the decline in the working-age population. **Unemployment rate**, after a minor and transient increase in 2024, is expected to decrease this year to 6.7% of the economically active population. Unemployment could gradually approach 5% in the coming years, driven by stronger economic growth and demographics. The number of employed persons in the economy will remain relatively stable at around 875–865 thousand, with a slight downward trend.

Table B. Macroeconomic indicators 2024–2029

	2024	2025	2026	2027	2028	2029
	actual	forecast				
GDP, EUR million	40,208	41,957	43,976	46,149	48,283	50,531
changes at real prices, %	2.1	4.3	4.8	4.9	4.6	4.7
changes at constant prices, %	-0.4	1.2	2.1	2.2	2.2	2.2
deflator (year-on-year), %	2.6	3.1	2.7	2.7	2.4	2.4
CPI (year-on-year), %	1.3	2.5	2.2	2.5	2.5	2.5
Average monthly gross wage of employees, EUR	1685	1783	1881	1975	2074	2177
changes at real prices, %	9.6	5.8	5.5	5.0	5.0	5.0
changes at constant prices, %	8.2	3.2	3.2	2.4	2.4	2.4
Employment, thous. residents (according to the Labour Force Survey)	877	876	875	873	869	864
change, %	-0.8	-0.1	-0.1	-0.2	-0.5	-0.6

	2024	2025	2026	2027	2028	2029
Unemployment rate (annual average), % of economically active population	6.9	6.7	6.3	5.7	5.2	5.2

3.4. Long-term GDP forecast, potential GDP dynamics

The potential GDP growth in the period of 2025–2029 is projected at around 1.6% which is lower than the average economic growth over the past decade (2.6%). This is strongly influenced by the negative contribution of the labour component, as well as by low investment activity in 2024, which will dampen the contribution of the capital component in 2025 and 2026. The reduction in the labour force component will constrain potential GDP growth, reducing it by 0.3 percentage points per year on average, which is consistent with Latvia's demographic trends. The fall in the number of people employed is partly compensated by productivity growth. Hence, capital accumulation and total factor productivity growth will be the main drivers of growth, contributing on average 0.8 and 1.2 percentage points respectively over the projection period.

Table C. Potential GDP dynamics and factor contribution 2025–2029

	2024	2025	2026	2027	2028	2029
Potential GDP growth, %	1.7	1.6	1.5	1.7	1.6	2.3
Labour force, contribution in percentage points	-0.2	-0.3	-0.3	-0.3	-0.5	-0.5
Capital, contribution in percentage points	0.6	0.7	0.8	0.9	0.9	0.9
Factor productivity, contribution in percentage points	1.3	1.2	1.0	1.2	1.2	1.9

Meanwhile, the EC estimates that potential GDP growth will be lower, i.e. at around 1.3%. This difference is mainly due to different assumptions about labour market participation rates. The MoF forecasts that according to demographic trends the employment rate will remain at around 69% of the working age population (15–74 years), whereas the EC assumes that the rate could decrease significantly. This assumption alone explains the 0.4 percentage point difference between the projections of both institutions, while potential capital and productivity development assumptions are quite similar.

4. FISCAL SITUATION

4.1. Fiscal indicators in 2024 and projections for 2025

Taking into account data from the Treasury (hereinafter – the TT) on the implementation of the consolidated general budget in January–December 2024, the MoF has updated the estimate of the general government budget balance for 2024. According to the ESA methodology, the **general government budget deficit in 2024 comprised EUR 849.6 million or 2.1% of GDP**. The budget deficit was by 0.5 percentage points lower than projected when the FSP was prepared in September 2024. The lower-than-expected deficit derived from higher revenues in January 2025, which according to the ESA are attributable to 2024, and lower actual expenditure, both for EU funds projects and for Basic State functions. Official data on the general government budget deficit and debt for 2024 will be available in April 2025, when the calculations for all general government transactions, including the performance of general government capital companies, as well as debtors and creditors, which are significantly affected by the increased financing of the defence sector, will be finalised. Upon completion of calculations, the Central Statistical Bureau (hereinafter – the CSB) will submit the general government budget deficit and debt notification to the EU statistics office *Eurostat* (hereinafter – *Eurostat*)⁴. *Eurostat* will publish official data on 22 April 2025 as part of the government deficit and debt notification.

Compared to 2023, the general government budget deficit in 2024 declined by 0.3 percentage points overall, including an increase by 0.1 percentage points in the central government budget deficit to 2.9% of GDP in 2024 (see Figure 4.1), while the local government balance improved from -0.4% to 0.0% of GDP along with higher personal income tax (hereinafter – the PIT) revenues and lower capital expenditure. The Social Security Fund remained in surplus at 0.7%.

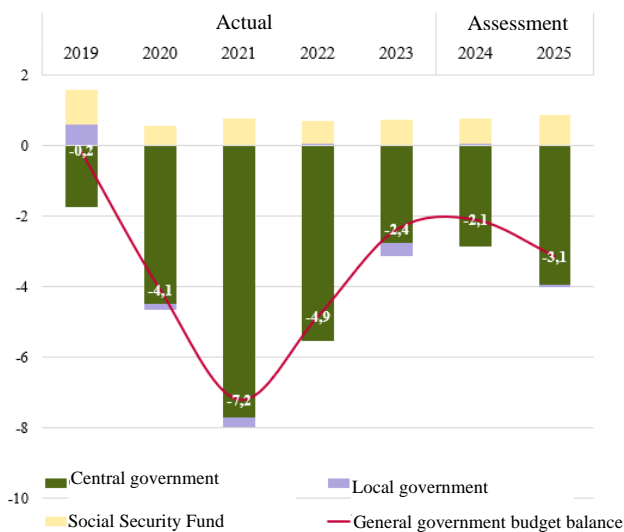


Figure 4.1. General government budget balance broken down by subsectors, % of GDP (Data source: Eurostat⁴, MoF)

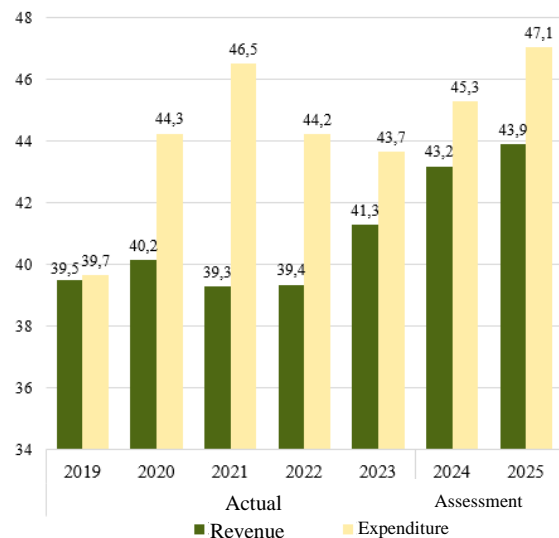


Figure 4.2. General government revenue and expenditure, % of GDP (Data source: Eurostat⁵, MoF)

⁴ The general government budget deficit and debt notification, as required by Regulation (EC) No 479/2009, is submitted to *Eurostat* twice a year, by 1 April and by 1 October. *Eurostat* is obliged to publish the results of the notification within three weeks of the deadlines mentioned.

⁵ Actual GDP data (CSB, 28 February 2025).

In 2024, compared to 2023, the general government budget revenue increased by EUR 1.1 billion or 6.8% and reached EUR 17.4 billion, representing 43.2% of GDP (see Figure 4.2).

The increase in budget revenue was driven by an increase in tax revenue (tax burden) by EUR 1.1 billion of 8.3%, which accounted for the largest share of revenue in the amount of EUR 14.1 billion. After falling during the years of the COVID-19 pandemic and then rising sharply during the period of inflation and rising energy prices, tax revenue is gradually returning to the growth observed in the pre-pandemic period (6–7% per year on average in real prices). Although economic growth was low in 2024, tax revenue growth outpaced it, mainly as a result of high labour tax growth and additional revenues from the banking sector. Tax revenue as a share of GDP reached 35.2% and was by 2.0 percentage points higher than in 2023.

Current taxes on income and wealth (D.5) showed a high growth rate (by 18% or EUR 564.5 million) in 2024, driven by positive dynamics in the wage bill throughout the year, as well as changes in the Corporate Income Tax (hereinafter – the CIT) Law, which required credit institutions and consumer credit service providers to pay a tax surcharge of 20% in the tax year from 1 January 2024, calculated on the pre-tax profit for the tax year, taking into account the profit distributed in the tax year and the amount of tax paid on it. In addition, the increase in tax revenue was driven by a 7.7% or EUR 328.4 million increase in social contributions (D.61), reflecting the dynamics of changes in remuneration of employees in the economy. The indicator for taxes on production and imports (D.2) showed a moderate increase of 3.5% or EUR 195.5 million due to a relatively small increase in value added tax (hereinafter – the VAT). The sharp fall in energy prices led to lower VAT revenue from the energy supply sector. Similarly, the largest payer of VAT, the trade sector, contributed less than in 2023.

The overall revenue dynamics were sustained by a strong increase in property income (D.4) by 20.0% or EUR 101.7 million. The increase in revenue was mainly driven by higher interest income in the light of the ECB previous policy of raising interest rates, as well as dividend payments by companies into the budget.

General government budget expenditure increased in 2024 by EUR 1.0 billion or 6.0%, to EUR 18.2 billion or 45.3% of GDP (see Figure 4.2). The lower growth rate of expenditure in 2024 is due to significantly lower government spending on energy support measures compared to 2023.

The largest increase in expenditure in 2024 (by EUR 479.8 million or 10.0%) was in expenditure on compensation of employees (D.1), driven by the increase in the national minimum wage from EUR 620 to EUR 700 as of 1 January 2024, as well as increases in remuneration for defence, interior and justice sector employees (including the payment of long-service benefits for every five years of continuous service for interior and justice sector officials with special ranks) and teachers at the beginning of the year.

Expenditure on social payments (D.632 and D.62) also grew significantly in 2024, by EUR 440.9 million or 8.3%. As the average retirement pension amounts have risen, spending on old-age and disability pensions has soared. It should also be noted that spending on sickness benefits in 2024 was higher than a year ago (while a year earlier there was a drop in spending). Expenditure on unemployment benefits also increased, driven by both an increase in the average monthly number of recipients and the higher amount of benefits granted.

Expenditure on gross fixed capital formation (P.51g) decreased by EUR 293.9 million or 13.4% in 2024 due to both weaker investment implementation in units reclassified from S.11 to S.13 and a decrease in capital expenditure. Along with the conclusion of the previous programming period of EU funds, local government budgets in 2024 showed a significant decrease in capital expenditure for EU funds projects, while central government budget expenditure for EU funds projects in 2024 were higher than a year earlier, mainly due to larger investments in construction projects in transport and interior sectors.

Based on the budgetary implementation trends in 2024 and in the first two months of 2025, as well as revenue and expenditure projections adjusted in March 2025 according to the updated macroeconomic development scenario, also taking into account the projections submitted by the general government enterprises on the impact of their economic and financial performance on the balance, the MoF has updated the estimate of the general government budget balance for 2025. Compared to the Law “On the State Budget for 2025 and the Budgetary Framework for 2025, 2026 and 2027” approved in December 2024, the **general government budget deficit for 2025 is projected at EUR 1,320 million or 3.1% of GDP**, by 0.2 percentage points higher, mainly due to lower economic growth and accordingly lower tax revenue.

In comparison with 2024, the overall deficit is projected to be by 1.0 percentage point higher, mainly driven by increase in the central government deficit (by 1.1 percentage point) where it will reach 4% of GDP. The local government balance will also deteriorate slightly to -0.1% of GDP, while the social security fund balance will improve by 0.2 percentage points to a surplus of 0.9% of GDP.

According to the forecast, percentage of general government revenue as a share of GDP will be higher in 2025 than in 2024 and will reach 43.9% of GDP. In 2025, general government tax revenue is projected to increase by 6.4% or EUR 901.4 million compared to 2024. Tax revenue or tax burden as a share of GDP is expected to reach 35.8% in 2025.

In 2025, current taxes on income and wealth (D.5) are projected to decrease slightly compared to 2024, in the amount of EUR 49.9 million, while social contributions (D.61) are projected to increase by 10.5% or EUR 482.9 million. The decrease in current taxes on income and wealth (D.5) was mainly caused by lower CIT revenue (by EUR 119.9 million), considering the high level of above-plan CIT revenue in January cash flow which according to the ESA is attributable to 2024. The high level of CIT revenue in January of 2025 can be explained by the higher distribution of profits at the end of 2024 when companies paid out dividends to individuals due to the application of an additional PIT rate in the amount of 3% from 2025 to excess of income over EUR 200,000.

Similarly, despite the increase in the wage bill, but taking into account the gradual increase in the non-taxable minimum as part of the tax reform, personal income tax revenue is expected to fall in 2025 (EUR 65.8 million) according to the ESA. According to income return data at the disposal of the State Revenue Service, average monthly wage in December 2024 and in January this year rose by 6.0% on average, while the employment rate decreased slightly.

In addition, revenue from solidarity contributions in the amount of EUR 124.0 million is expected in 2025.

In 2025, taxes on production and imports (D.2) are expected to increase moderately by 7.8% or EUR 452.3 million. VAT cash flow contributions have increased by 2.9% in the first two months of the year compared to the first two months of 2024, highlighted by the increase in the retail sector (+9.3%). VAT refunds, on the other hand, increased at a slightly lower rate than contributions, or by 2.3%, with the largest nominal increase in the trade sectors.

According to forecasts, percentage of general government expenditure will be higher in 2025 than in 2024 and will reach 47.1% of GDP. Compared to 2024, general government expenditure is projected to increase by EUR 1.5 billion or 8.4%.

Expenditure on compensation of employees (D.1) in the general government budget has been growing significantly in recent years and will be by EUR 277.3 million or 5.3% higher in 2025 than in 2024. The growth was driven by the increase in the national minimum wage from EUR 700 to EUR 740 as of 1 January 2025, as well as increases in remuneration for the employees of the interior sector. The increase in compensation expenditure in the local government budget is largely due to increased spending on teacher salaries, i.e. increase by 2.6% in the minimum rate of pay for teachers in all areas from 1 January 2025, as well as changes in the minimum wage. The

changes in average wage forecasts, the cap on public sector pay increases at 2.6% in 2025, as well as expenditure implementation trends in the first two months of the year were taken into account when preparing projections for compensation expenditure.

Interest expenditure (D.41) is projected to be by EUR 105.3 million or 23.4% higher in 2025 compared to 2024. High interest rates and the amount of the nominal deficit increase the need to borrow. The cash flow of the general budget also shows a sharp increase in interest expenditure in the first two months of 2025 due to the high interest rates, namely by EUR 52.9 million or 56%.

Expenditure on social payments (D.632 and D.62) is projected to increase by EUR 350.9 million or 6.1% in 2025, mainly due to higher spending on old-age pensions and sickness and unemployment benefits. According to the projections of the Ministry of Welfare (hereinafter – the MoW), spending on sickness benefits will increase by EUR 40.7 million or 11.3%. The increase in expenditure is mainly driven by the average amount of benefit and assumptions about a higher number of paid days. Similarly, expenditure on unemployment benefits in 2025 is projected to be by EUR 17.2 million or 9.3% higher than a year earlier, driven by both an increase in the number of beneficiaries and an increase in the average amount of benefits paid. In the first two months of 2025, the number of beneficiaries remained at the same level as last year, while the average amount of benefits granted increased by 8.9%. Compared to 2024, expenditure on old-age pensions is projected to increase by EUR 281.3 million or 9.3%. In the first two months of 2025, expenditure on old-age pensions also shows an increase due to changes in PIT non-taxable minimum of pensions which is increased from EUR 500 to EUR 1000 per month in 2025.

In comparison with 2024, investment expenditure (P.51g) is projected to be by EUR 608.1 million or 32.1% higher in 2025. The change is due to the significantly higher expenditure for the implementation of FFA projects foreseen in the local government (municipal) budgets in 2025 compared to previous years, given the increasing expenditure on EU funds projects for the 2021–2027 programming period and the need to successfully invest all the funds available from the RRF by 2026. In the first two months of 2025, the budget of local governments already shows a 55.7% increase in expenditure on fixed capital formation compared to the same period a year ago, with an increase in expenditure on the implementation of EU funds projects which is significantly more than it was spent in the first two months of 2024 on transport structures, as well as on construction, capital repair and reconstruction projects. Also, according to the plans of the Ministry of Transport (hereinafter – the MoT), a significant increase in investment implementation is expected in the central government budget in relation to the construction of the Rail Baltica railway infrastructure. Investments in the defence sector to strengthen overall capabilities make an important positive contribution to P.51g growth. It should be noted that the overall increase is affected by certain ESA adjustments which reduce the amount of P.51g, including military aid to Ukraine and advance payments for planned asset deliveries in future periods.

4.2. Fiscal projections under no-policy-change scenario for 2026–2029

The medium-term projections for the general government budget under no-policy-change scenario were based on budgetary implementation trends in 2024 and in the first two months of 2025, as well as revenue and expenditure projections adjusted in March 2025 according to the updated macroeconomic development scenario, also taking into account the projections submitted by the general government enterprises on the impact of their economic and financial performance on the balance.

The economic growth in Latvia was weak in recent years, thus leading to lower-than-expected tax revenue. Interest rates set by the ECB have remained at high levels, continuing to

slow down economic activity, while high geopolitical uncertainty is holding back a faster economic recovery. Compared to the Law “On the State Budget for 2025 and the Budgetary Framework for 2025, 2026 and 2027” approved last December, the general government budget deficit under no-policy-change scenario is projected at a higher level, i.e. by 0.4 percentage points in 2026 and by 0.8 percentage points in 2027; however, in comparison with the FSP projections for 2028, by 0.7 percentage points higher in 2028. The higher deficit is mainly caused by lower projected tax revenue.

Thus, the general government budget under no-policy-change scenario projects deficit: 3.0% of GDP in 2026, 3.2% of GDP in 2027, 2.8% of GDP in 2028 and 2.3% of GDP in 2029 (see Table D).

Table D. General government budgetary indicators under no-policy-change scenario

	ESA code	2024	2025	2026	2027	2028	2029
% of GDP							
Net lending (+) / net borrowing (-) (B.9) by subsector							
General government	S.13	-2.1	-3.1	-3.0	-3.2	-2.8	-2.3
Central government	S.1311	-2.9	-4.0	-3.6	-3.7	-3.2	-2.2
<i>including reclassified enterprises</i>		-0.3	-0.1	-0.1	-0.1	-0.1	-0.1
Local government	S.1313	0.0	-0.1	0.1	0.1	0.1	0.2
<i>including reclassified enterprises</i>		0.0	0.0	0.0	0.0	0.0	0.0
Social security funds	S.1314	0.7	0.9	0.6	0.4	0.3	-0.3
General government (S.13)							
Total revenue	TR	43.2	43.9	43.0	41.9	41.0	40.1
<i>including tax revenue</i>		35.2	35.8	35.7	35.4	35.1	34.5
Total expenditure	TE	45.3	47.1	45.9	45.1	43.8	42.4
<i>including interest expenditure</i>	D.41	1.1	1.3	1.5	1.6	1.6	1.6

According to forecasts, percentage of general government **revenue** as a share of GDP will be lower in 2026 than in 2025 and will reach 43.0% of GDP. Under no-policy-change scenario, it will continue to decrease in the following years to 41.9% in 2027, to 41.0% in 2028 and to 40.1% of GDP in 2029 respectively.

In 2026, general government tax revenue is projected to increase by 4.3% in comparison with 2025. The budget approved at the end of last year foresaw growth of 4.8%, but lower expected economic growth has led to a downward revision. In the following years, increase in tax revenue growth will be lower; growth of 4.2% is projected in 2027, 3.6% in 2028 and 2.8% in 2029. The percentage of tax revenue (tax burden) in GDP is expected to reach 35.7% in 2026 and to decline moderately to 34.5% of GDP in 2029 under no-policy-change scenario.

In 2026, current taxes on income and wealth (D.5) are projected to increase by 3.7% compared to 2025, while social contributions (D.61) are projected to be 5.3% higher. The lower growth rate of current taxes on income and wealth (D.5) is driven by a slight decline in corporate income tax revenue in 2026, while PIT revenue will grow moderately, also taking into account the gradual increase in the PIT. Until 2027, the revenue from current taxes on wealth (D.5) is projected to include revenue from solidarity contributions paid by banks for a fixed period from 2025 to 2027. Current taxes on income and wealth (D.5) are projected to grow by 3.9% in 2027, 2.3% in 2028 and 4.6% in 2029. Social contributions (D.61) are projected to grow by 4.9% in 2027, 4.6% in 2028 and 1.2% in 2029. The provision that provides for a lower amount of tax to be transferred to the second tier of pensions will end in 2029. From 2029, 6% of gross wages paid to employees is again transferred to the second tier of pensions and 14% is transferred to the first pillar of pensions, or the State special budget, for pension insurance, while the temporary provision foresees a 5% transfer to the second pillar of pensions in the period of 2025–2028 (15% to the first tier respectively).

The budget is expected to show moderate growth in taxes on production and imports (D.2) under no-policy-change scenario, i.e. 3.9% in 2026, 3.8% in 2027, 3.5% in 2028 and 3.2% in 2029, mainly due to low VAT revenue growth. Overall, revenue growth is expected to be slightly below the projected growth rates of the Latvian economy, as the nominal level of real estate tax and the level of some non-tax revenue are projected to remain without a significant rise over the medium term under no-policy-change scenario.

According to projections, general government **expenditure** as a share of GDP is projected to decline to 45.9% of GDP in 2026 compared to 2025, 45.1% of GDP in 2027, 43.8% of GDP in 2028 and 42.4% of GDP in 2029 under no-policy-change scenario. In nominal terms, total expenditure in the general government budget will increase year on year, as will revenue. Under no-policy-change scenario, expenditure growth is projected for the local government and social security funds budgets, while central government expenditure is projected at the level of 2025 (base) or without growth. General government expenditure will grow by 2.3% in 2026 compared to 2025, and will increase by 3.1% and 1.5% in 2027 and 2028 respectively under no-policy-change scenario.

Expenditure on compensation of employees (D.1) in the general government budget has been growing significantly in recent years and will remain at 12.8% of GDP in 2026, 0.4 percentage points lower than in 2025, but still at a very high level in the longer term. It should be noted that the minimum wage in Latvia is being gradually increased, from EUR 500 to EUR 740 in 2025 compared to 2021, which overall is an increase by 48%. The high level of compensation expenditure is also due to the additional funding for employees in the interior sector, while the defence, health and education sectors have also remained a government priority, as have employees in the State administration (reform of remuneration in the State administration from 1 July 2022). Under no-policy-change scenario, the ratio of compensation to GDP will decline to 11.9% of GDP in 2029 over the medium term, due to the absence of decisions to increase funding in the central government budget, which remains at the base year level. General government expenditure on compensation of employees (D.1) will grow by 1.3% in 2026 compared to 2025, and will increase by 2.2% and 2.3% in 2027 and 2028 respectively under no-policy-change scenario.

Intermediate consumption expenditure (P.2) has historically been broadly stable at the general government budget level, averaging around 6.5% of GDP annually. Expenditure is also projected at 6.4% of GDP in 2026, with a declining trend under no-policy-change scenario in the following years.

Interest expenditure (D.41) as a share of GDP has been increasing since 2023 and is projected to show similar trend also in the medium term. High interest rates and the amount of the nominal deficit increase the need to borrow, therefore, the percentage of interest expenditure will rise from 1.1% of GDP in 2024 to 1.6% of GDP in 2029.

In recent years, expenditure on social benefits (D.632 and D.62) has increased systematically relative to GDP. If this expenditure accounted for 12.4% of GDP in 2019, the projected percentage will reach 14.6% of GDP in 2025. The upward trend will also continue in the coming years, with spending representing 14.8% of GDP in 2026, 15% in 2027 and 15.1% and 15.2% in 2028 and 2029 respectively. The increase is mainly due to higher spending on old-age pensions, as well as sickness benefits. Spending on old-age pensions continues to increase, taking into account annual indexation. Although the increase in the retirement age to 65 years reduced the number of pension recipients, the demographic projections foresee an increase in the number of old-age pension recipients from 2026 onwards, i.e. in 2026 – by 3.7 thousand or 0.9%, in 2027 – by 4 thousand or 0.9%, in 2028 – by 2.9 thousand or 0.7%, but in 2029 – by 2.3 thousand or 0.5% more than in the previous year. The projected number of old-age pension recipients will increase from 426.4 thousand to 439.3 thousand people in the period of 2025–2029.

According to the projections of the MoW, expenditure on sickness benefits will increase in the medium term, mainly due to increase in the average benefit amount along with the increase in average wages. The medium-term projection assumes an average of 42 paid days per benefit recipient per year. If the number of paid days was 34–37 days during COVID-19, it had already increased to 40 days in 2023 and 41 days in 2024, returning to pre-pandemic levels.

Investment expenditure (P.51g) is projected to be by 1.3 percentage points higher in 2026 compared to 2025, representing 6.0% of GDP. In subsequent years, under no-policy-change scenario, P.51g expenditure is projected at 5.9% of GDP in 2027 and 5.8% of GDP in 2028, driven by both investments in internal and external security and the active implementation of FFA projects at central and local government level. Internal and external security investments are affected by the delivery schedule of arms, including the previous decisions of the government to invest EUR 200 million annually in the period from 2023 to 2027 to strengthen air defence capabilities. In 2025 and 2026, the State budget is projected to spend significantly more on the implementation of FFA projects compared to previous years, given the increasing expenditure on EU funds projects for the 2021–2027 programming period and the need to successfully invest all the funds available from the RRF by 2026. Funding for the Rail Baltica project is also planned at a significantly higher level in the period of 2025–2028; however, the amount thereof still remains insufficient in the coming years and is planned in such amount for which decisions have been taken on the sources of funding.

4.3. Tax revenue projections for 2026–2029

Tax revenue projections are made on a constant tax policy basis, based on projections of macroeconomic indicators and also taking into account actual tax execution and previously adopted legislative changes. The tax revenue projections do not include undistributed tax revenue held in the single tax account.

The main tax policy changes adopted during the drafting of the Law “On the State Budget for 2025 and the Budgetary Framework for 2025, 2026 and 2027” were included in the Informative Report “On the Revision of the State Budget Revenue and Tax Policy 2025–2027” which was developed together with the government’s social and cooperation partners:

- changes to the non-taxable minimum – EUR 510 in 2025, EUR 550 in 2026, EUR 570 in 2027;
- changes to PIT rates and income thresholds – introducing two-tier PIT rates from 2025. In the amount of 25.5% for income up to the maximum amount of the mandatory state social insurance contributions (hereinafter – the MSSIC) object (EUR 105,300 per year) and 33% for income above the maximum amount of the MSSIC object (EUR 105,300 per year);
- raising the non-taxable minimum for pensioners to EUR 1000 per month;
- 1% transfer from the funded pension scheme to the first tier of pensions;
- raising excise duty rates for several product groups;
- further application of reduced VAT rate to fresh fruit and vegetables;
- indexation of the vehicle operation tax rates for all vehicles and fixing the deadline for payment;
- minimum wage increases – EUR 740 per month in 2025, EUR 780 per month in 2026, EUR 820 per month in 2027, EUR 860 per month in 2028;
- continued relief from PIT for aid received by farmers.

The solidarity contribution for credit institutions should be mentioned as an important measure that is introduced temporarily until 2027.

In comparison with the approved Law “On the State Budget for 2025 and the Budgetary Framework for 2025, 2026 and 2027”, changes in the projections of economic growth rates and actual execution in 2024 form the basis for reducing the projections of tax revenue of the general budget by EUR 153.6 million (by cash-flow) in 2025, by EUR 240.9 million in 2026, by EUR 224.0 million in 2027 and by EUR 231.5 million in 2028 (see Figure 4.3).

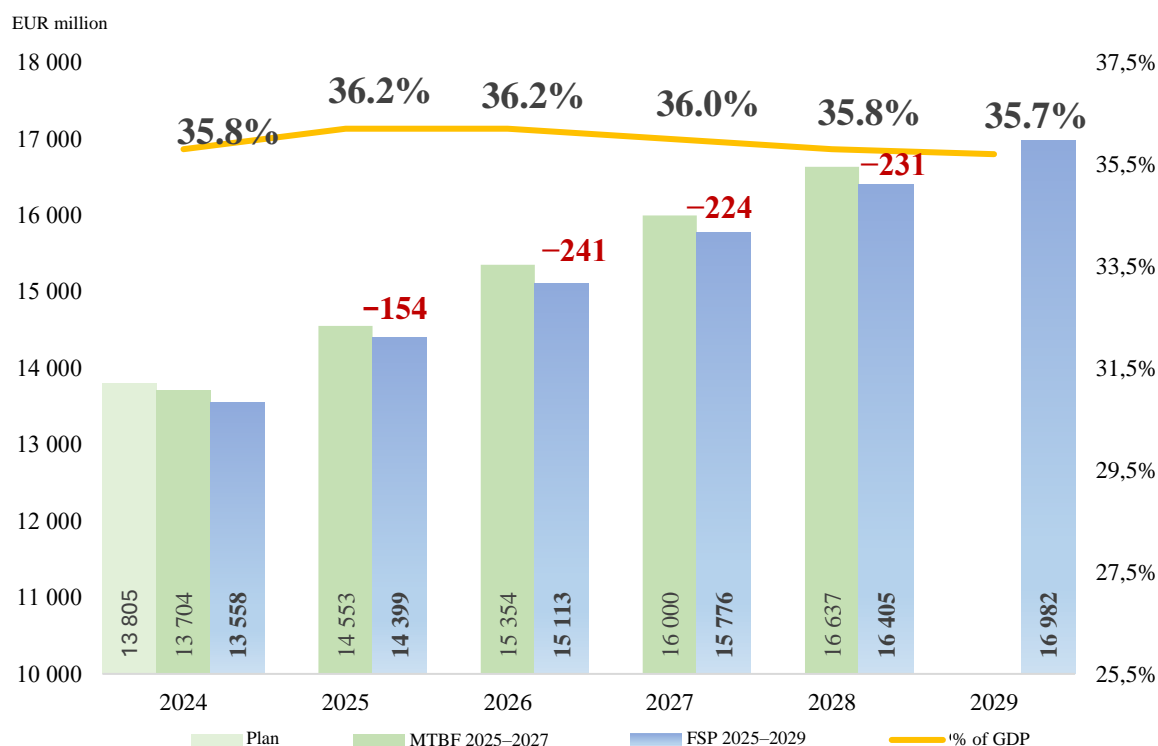


Figure 4.3. Projected and approved tax revenue by cash-flow in the Law “On the State Budget for 2025 and the Budgetary Framework for 2025, 2026 and 2027”, EUR million and % of GDP

Table E. Tax revenue in general government budget (S.13), EUR million

	Code (ESA)	2025	2026	2027	2028	2029
1 Taxes on production and imports	D.2	6,226.9	6,469.6	6,714.7	6,951.8	7,174.5
2 Current taxes on income and wealth	D.5	3,650.4	3,785.2	3,933.7	4,025.5	4,212.5
3 Capital taxes	D.91	15.0	15.0	15.0	15.0	15.0
4 Social contributions	D.61	5,073.2	5,342.4	5,604.1	5,864.5	5,932.0
Of which actual social contributions	D.611 and D.613	4,825.4	5,094.6	5,356.3	5,616.7	5,684.2

Current tax revenue on income and wealth in the general government budget is projected to increase by EUR 25.0 million in 2025 compared to the level approved in the Law “On the State Budget for 2025 and the Budgetary Framework for 2025, 2026 and 2027”. A decrease by EUR 102.8 million or by -1.6% is projected for taxes on production and imports and also by EUR 105.7 million or by -0.9% for social contributions than initially planned in the Law “On the State Budget for 2025 and the Budgetary Framework for 2025, 2026 and 2027” (see Table E).

Table F. Tax revenue in general government budget (S.13) compared to the level approved in the Law “On the State Budget for 2025 and the Budgetary Framework for 2025, 2026 and 2027”, EUR million

Comparison in EUR million					
	Code (ESA)	2025	2026	2027	2028
1 Taxes on production and imports	D.2	-113.2	-167.2	-130.1	-121.7
2 Current taxes on income and wealth	D.5	25.0	47.7	46.0	45.5
3 Capital taxes	D.91	0.0	0.0	0.0	0.0
4 Social contributions	D.61	-47.5	-91.0	-101.8	-107.0
<i>Of which actual social contributions</i>	<i>D.611 and D.613</i>	-106.9	-150.3	-161.2	-166.4

Total tax revenue growth (2029 vs 2025) is projected at 18%, with labour tax revenue rising by 19%, consumption tax revenue rising by 17% and capital tax revenue rising by 12%.

Total tax revenue shows a steady upward trend in the coming years, remaining at a stable level relative to GDP, which is projected at the level of 34% on average. The share of the most important tax revenue categories in GDP is depicted in Figure 4.4.

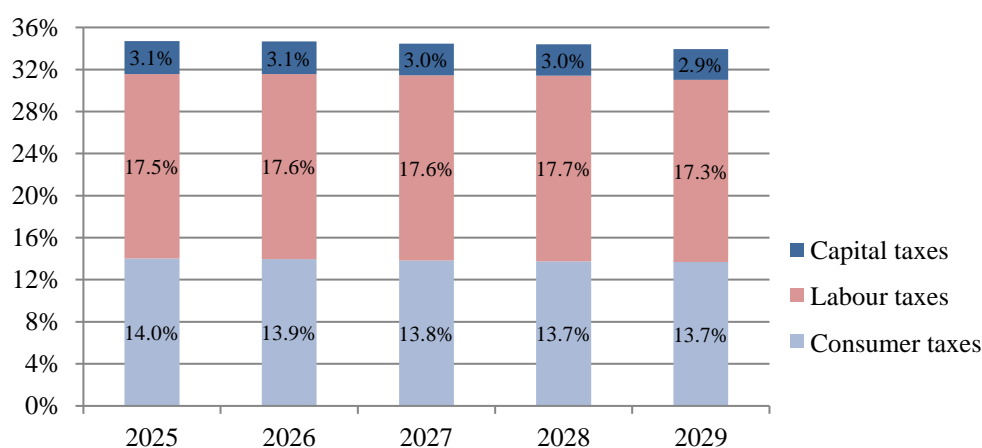


Figure 4.4. Tax revenue by economic function, % of GDP

5. FISCAL TRAJECTORY – IMPLEMENTATION

On 21 January 2025, the EU Council⁶ endorsed the fiscal trajectory which sets the following maximum allowable increase in the NNFPE:

Table 1. Maximum NNFPE growth approved by the EU Council

year		2025	2026	2027	2028
Growth rate, %	annual	5.9	3.6	3.4	3.3
	cumulative (*)	15.5	19.7	23.8	27.9

(*) Cumulative growth rates are calculated according to the base year of 2023.

The fiscal trajectory endorsed by the EU Council under Regulation 2024/1263 was set to ensure compliance with a number of different conditions. For Latvia, which belongs to the group of countries with debt below 60% of GDP and a deficit below 3% of GDP, the key rule is to ensure that, in 2028, the structural primary balance is in the amount that, under no-policy-change scenario, ensures that in the period from 2029 to 2038, the general government budget deficit does not exceed 3% of GDP and the debt – 60% of GDP.

The growth of NNFPE is estimated on the basis of the MoF macroeconomic projections of February and fiscal projections of March in 2025 and is summarised in Table 1a.

Table 1a. Fiscal commitments fulfilment

			2024	2025
	NNFPE growth approved by the EU Council, %	annual	9.1	5.9
		cumulative	9.1	15.5
	Actual NNFPE growth, %	annual	3.9	5.7
		cumulative	3.9	9.9

The NNFPE growth in 2024 is significantly lower than the NNFPE growth approved by the EU Council. According to the estimate of the MoF, **the general government deficit in 2024 comprised EUR 849.6 million or 2.1% of GDP**. The budget deficit was by 0.5 percentage points lower than projected when the FSP was prepared in September 2024. The lower-than-expected deficit derived from higher revenues in January 2025, which according to the ESA are attributable to 2024, and lower actual expenditure, both for EU funds projects and for core government functions. In particular, lower expenditure for fundamental functions of the State ensured that the NNFPE growth in 2024 is substantially lower than projected during the development of the FSP. A number of fundamental function projects have experienced delays in implementation and therefore have not increased general government expenditure. The most recent estimate of the general government deficit for 2025 is 3.1% of GDP which is by 0.2 percentage points higher than projected during the development of the FSP, but the projected NNFPE growth also in 2025 remains within the limits approved by the EU Council.

During the development of the FSP, the general government structural balance target and the corresponding available fiscal space were determined using a number of fiscal rules, i.e. the structural balance rule laid down in the FDL, as well as two rules stemming from the new EU framework for economic governance, i.e. the EU structural primary balance rule and the EU

⁶ Council Recommendation endorsing the national medium-term fiscal-structural plan of Latvia available at: https://eur-lex.europa.eu/legal-content/LV/TXT/HTML/?uri=OJ:C_202500652

expenditure growth rule⁷. The NNFPE growth approved by the EU Council, which is derived from the EU debt sustainability methodology⁸, was set at 5.9%. The EU structural primary balance rule was a key condition when preparing the budget for 2025 and therefore the NNFPE growth was set at 4.6%. Given the lower level of general government expenditure in 2024, the NNFPE growth in 2025 will be higher, but it will not exceed the permitted level of growth in the amount of 5.9%.

Better implementation of the budget has resulted in a significant balance in the control account which in accordance with Article 22 of Regulation 2024/1263 keeps track of upward and downward deviations from the NNFPE approved by the EU Council. The control account balance is provided in Table G. Negative values in the control account indicate a lower NNFPE growth than projected. The control account balance is not a planning tool which means that the balance cannot be used to finance new measures, but the control account balance is one of the relevant factors taken into account when the NNFPE growth exceeds the NNFPE approved by the EU Council.

Table G. Control account balance

	2024	2025
NNFPE growth approved by the EU Council, %	9.1	5.9
Actual NNFPE growth, %	3.9	5.7
Difference, EUR million	-830.1	-27.6
Cumulative difference, EUR million	-830.1	-857.7
Annual control account balance, % of GDP		-0.1
Cumulative control account balance, % of GDP		-2.0

The MoF used a ‘hybrid approach’ when preparing the FSP, thus the macroeconomic and fiscal projections for 2024 were set according to the MoF assumptions, while the macroeconomic and fiscal projections from 2025 to 2038 were set using the EC common methodology. This approach is not necessary when developing the Progress Report where progress is assessed and actual data or estimates from previous years are used and compared to the maximum increase in the NNFPE approved by the EU Council. The actual data for 2023 which serves as the base year and assessments of the MoF for 2024 and 2025 are used in this Progress Report. Shortly after the examination of the Progress Report by the CoM, *Eurostat* will publish the official general government budget data for 2024, which will be used by the EC to assess the consistency of the actual fiscal trajectory with that approved by the EU Council, but the relevant data are not yet available at the time of preparing the Progress Report. In the event that the MoF identifies significant deviations from the MoF assessment and data published by *Eurostat*, this Progress Report will be supplemented by an annex presenting the key indicators of the Progress Report, including the NNFPE.

Table 1b. Main parameters

		2023	2024	2025
		% of GDP	% of GDP	% of GDP
1	Net lending / borrowing	-2.4	-2.1	-3.1

⁷ The applied fiscal conditions are described in the Fiscal Structural Plan of Latvia for 2025–2028 (p. 29), available at: <https://www.fm.gov.lv/lv/fsp-2025-2028-gadam>

⁸ The debt sustainability methodology is described in the Debt Sustainability Monitor 2024, available at: https://economy-finance.ec.europa.eu/publications/debt-sustainability-monitor-2024_en

		2023	2024	2025
		% of GDP	% of GDP	% of GDP
2	Structural balance	-2.7	-1.7	-2.6
3	Structural primary balance	-2.0	-0.6	-1.2
4	Gross debt	44.6	47.1	49.0
5	Change in gross debt	0.2	2.5	1.9

Table 2. Macroeconomic scenario

			2023	2023	2024	2025
	GDP	ESA code	GG EUR billion	growth rate	growth rate	growth rate
1	Real GDP	B1*g	32.7	2.9	-0.4	1.2
2	GDP deflator			6.0	2.6	3.1
3	Nominal GDP	B1*g	39.4	9.1	2.1	4.3
	Component of real GDP	ESA code	GG EUR billion	growth rate	growth rate	growth rate
4	Private consumption expenditure	P.3	18.2	-1.0	0.6	1.3
5	Government consumption expenditure	P.3	7.0	7.0	7.6	4.6
6	Gross fixed capital formation	P.51	7.8	17.0	-11.1	0.8
7	Changes in inventories and net acquisition of valuables (% of GDP)	P.52 + P.53	0.8			
8	Exports of goods and services	P.6	21.2	-4.7	-1.7	1.7
9	Imports of goods and services	P.7	22.2	-2.0	-2.4	2.8
10	Contribution to real GDP growth					
11	Final domestic demand		32.9	3.0	0.3	2.6
12	Changes in inventories and net acquisition of valuables	P.52 + P.53	0.8	1.7	-1.3	-0.6
13	External balance of goods and services	B.11	-1.0	-1.9	0.5	-0.8
	Deflators and HICP			growth rate	growth rate	growth rate
14	Private consumption deflator			9.0	3.4	2.5
15	HICP			8.9	1.3	2.5
16	Government consumption deflator			-2.4	-0.6	3.0
17	Investment deflator			6.4	2.6	3.1
18	Export price deflator (goods and services)			-1.8	0.9	2.6

			2023	2023	2024	2025
	GDP	ESA code	GG EUR billion	growth rate	growth rate	growth rate
19	Import price deflator (goods and services)			-5.2	0.1	2.0
	Labour market	ESA code	level	growth rate	growth rate	growth rate
20	Domestic employment (1,000 persons, national accounts)		884.2	-0.2	-0.8	-0.1
21	Average annual hours worked per person employed		1858.4	-0.3	0.7	0.0
22	Real GDP per person employed			3.1	0.4	1.3
23	Real GDP per hour worked			3.4	-0.3	1.3
24	Compensation of employees (GG billion)	D.1	17.0	16.3	7.6	5.7
25	Remuneration per employee (= 23/19)		19202.5	16	8.6	5.8
				%	%	%
26	Unemployment rate (%)			6.5	6.9	6.7
	Potential GDP and components			growth rate	growth rate	growth rate
27	Potential GDP			2.0	1.7	1.6
28	Contribution to potential growth					
29	Labour			0.0	-0.2	-0.3
30	Capital			0.8	0.6	0.7
31	Total factor productivity			1.2	1.3	1.2
				% of the potential GDP	% of the potential GDP	% of the potential GDP
31	Output gap			0.9	-1.2	-1.5

Table 3. External assumptions

			2023	2024	2025
1	Short-term interest rate	%, annual average	3.8	3.6	2.6
2	Long-term interest rate	%, annual average	3.9	3.3	3.8
3	USD/EUR exchange rate	annual average	1.1	1.1	1.1
4	NAC/EUR exchange rate (only for non-euro area Member States)	annual average			
5	World real GDP (excluding EU)	growth rate	3.7	3.5	3.6
6	EU real GDP	growth rate	0.4	0.9	1.5

			2023	2024	2025
7	World import volumes, excluding EU	growth rate	-0.9	3.1	3.5
8	Oil price	Brent, USD/barrel	82.5	80.5	71.0

Table 4. Budget projections

		ESA code	2023	2023	2024	2025
	Revenue		GG EUR billion	% of GDP	% of GDP	% of GDP
1	Taxes on production and imports	D.2	5.6	14.2	14.4	14.8
2	Current taxes on income, wealth, etc.	D.5	3.1	8.0	9.2	8.7
3	Social contributions	D.61	4.3	10.8	11.4	12.1
4	Other current revenue	(P.11+P.12+P.13)	2.9	7.4	7.1	6.7
5	Capital taxes	D.91	0.0	0.0	0.0	0.0
6	Other capital revenue	D.92+D.99	0.3	0.9	1.1	1.6
7	Total revenue (=1+2+3+4+5+6)	TR	16.3	41.3	43.2	43.9
8	Of which: transfers from the EU (accrued revenue, not cash)	D.7EU+D.9 EU	0.7	1.9	1.5	2.4
9	Total revenue other than transfers from the EU (= 7-8)		15.5	39.4	41.7	41.5
10	p.m. Revenue measures (increments, excluding EU-funded measures)		-0.1	-0.3	0.9	0.0
10 b	p.m. EU-funded revenue measures		0.0	0.0	0.0	0.0
11	p.m. One-off revenue included in projections (level excluding EU-funded measures)		0.0	0.0	0.0	0.0
	Expenditure		GG EUR billion	% of GDP	% of GDP	% of GDP
12	Compensation for employees	D.1	4.8	12.2	13.1	13.2
13	Intermediate consumption	P.2	2.4	6.2	6.8	6.8
14	Interest expenditure	D.41	0.3	0.7	1.1	1.3
15	Social benefits other than social transfers in kind	D.62	4.7	12.0	13.1	13.4
16	Social transfers in kind via market producers	D632	0.6	1.5	1.2	1.2
17	Subsidies	D.3	0.8	2.0	0.9	0.9
18	Other current expenditure	D.29+(D.4-	1.0	2.4	4.1	3.8
19	Gross fixed capital formation	P.51	2.2	5.6	4.7	6.0

		ESA code	2023	2023	2024	2025
20	Of which: Nationally financed public investment		1.8	4.7	3.8	4.7
21	Capital transfers	D.9	0.2	0.4	0.1	0.3
22	Other capital expenditure	P.52+P.53+NP	0.2	0.5	0.2	0.2
23	Total expenditure (=12+13+14+15+16+17+18+19+21+22)	TE	17.2	43.7	45.3	47.1
24	Of which: Expenditure funded by transfers from the EU (=8)	D.7EU+D.9 EU	0.7	1.9	1.5	2.4
25	Nationally financed expenditure (23-24)		16.5	41.8	43.8	44.7
26	p.m. National co-financing of programmes funded by the Union		0.2	0.4	0.4	0.5
27	p.m. Cyclical component of unemployment benefits		0.0	0.0	0.1	0.1
28	p.m. One-off expenditure included in projections (levels, excluding EU-funded measures)		0.0	0.0	0.0	0.0
29	Net nationally financed primary expenditure (before revenue measures) (= 25-26-27-28-14)		16.0	40.6	42.2	42.8
	Net nationally financed primary expenditure				% of GDP	% of GDP
30	Net nationally financed primary expenditure growth	Table 1a			3.9	5.7
	Balances		GG EUR billion	% of GDP	% of GDP	% of GDP
31	Net lending / borrowing (= 7-23)	B.9	-0.9	-2.4	-2.1	-3.1
32	Primary balance (= 31-14)	B.9-D.41p	-0.6	-1.6	-1.0	-1.8
	Cyclical adjustment			% of GDP	% of GDP	% of GDP
33	Structural balance			-2.7	-1.7	-2.6
34	Structural primary balance			-2.0	-0.6	-1.2
	Debt		GG EUR billion	% of GDP	% of GDP	% of GDP
35	Gross debt		17.6	44.6	47.1	49.0
36	Change in gross debt		1.5	0.2	2.5	1.9
37	Contribution to changes in gross debt					
38	Primary balance (= minus 32)			-1.6	-1.0	-1.8
39	'Snowball effect'			-3.0	0.2	-0.6
40	Interest expenditure (= 14)			0.7	1.1	1.3
41	Growth			-1.2	0.2	-0.5

		ESA code	2023	2023	2024	2025
42	Inflation			-2.5	-1.1	-1.4
43	Stock-flow adjustment (=36-38+39)			1.5	1.3	0.7
				%	%	%
44	p.m.: Implicit interest rate on debt (=14/DEBT(t-1))			1.8	2.6	2.9

Table 6. RRF grants

		2020	2021	2022	2023	2024	2025	2026
	Revenue from RRF grants	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP
1	RRF grants as included in the revenue projections			0.02	0.39	0.94	1.82	1.51
2	Cash disbursements of RRF grants from EU		0.74	0.56		0.90	0.70	1.99
	Expenditure financed by RRF grants							
3	Total current expenditure			0.00	0.11	0.29	0.60	0.55
4	Gross fixed capital formation			0.02	0.28	0.65	1.21	0.96
5	Capital transfers							
6	Total capital expenditure (4+5)			0.02	0.28	0.65	1.21	0.96
	Other costs financed by RRF grants							
7	Decrease in tax revenue							
8	Other costs with impact on revenue							
9	Financial transactions							

6. POLICY MEASURES

For the purposes of the Progress Report, policy measures are all revenue and expenditure measures according to the decisions taken until submission of the Draft Law “On the State Budget for 2025 and the Budgetary Framework for 2025, 2026 and 2027” to the *Saeima*, as well as the measures which were approved during review of the Draft Law at the *Saeima*. It should be noted that the new EU framework for economic governance stipulates that the fiscal trajectory determines the maximum level of growth of the NNFPE that would occur under a constant revenue policy. For example, if a tax rate is raised or a tax base is broadened and this generates additional revenue for the general government budget, then expenditure can be increased by the same amount; conversely, if tax rates or tax bases reduce revenue, expenditure must be reduced by an identical amount. Such changes in revenue policy are called discretionary revenue measures (hereinafter – the DRM). The DRM play an important role in the new EU framework for economic governance – they contribute to the implementation of government priorities and increasing or reducing general government expenditure. Accordingly, the accounting thereof is essential to ensure the compliance with the fiscal trajectory approved by the EU Council.

This chapter separately presents information on revenue and expenditure measures by dividing them into the following three groups: (1) the DRM adopted before and during the preparation of the State budget for 2025 and included in the FSP; (2) the new DRM adopted during the review of the State budget for 2025 after submission of the FSP to the EC; (3) expenditure measures adopted during the preparation of the State budget for 2025 after submission of the FSP to the EC. The new expenditure measures are included for information purposes and are incorporated into general government budget expenditure. All DRM have been subject to *ex-post* assessment, i.e. comparison of the impact of the measure before it came into force with empirical observations based on performance data.

6.1. *Ex-post* assessment of discretionary revenue measures included in the FSP

The *ex-post* assessment of the DRM included in the FSP are presented in Table 5. It should be noted that the *ex-post* assessment did not identify any measures for which the fiscal impact has changed. According to the updated assessment, the DRM constituted -0.30% of GDP in 2023, 0.88% of GDP in 2024 and -0.04% of GDP in 2025.

Table 5. Impact of discretionary revenue measures

		One-off	Expenditure / revenue	ESA code	2023	2024	2025
	Title / description of the measure				% of GDP	% of GDP	% of GDP
1	Revenue from large CO ₂ emissions sales in 2018 (in 2018, Latvia sold emission rights that were granted retroactively following a Court decision. Moreover, the market price in 2018 was more than 3 times higher than before).	No	Revenue	D.7	-0.02	0.00	0.00
2	Increase in excise duty rates for all tobacco products and e-cigarette liquids	No	Revenue	D.21	0.01	0.00	0.00
3	Increase in natural resources tax rates for waste removal, air pollution and category C polluting activities and abolition of CO ₂ emissions exemption for peat use in stationary technological plants	No	Revenue	D.29	0.01	0.00	0.00
4	Increase in revenue from dividend payments, from JSC "Latvian State Forests" and electricity companies	No	Revenue	D.4	-0.03	-0.15	0.00
5	Increase in the intensity of tax relief for donors in the amount of up to 85% of the amount donated, but not exceeding 30% of the amount of CIT calculated on the dividends calculated.	No	Revenue	D.5	0.01	0.00	0.00
6	Increase in the exemption of non-taxable income for employees and pensioners in the amount of up to EUR 350/month from 01.01.2022 and up to EUR 500/month from 01.07.2022.	No	Revenue	D.5	-0.17	0.00	0.00
7	Increase in revenue from dividend payments, JSC "Latvian State Forests" in 2021	No	Revenue	D.4	-0.07	0.00	0.00
8	Increase in revenue from dividend payments, JSC "Latvian State Forests" in 2021	No	Revenue	D.5	-0.02	0.00	0.00
9	Exclusion of interest payments from the CIT taxable base in 2021 and 2022	No	Revenue	D.5	0.00	0.01	0.00
10	Suspension of effect of the 'green' electricity component (CPC) for end-users from 1 September 2022 to 31 December 2025	No	Revenue	D.7	-0.01	0.00	0.00
11	Abolition of advance payments of PIT for self-employed from 2024	No	Revenue	D.5	0.00	-0.07	0.00
12	Changes in tax relief for donors – reduction of CIT by 85% of 75% of the amount donated is permitted, but not exceeding 30% (of 20%) of the calculated CIT on the calculated dividends.	No	Revenue	D.5	-0.01	0.00	0.00
13	Credit institutions and consumer credit service providers are required to pay annual 20% CIT on their profits for the respective year	No	Revenue	D.5	0.00	0.35	-0.17
14	Increase in excise duty rates (for tobacco products, e-liquids, tobacco substitutes, alcoholic beverages and diesel and kerosene used in SEZs and free ports)	No	Revenue	D.21	0.00	0.05	0.08
15	Increase in gambling tax rate	No	Revenue	D.21	0.00	0.02	-0.01
16	Revision of PIT relief and application of non-taxable relief	No	Revenue	D.5	0.00	-0.01	0.00

		One-off	Expenditure / revenue	ESA code	2023	2024	2025
	Title / description of the measure				% of GDP	% of GDP	% of GDP
17	VAT registration threshold increase by EUR 50,000, transaction value threshold for lost debts by EUR 1,000, application of exemption for sports activities	No	Revenue	D.21	0.00	-0.01	0.00
18	Natural resources tax (changes to rates, new objects, abolition of tax relief)	No	Revenue	D.29	0.00	0.02	0.03
19	Increase in revenue from dividends 2024	No	Revenue	D.4	0.00	0.44	-0.34
20	Increase in revenue from dividend payments, JSC "Latvian State Forests" in 2024	No	Revenue	D.4	0.00	0.03	-0.03
21	Abolition of PIT relief on amounts received as State or EU aid for agriculture and rural development	No	Revenue	D.29	0.00	0.00	0.05
22	Ban on imports of certain agricultural and feed products from the Russian Federation and the Republic of Belarus (also from other third countries if the products originate in the Russian Federation or the Republic of Belarus).	No	Revenue	D.2	0.00	-0.02	0.01
23	Changes to excise duties	No	Revenue	D.21	0.00	0.03	0.00
24	Changes to VAT on fresh fruit and vegetables – reduced VAT rate to 12% in 2024 (for one year), standard rate to apply from 2025	No	Revenue	D.21	0.00	-0.04	0.04
25	Mortgagee protection fee due to interest rate increases	No	Revenue	D.7	0.00	0.24	-0.23
26	Raising of the ceiling on the MSSIC	No	Revenue	D.61	0.00	0.00	0.04
27	Solidarity contribution (banks)	No	Revenue	D.5			0.30
28	Increase in the NRT rate on coal, coke and lignite (brown coal)	No	Revenue	D.2			0.00
29	Increase in VOT rates and changes in payment term	No	Revenue	D.2			0.03
30	Increase in gambling tax rate	No	Revenue	D.2			0.01
31	Gradual increase in ED rates for fuel, natural gas and petroleum gases used as fuel	No	Revenue	D.2			0.01
32	Abolition of relief from ED on petroleum products used in electricity generation and cogeneration	No	Revenue	D.2			0.00
33	Increase in ED rate for non-alcoholic beverages with a sugar content of up to 8 g per 100 ml	No	Revenue	D.2			0.01
34	Gradual increase in ED rates for fuel, including a CO ₂ component in the excise duty	No	Revenue	D.2			0.08
35	Increase in ED rate for non-alcoholic beverages with a sugar content of up to 8 g per 100 ml	No	Revenue	D.2			0.00
36	VAT rate of 12% on fresh fruit, berries and vegetables specific to Latvia continues to apply until the next assessment period	No	Revenue	D.2			-0.04
37	Extension of the PIT relief for collective agreements	No	Revenue	D.61			-0.02
38	Increase in the PIT non-taxable amount of employer-provided funeral and childbirth allowances	No	Revenue	D.61			0.00
39	1% transfer from the funded pension scheme to the first tier	No	Revenue	D.61			0.37
40	Increase in the non-taxable minimum	No	Revenue	D.5			-1.07

		One-off	Expenditure / revenue	ESA code	2023	2024	2025
	Title / description of the measure				% of GDP	% of GDP	% of GDP
41	Changes to PIT rates and income thresholds	No	Revenue	D.5			0.84
42	Increase in the non-taxable minimum for pensioners	No	Revenue	D.5			-0.28
43	Extension of the PIT relief for collective agreements	No	Revenue	D.5			-0.01
44	Increase in the PIT non-taxable amount of employer-provided funeral and childbirth allowances	No	Revenue	D.5			0.00
45	Upon transition to 25.5% basic rate, PIT rates on other income, currently subject to 20%, are aligned	No	Revenue	D.5			0.04
46	Raise dividends for State-owned capital companies to 70%	No	Revenue	D.4			0.00
47	Increase in revenue from dividend payments, JSC "Latvijas Loto"	No	Revenue	D.4			0.00
48	Increase in revenue from dividend payments, JSC "Latvenergo"	No	Revenue	D.4			0.04
49	Increase in revenue from dividend payments, JSC "Latvian State Forests"	No	Revenue	D.4			0.11
50	Revision of various fees	No	Revenue	P.11, P.12, P.13			0.02
51	Road user charge	No	Revenue	P.11, P.12, P.14			0.06
	TOTAL				-0.30	0.88	-0.04

6.2. New discretionary measures, their assessment

The new measures include the DRM and expenditure measures that were approved during the review of the State budget for 2025 and the medium-term budgetary framework at the final reading of the *Saeima*.

Table 5a. Impact of new discretionary revenue measures

		One-off	Expenditure / revenue	ESA code	2023	2024	2025
	Title / description of the measure				% of GDP	% of GDP	% of GDP
1	Increase in ED rate for non-alcoholic beverages with a sugar content of up to 8 g per 100 ml	No	Revenue	D.2			0.00
2	Accelerated increase in ED rate for intermediate products with alcohol content up to 15% vol. and for intermediate products with alcohol content between 15% and 22% vol. in 2025, 2026 and 2027	No	Revenue	D.2			0.00
3	Increase in revenue from dividend payments: JSC "Latvenergo", JSC "AST", JSC "Latvia State Radio and Television Centre"	No	Revenue	D.4			0.09
	TOTAL				0.00	0.00	0.09

The total impact of the DRM is minus EUR 117.4 million in 2023 (-0.30% of GDP), EUR 354.8 million in 2024 (0.88% of GDP) and EUR 20.9 million in 2025 (0.05% of GDP). Such DRM values are used in Section 7.1.3 to assess the increase in NNFPE.

Table 5b. Impact of new expenditure measures

		One-off	Expenditure / revenue	ESA code	2023	2024	2025
	Title / description of the measure				% of GDP	% of GDP	% of GDP
1	Measures for the development of the electricity market	No	Expenditure	D.3			0.09
2	Other measures	No	Expenditure	P.2, D.7			0.00
	TOTAL				0.00	0.00	0.09

7. FISCAL POLICY STRATEGY, FISCAL CONDITIONS AND INDICATIVE FISCAL SPACE

Latvia's fiscal policy with regard to the contents and amount of the new measures for 2026–2029 is determined by three key factors:

- (1) the **budgetary situation under no-policy-change scenario** which, according to the national fiscal framework, implies a set of revenue and expenditure according to the decisions taken, but excluding potential new decisions, regardless of their likelihood. The fiscal indicators under no policy change scenario are presented in Chapter 4;
- (2) **fiscal rules** that limit the fiscal scope of the new policy measures. As described further in Chapter 7.1, four fiscal rules apply: the structural balance rule of the FDL, the EU structural primary balance rule, the EU expenditure growth rule and, in addition, a limit of 3% of GDP over the nominal balance;
- (3) the **new policy measures** or medium-term budgetary priorities.

It should be noted that this Progress Report does not describe all policy measures for the period 2026–2029. The purpose of the Progress Report is to fulfil the requirements of Regulation 2024/1263 and to report on the fulfilment of the fiscal commitments made in the FSP and progress in the implementation of the structural part, while providing the latest assessment of the macroeconomic and fiscal development scenarios and of the financing potentially available in the autumn cycle, serving as a basis for decisions on medium-term fiscal policy objectives and on possible priority development directions of the State budget. The compliance of the Progress Report with Regulation 2024/1263 is presented in Chapter 5, while progress in the implementation of reforms and investments is presented in Chapter 12.

7.1. Fiscal conditions and fiscal space

It is defined in the FSP that Latvia's fiscal policy is guided by three fiscal rules: (1) the structural balance rule of the FDL, (2) the EU structural primary balance rule, and (3) the EU expenditure growth rule. However, the need for an additional fiscal rule, i.e. the nominal balance rule (4), was identified during the assessment of fiscal space for 2026. Accordingly, all four fiscal rules are applied in the Progress Report. In order to calculate the indicative fiscal space available for the preparation of the 2026–2028 budgetary framework at the current projections, a structural balance is defined for all conditions to ensure cross-comparability.

7.1.1. Fiscal condition of the FDL structural balance

According to Regulation 2024/1263, a Member State may use other fiscal rules in its national laws. According to the FDL, Latvia must ensure that general government budget structural deficit does not exceed 1.0% of GDP. It should be noted that, from 2013 until now, a lower permissible structural deficit of 0.5% of GDP was in force, but, with the new EU framework for economic governance, this condition was relieved to approximate the requirements of the EU and Latvian fiscal rules. This was also done on the grounds that the EU framework for economic governance gives countries with debt rate below 60% of GDP more freedom of action, balancing investment needs with fiscal discipline. Table H represents the structural balance rule as required by the FDL, as well as the structural balance derived from the March fiscal projections of the MoF. The Fiscal Policy Strategy⁹ and Section 5 of the Law “On the State Budget for 2025 and the

⁹ Approved at the CoM meeting of April 2022 (minutes of the CoM meeting No. 20, § 45)

Budgetary Framework for 2025, 2026 and 2027” provide for the maintenance of expenditure categories, e.g. the increase in base expenditure for the Ministry of Defence (hereinafter – the MoD) and other one-off expenditure for strengthening internal and external security, which are excluded from the structural balance calculation and considered as one-off expenditure in the Progress Report. The scope of one-off expenditure is not extended and such approved one-off expenditure will be gradually phased out over time, similar to the one-off expenditure related to mitigating the negative effects of the COVID-19 pandemic and the energy crisis.

Table H. General government budget structural balance targets based on the structural balance rule of the FDL

		2025	2026	2027	2028	2029
General government budget structural balance targets, % of GDP	(1)		-1.0	-1.0	-1.0	-1.0
General government budget nominal balance under no-policy-change scenario, % of GDP	(2)	-3.1	-3.0	-3.2	-2.8	-2.3
Cyclical component of the balance, % of GDP	(3)	-0.6	-0.4	-0.2	0.0	0.0
One-off measures, % of GDP	(4)	-1.8	-1.7	-1.7	-1.3	-0.5
General government budget structural balance under no-policy-change scenario, % of GDP	(5)=(2)-(3)-(4)	-0.8	-0.8	-1.3	-1.5	-1.7
Fiscal Security Reserve, % of GDP	(6)		0.1	0.1	0.1	0.1
Fiscal space based on the structural balance rule, % of GDP	(6)=(5)-(6)-(1)		0.1	-0.4	-0.6	-0.8

7.1.2. Structural primary balance rule

The structural primary balance rule is a fiscal rule stemming from the new EU framework for economic governance. It serves as an intermediate outcome, expressing the required amount of fiscal expansion or consolidation to ensure that the deficit does not exceed the limit of 3% of GDP by 2038. This is based on the assumption used in the EU methodology that, in case of unchanged policies, the structural primary balance remains unchanged over time. If the structural primary deficit in 2024 is higher than it should be in 2028, it must be gradually reduced through consolidation measures. Whereas, if it is lower in 2024 than it could afford to be in 2028, the country can pursue an expansive fiscal policy, but not exceeding the maximum permissible level in 2028. The structural primary balance rule is defined as a fiscal rule because Latvia, as a country with a deficit below 3% of GDP and debt below 60% of GDP, received technical information from the EC in 2024¹⁰, determining the level of the structural primary budget balance to be achieved in 2028.

Given that the EU Council approved a binding fiscal trajectory for Latvia on 21 January 2025, compliance with the structural primary balance rule is assessed by comparing

¹⁰ Information relating to technical details is available on the MoF website: <https://www.fm.gov.lv/lv/fsp-2025-2028-gadam>

the actual structural primary balance with the structural primary balance rule deriving from the fiscal trajectory approved by the EU Council. The structural primary balance target for 2029 is determined at the level of 2028, as foreseen by the EC common methodology, and the NNFPE expenditure growth, when assessing the EU expenditure growth rule, is derived from the structural primary balance target. The NNFPE of 2029 is not approved by the EU Council, but both a structural primary balance target and growth in the NNFPE are determined for 2029 to ensure succession of the fiscal rules.

Table I. General government budget structural balance targets based on the EU structural primary balance target rule

		2026	2027	2028	2029
Structural primary balance target deriving from the fiscal trajectory approved by the EU Council, % of GDP	(1)	-1.322	-1.302	-1.257	-1.257
Interest expenditure, % of GDP	(2)	1.5	1.6	1.6	1.6
One-off measures, % of GDP	(3)	-1.7	-1.7	-1.3	-0.5
General government budget structural balance deriving from the EU structural primary balance target, % of GDP	(4)=(1)-(2)-(3)	-1.1	-1.2	-1.6	-2.4
General government budget nominal balance under no-policy-change scenario, % of GDP	(5)	-3.0	-3.2	-2.8	-2.3
Cyclical component of the balance, % of GDP	(6)	-0.4	-0.2	0.0	0.0
General government budget structural balance under no-policy-change scenario, % of GDP	(7)=(5)-(6)-(3)	-0.8	-1.3	-1.5	-1.7
Fiscal Security Reserve, % of GDP	(8)	0.1	0.1	0.1	0.1
Fiscal space based on the EU structural primary balance rule, % of GDP	(9)=(7)-(8)-(4)	0.1	-0.2	-0.0	0.5

7.1.3. Net expenditure growth rule

The net expenditure growth rule or the NNFPE expenditure growth is calculated by using the structural primary balance trajectory depicted in Figure 7.1.

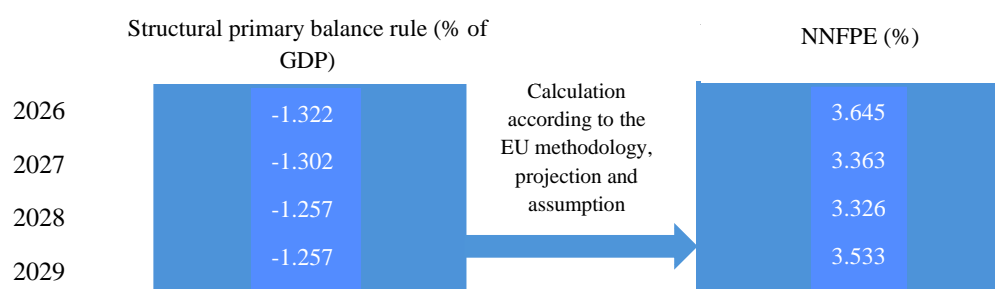


Figure 7.1. Link of the structural primary balance rule and increase in the NNFPE

Prior to determining the structural balance target in accordance with the net expenditure growth rule target indicators, Table J offers a transparent calculation of the actual NNFPE growth rate depicted previously in Table 1a. In 2024, the NNFPE growth rate reached 3.9% and is estimated at 5.7% in 2025.

Table J. General government budget structural balance targets based on the net expenditure growth rule target indicators

		2023	2024	2025	2026	2027	2028	2029
NNFPE growth approved by the EU Council, %, for 2029 calculated by the MoF	(1)		9.096	5.902	3.645	3.363	3.326	3.533
General government revenue, EUR million	(2)	16,256	17,367	18,422	18,892	19,337	19,784	20,281
General government expenditure, EUR million	(3)	17,187	18,216	19,742	20,190	20,817	21,128	21,450
General government budget balance, EUR million	(4)=(2)-(3)	-932	-850	-1,320	-1,298	-1,481	-1,343	-1,169
Interest expenditure, EUR million	(5)	287	450	555	640	722	762	831
Cyclical unemployment expenditure, EUR million	(6)	6	27	33	30	19	4	4
EU funds expenditure, EUR million	(7)	734	589	989	872	655	467	442
National co-financing for EU fund expenditure, EUR million	(8)	168	178	198	147	142	118	82
NNFPE level, EUR million	(9)=(3)-(5)-(6)-(7)-(8)	15,992	16,971	17,966	18,501	19,280	19,776	20,091
DRM, EUR million	(10)	-117	355	21	-90	-45	-116	-182
NNFPE growth rate, %	(11)=(9)-(10))/(9)		3.905	5.740	3.474	4.451	3.174	2.512
NNFPE level based on the NNFPE growth approved by the EU Council, EUR million	(12)		16,971	17,973	18,650	19,184	19,776	20,355
NNFPE level based on the NNFPE growth approved by the EU Council in 2025 with DRM, EUR million	(13)=(12)+(10)			17,994	18,560	19,140	19,661	20,173
Permissible general government expenditure, EUR million	(14)=(13)+(5)+(6)+(7)+(8)				20,249	20,677	21,012	21,532
Permissible general government balance, EUR million	(15)=(2)-(14)				-1,357	-1,341	-1,228	-1,251
Permissible general government balance, % of GDP	(16)				-3.087	-2.905	-2.543	-2.476
Cyclical component of the balance, % of GDP	(17)				-0.4	-0.2	0.0	0.0
One-off measures, % of GDP	(18)				-1.7	-1.7	-1.3	-0.5
Permissible general government budget structural balance, % of GDP	(19)=(16)-(17)-(18)				-1.0	-1.0	-1.3	-1.9
General government budget structural balance under no-policy-change scenario, % of GDP	(20)=(4)-(17)-(18)				-0.8	-1.3	-1.5	-1.7
Fiscal Security Reserve, % of GDP	(21)				0.1	0.1	0.1	0.1

		2023	2024	2025	2026	2027	2028	2029
Fiscal space based on the EU expenditure growth rule, % of GDP	(22)=(20)-(21)-(19)				0.0	-0.4	-0.3	0.1

7.1.4. Nominal balance rule

According to the three fiscal rules discussed previously, a limited positive fiscal space is in 2026, but it should be taken into account that the general government nominal deficit without the fiscal security reserve is already 3% of GDP and with the fiscal security reserve the deficit is 3.1% of GDP. This results in a situation where fiscal rules allow deficits above the deficit reference value, i.e. 3% of GDP. Exceeding the deficit reference value automatically triggers the EC to prepare a report under Article 126(3) of the Treaty on the Functioning of the European Union (hereinafter – the TFEU), in which the EC concludes that the general government budget deficit and debt exceed the reference values laid down in Protocol No. 12 to the TFEU and recommends or does not recommend that the EU Council initiates an Excessive Deficit Procedure against the country. Of course, such an excess would probably not be considered sufficient to trigger the Excessive Deficit Procedure, but it would affect the country's reputation and could affect its credit rating. Therefore, the nominal balance rule is also applied to ensure compliance with the deficit reference value.

Table K. General government structural balance targets based on the nominal balance rule

		2026	2027	2028	2029
General government budget nominal balance target, % of GDP	(1)	-3.0	-3.0	-3.0	-3.0
General government budget nominal balance under no-policy-change scenario, % of GDP	(2)	-3.0	-3.2	-2.8	-2.3
Cyclical component of the balance, % of GDP	(3)	-0.4	-0.2	0.0	0.0
One-off measures, % of GDP	(4)	-1.7	-1.7	-1.3	-0.5
General government budget structural balance target, % of GDP	(5)=(1)-(3)-(4)	-0.9	-1.1	-1.7	-2.4
General government budget structural balance under no-policy-change scenario, % of GDP	(6)=(2)-(3)-(4)	-0.8	-1.3	-1.5	-1.7
Fiscal Security Reserve, % of GDP	(7)	0.1	0.1	0.1	0.1
Fiscal space based on the nominal balance rule, % of GDP	(8)=(6)-(7)-(5)	-0.1	-0.3	0.1	0.6

7.2. Decisive fiscal rule and fiscal space

As already mentioned, Latvia's fiscal policy is designed to meet all four fiscal rules. In order to determine the fiscal space, general government structural balance targets are defined each year (the underlying, i.e. the strictest, structural balance is identified). The fulfilment of all fiscal

rules is ensured by determining the fiscal space available for the budgetary procedure in this way, using the lowest structural balance.

Table L. Decisive fiscal rule

	2026	2027	2028	2029
FDL structural balance rule		X	X	X
Structural primary balance rule				
Net expenditure growth rule				
Nominal balance rule	X			

According to the calculations in Table M, the fiscal space projection is negative in all years over the medium term: minus EUR 22.9 million in 2026, minus EUR 202.6 million in 2027, minus EUR 292.4 million in 2028, and minus EUR 420.7 million in 2029.

Table M. Fiscal space calculation

		2026	2027	2028	2029
General government budget structural balance target complying all fiscal rules, % of GDP	(1)	-0.9	-1.0	-1.0	-1.0
General government budget structural balance under no-policy-change scenario, % of GDP	(2)	-0.8	-1.3	-1.5	-1.7
Fiscal Security Reserve, % of GDP	(3)	0.1	0.1	0.1	0.1
Fiscal space complying all fiscal rules, % of GDP	(4)=(2)-(3)-(1)	-0.1	-0.4	-0.6	-0.8
Fiscal space complying all fiscal rules, EUR million	(5)	-22.9	-202.6	-292.4	-420.7

8. GOVERNMENT DEBT DEVELOPMENT TRENDS AND LONG-TERM PROJECTIONS

8.1. Government debt development trends

The basic principles and objectives of the Central government debt management for the medium term are defined in the Central Government Debt and Cash Management Strategy approved by the Minister for Finance. According to the Strategy, the objective of Central government debt and cash management is to ensure timely availability of financial resources to cover financing requirement at the lowest possible cost of servicing public debt, limiting financial risks, while also contributing to the development of the domestic financial market. A strategic approach to government borrowing and debt management is used to meet government debt and budget liabilities, while maintaining as much flexibility as possible in the selection of conditions (time of borrowing, instrument, amount, maturity) of borrowing from financial markets. It allows limiting the financial risks in the medium term and also ensuring the resources to cover the total financing requirement under favourable conditions.

In 2024, EUR 3,113.8 million of financial market borrowing was used to cover the total financing requirement. In May, returning to the US dollar market after a 12-year break, a 10-year bond issue of EUR 1,250 million was made to broaden the investor base and provide more borrowing opportunities on favourable terms in the future. In order to fully eliminate the currency risk, a foreign exchange swap was completed at the same time as the bond issue, converting the actual government debt liabilities into euros. Accordingly, the effective interest rate on US dollar-denominated bonds after the swap was lower than the cost of borrowing for a similar maturity in euros. In September, EUR 600 million were raised through Eurobond issues with a maturity of seven years and a coupon rate of 3.000%. In turn, additional issues of outstanding Eurobonds of various maturities raised EUR 1,085.0 million through primary dealers. Savings bonds were issued in the amount of EUR 275.4 million, reflecting the continued strong demand for this instrument from the Latvian residents, as well as the willingness to reinvest after the maturity of the savings bonds purchased in 2023.

In 2024, the government debt obligations were met in line with the debt repayment schedule, including repayment of Eurobonds in the amount of EUR 1,320.0 million issued in 2014 and savings bonds in the amount of EUR 205.6 million.

As a result, general government debt at the end of 2024 was EUR 18.9 billion or 47.1% of GDP, according to the ESA methodology under the operational estimation.

The volume of borrowing and the level of government debt in the medium term are influenced by the overall financing requirement, which mainly consist of the government budget deficit, the repayment of government debt, the issuance of state loans (to local governments, state and municipal capital companies, ports and universities), as well as the maintenance of a cash reserve in TT accounts to manage various risks under conditions of increased uncertainty.

Taking into account the central government debt liabilities outstanding as of 28 February 2025, according to the central government debt repayment schedule, the central government debt obligations in the amount of approximately EUR 9.4 billion should be refinanced in March 2025 – December 2029 (see Figure 8.1). A major part of the debt to be refinanced during the period is Eurobonds issued in international financial markets the maturity of which will become due.

In 2025–2029, the total financing requirement will be covered by the resources available in TT accounts and by borrowing measures in the financial markets, allowing also for the use of other borrowing instruments depending on the situation in the financial markets and interest rate

trends. Borrowing on financial markets is planned mainly through public issues of benchmark Eurobonds, while maintaining as much flexibility as possible in the parameters of the borrowing instruments, as well as additional issues of outstanding Eurobonds through primary dealers. In order to provide the Latvian residents with a safe instrument for investing and saving, the offer of savings bonds of various maturities will also be maintained.

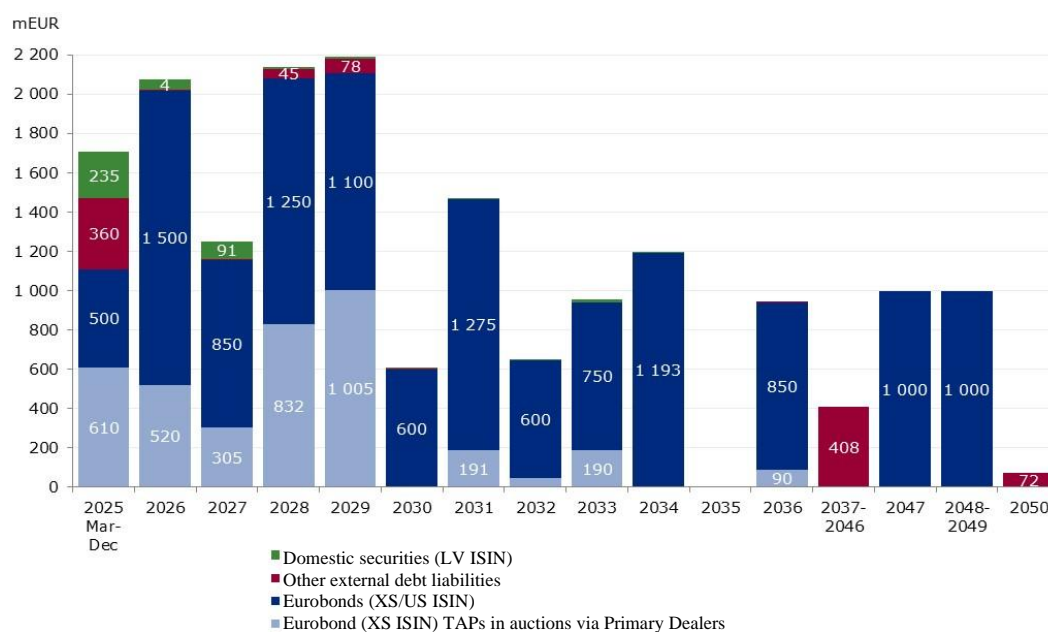
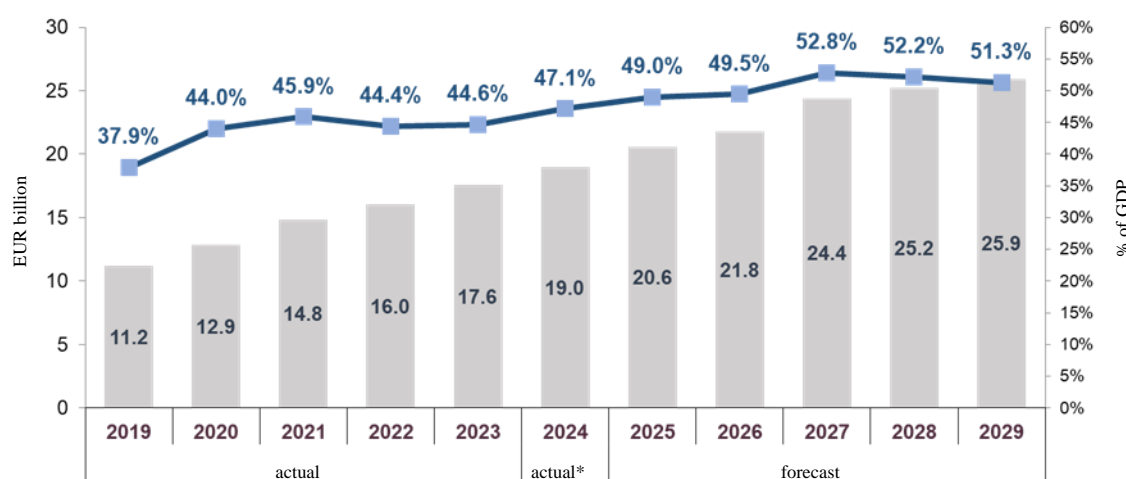


Figure 8.1. Repayment schedule of central government borrowing
(liabilities outstanding as of 28 February 2025, nominal value, EUR million)

Medium-term trends of the general government debt are affected by a current forecast of the government budget balance, including increased spending for strengthening national defence capacity and projects co-financed by EU funds, as well as updated projections of macroeconomic indicators for 2025–2029. In addition to the factors mentioned above, the level of the general government debt in 2027, 2028 and 2029 will be determined by the need to ensure timely resources for the repayment of the government debt scheduled for early 2028, 2029 and 2030.



*operational assessment

**General government debt in 2021–2023 according to the results of general government budget deficit and debt notification in October 2024, calculated using the GDP revision data published by the CSB on 28.02.2025.

Figure 8.2. General government debt development trends

According to current projections, the general government debt ratio as a percentage of GDP is expected to increase gradually to 52.8% in 2027, while the debt ratio as a percentage of GDP is projected to decline gradually from 2028 to 51.3% of GDP in 2029 (see Figure 8.2). The debt condition prescribed by the FDL (60% of GDP) will be met over the medium term. The general government debt will be maintained at a moderate, sustainable level over the long term, ensuring that debt liabilities are refinanced on optimal terms.

8.2. Long-term general government debt projections

According to the NNFPE growth approved by the EU Council, the general government budget deficit may not exceed 3% of GDP and the general government debt may not exceed 60% of GDP until 2038. In order to assess whether the long-term path of debt is consistent with the fiscal trajectory, this section includes a long-term stochastic debt analysis.

The long-term debt analysis is based on the following debt dynamics equation:

$$\Delta b_t = \left(\frac{r - g}{1 + g} \right) b_{t-1} + p b_t + s f a_t$$

According to the debt dynamics equation, the change in general government debt as a percentage of GDP (Δb_t) depends on the effective interest rate (r), which is defined as the current year's interest expenditure over the previous year's general government debt; GDP growth rate in real prices (g); general government debt as a percentage of GDP at the end of the previous period (b_{t-1}); primary budget balance as a percentage of GDP ($p b_t$); stock-flow adjustment as a percentage of GDP ($s f a_t$). The stock-flow adjustment consists of transactions that do not affect the general government budget deficit but do affect the general government debt¹¹.

The debt dynamics equation is used as the basis for stochastic debt projections. The stochastic debt projections do not provide information on a single possible trajectory of debt dynamics, but on an infinite number of trajectories of debt dynamics that are generated by a large number of shocks to the variables. Shocks are assumed to follow a normal distribution. The methodology for debt sustainability analysis is described in the EC Debt Sustainability Monitor¹².

The general government debt projections for 2024–2029 have been determined in accordance with the information provided in Chapter 8.1. For the remaining 10 years, the general government debt projections were determined according to the debt dynamics equation, using the methodology described in the Debt Sustainability Monitor, adjusted to the values of the variables projected by the MoF.

The stochastic projections for general government debt are presented in Figure 8.3. The general government debt is projected to peak in 2027, when it will reach 52.8% of GDP. In the long term, the debt amount will gradually decline towards 45% of GDP in 2038 with a 50% probability. According to the results of the stochastic debt analysis, the debt amount in 2038 will be below 55% of GDP with a 70% probability. Favourable debt dynamics are driven by a higher

¹¹ Eurostat, 2021. Stock-flow adjustment for the Member States, the euro area and the EU, for the period 2020–2023, available at: <https://ec.europa.eu/eurostat/documents/1015035/20209748/EDP+Notif+-+2024+Oct+-+SFA.pdf>

¹² Debt Sustainability Monitor 2024, available at: https://economy-finance.ec.europa.eu/publications/debt-sustainability-monitor-2024_en

growth rate compared to the effective interest rate. This creates the so-called snowball effect¹³, but given that the average effective interest rate for debt servicing has risen, the positive effect of the snowball will be limited.

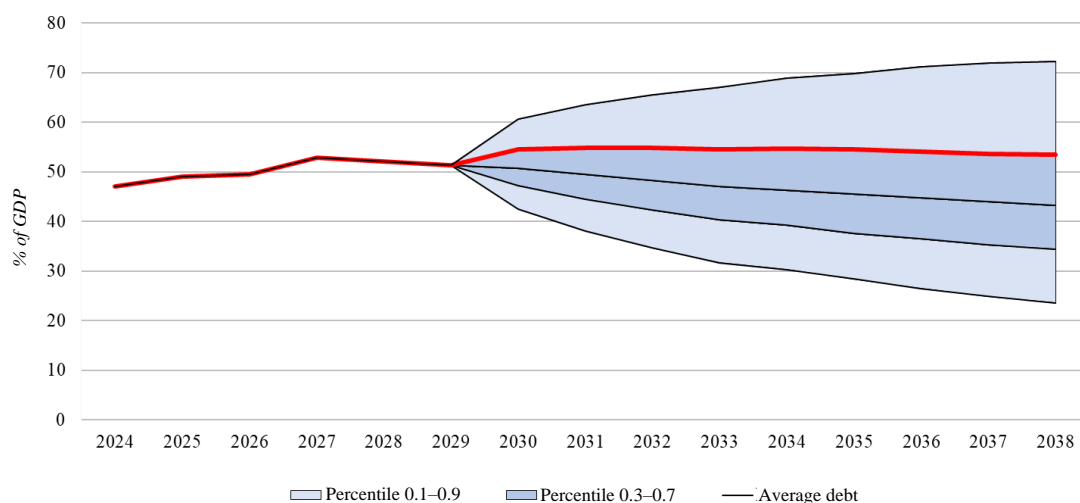


Figure 8.3. Stochastic projections of general government debt until 2038

In the Debt Sustainability Monitor, the EC states that Latvia is at low risk of long-term debt sustainability, but notes that the risk has increased to medium level in the short and medium term. The short-term risk for Latvia, which is on the borderline between low and medium, is related to developments in the economy, i.e. more difficult financing conditions in 2024, persistently high borrowing rates, a high current account deficit and low household savings growth in 2023. In the medium term, the EC estimates that Latvia's debt will reach 65% of GDP in 2035. It should be noted, however, that the EC has based its debt projections at a constant structural primary balance level until 2035, fixing it at the level of 2025, i.e. in the amount of -1.6% of GDP. Whereas the MoF estimates that the structural primary balance will be -1.2% of GDP in 2025, which is by 0.4 percentage points lower. Another important difference between the MoF and the EC calculations is compliance with the FDL rules, i.e. in the MoF calculations, the structural balance from 2030 and thereafter is determined at the level allowed by the FDL, i.e. the structural deficit may not exceed 1% of GDP.

8.3. Long-term development scenario for public finances

Every three years, the EC, in cooperation with Member States, develops long-term projections of age-related budgetary expenditure within the framework of the Ageing Working Group of the Economic Policy Committee (hereinafter – the EPC AWG). The most up-to-date long-term expenditure projections developed by the Working Group in the second half of 2023 were published in the Ageing Report 2024.

The EUROPOP2023 demographic projections prepared by *Eurostat*, as well as the EC long-term projections of macroeconomic indicators were taken into account when preparing the public expenditure projections up to 2070. The projection methodology, which is common to all

¹³ The public debt snowball effect occurs when there is a difference between the effective interest rate and the growth rate of the economy, i.e. if the effective interest rate is higher (lower) than the growth rate of the economy, then, with a constant primary budget balance, public debt automatically increases (decreases).

Member States, has been discussed and approved by the AWG and published in the *Ageing Report 2024: Underlying Assumptions and Projection Methodologies*¹⁴.

EUROPOP2023 projections have a base year of 2022, and population of Latvia was 1.88 million people at the beginning of 2022, representing a decrease of 245,000, for example, in comparison with 2010. According to *Eurostat* demographic projections, Latvia's population will continue to decline, and, in 2070, it will already be by one-third less than in the base year (see Figure 8.4).

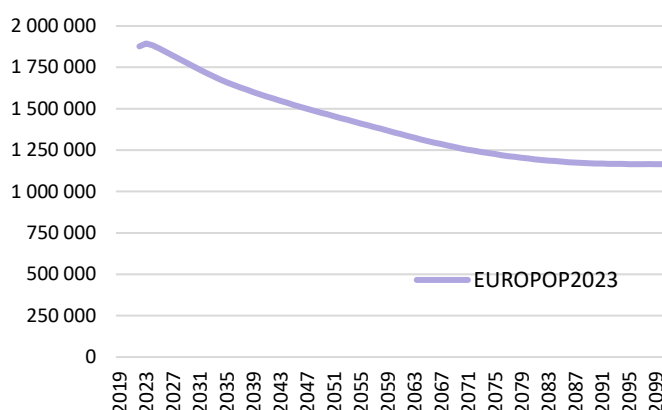


Figure 8.4. Population
(Data source: Eurostat)

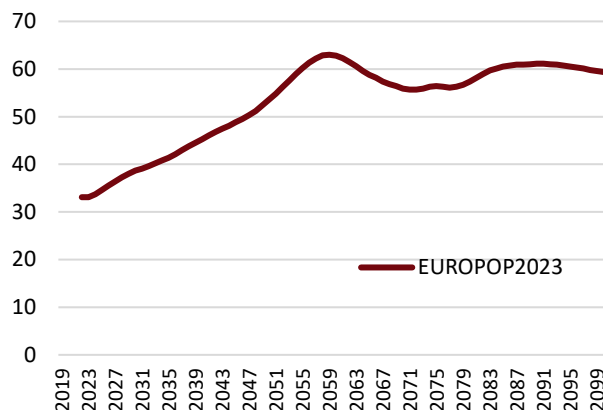


Figure 8.5. 65+ population to population 15–64 ratio, %
(Data source: Eurostat)

The following was taken into account when preparing the demographic projections:

- the total fertility rate will increase from 1.53 in 2022 to 1.72 in 2100;
- increase in natural population growth in Latvia will remain negative for a long time – until 2100. Current statistics show that the number of deaths in 2024 was twice as high (or 13,770 higher) as the number of births. The number of births in Latvia continues to decline, for example, 12,571 children were born in 2024, representing 13.2% or 1919 births below the indicator of 2023;
- increase in ratio 65+ population to the working-age population (15–64) (old-age dependency ratio), peaking at 63% of the working-age population in 2059 (see Figure 8.5). In the long term, increase in the proportion of older people will be affected by the increase in life expectancy which, according to *Eurostat* projections, will rise from an average of 71.4 years in 2022 to 87.5 years in 2100 for men and from an average of 80.6 years in 2022 to 92 years in 2100 for women in Latvia. Similarly, the increase in the 65+ to 15–64 ratio will be affected in the long term by the decline in the working-age population, according to *Eurostat* projections.

¹⁴ The report is available at: https://economy-finance.ec.europa.eu/publications/2024-ageing-report-underlying-assumptions-and-projection-methodologies_en

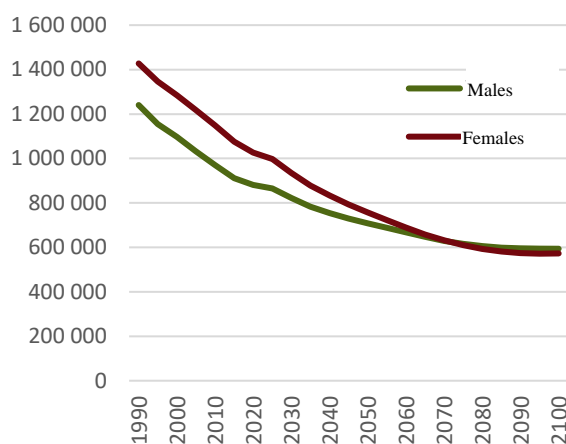


Figure 8.6. Population by sex (Data source: Eurostat, EUROPOP2023)

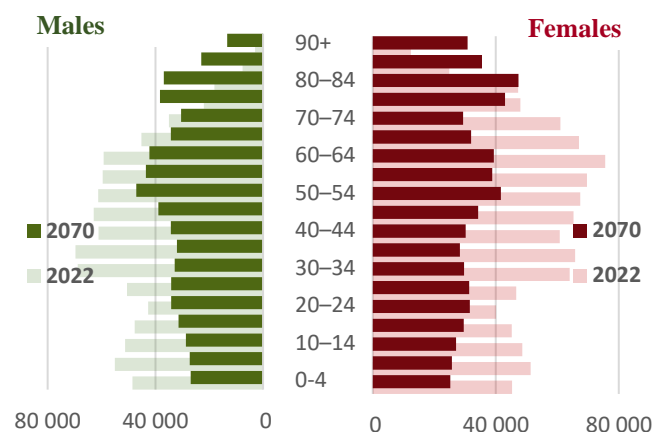


Figure 8.7. Population age pyramid in 2022 and 2070 (Data source: Eurostat, EUROPOP2023)

According to *Eurostat* projections, the number of men in Latvia, which has historically been lower than the number of women, will decline at a slower rate in the long term (see Figure 8.6). This will be driven by the fact that a larger number of boys have been born than girls over at least the last 15 years, and as mortality rates are projected to decrease at higher rate for men than for women, male life expectancy will rise faster, for example, in 2100 compared to 2022, male life expectancy will increase by 16.1 years or 22.5%, whereas, female life expectancy – by 11.4 years or 14.1%.

Alongside the decline in the total population, the age structure of the population is projected to change (see Figure 8.7), with an increase in the number of older residents between 2022 and 2070, especially in the number of women aged 80+.

In its long-term projections of macroeconomic indicators, using the assumptions endorsed by the AWG, the EC projections that the Latvia's real GDP growth to decline from 2.8% in 2022 to 0.9% in 2070. The economy is projected to see total hours worked decline by an average of 1.0% per year between 2022 and 2070, with the working-age population shrinking at a higher rate. The EC projections that Latvia's employment rate will fall from 71.4% to 70% between 2022 and 2034, before gradually rising to 71.9% in 2070. Despite the increase in employment, the overall employment rate is projected to fall in the long term in line with the working-age population.

The demographic and economic situation, in particular in the labour market, will have a long-term impact on the sustainability of public finances, with impact on both tax revenue and budgetary expenditure. The amount of taxes collected will depend to a large extent on long-term trends in employment, while the long-term growth in budgetary expenditure will also be affected by pre-existing commitments for pensions and benefits, debt-servicing expenditure, as well as increase in age-related expenditure.

The EPC AWG has updated its projections for age-related expenditure up to 2070, taking into account the updated long-term demographic and macroeconomic projections. These are published in Part Two of the Ageing Report 2024 (*Ageing Report 2024: Economic & Budgetary Projections for the EU Member States (2022–2070)*)¹⁵.

¹⁵ The Ageing Report 2024 is available on the EC website: https://economy-finance.ec.europa.eu/publications/2024-ageing-report-economic-and-budgetary-projections-eu-member-states-2022-2070_en

Under the baseline scenario, age-related public expenditure in 2070 will decrease by 1.8 percentage points compared to 2022 to 15.4% of GDP (see Figure 8.8). The overall downward trend in Latvia's budget expenditure over the long term remains similar to previous projections, mainly driven by *Eurostat* conservative demographic projections. It should be noted that the projections are made under no-policy change scenario, i.e. taking into account those legislative changes that have been adopted by October 2023.

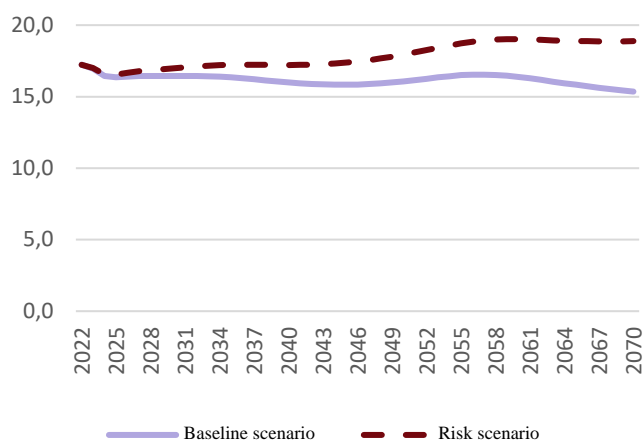


Figure 8.8. Age-related public expenditure in the baseline and risk scenarios, % of GDP
(Data source: Ageing Report 2024)

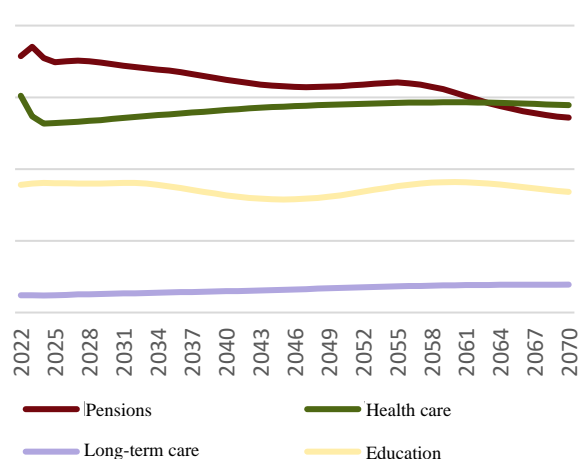


Figure 8.9. Age-related public expenditure by line item, % of GDP
(Data source: Ageing Report 2024)

The projections for pension expenditure (see Figure 8. 9) are based on the projections made by the MoW, which provide for a decline in the share of pension expenditure in GDP from 7.2% of GDP in 2022 to 5.4% of GDP in 2070. The pension reform, raising the retirement age to 65, is contributing to the decline in expenditure as a share of GDP, in particular until 2025, resulting in fewer pension recipients and a longer time in the labour market for pre-retirees. However, future projections of pension expenditure will be determined mainly by changes in the number of pensioners in line with demographic projections. Pension expenditure as a share of GDP will decline most sharply from around 2055–2060, as the number of new pension beneficiaries will decline significantly (those who were born in the 1990ies). The projections for pension expenditure are made under no-policy-change scenario, taking into account legislative changes that have been adopted by October 2023.

Health care expenditure is projected to fall from 6.0% of GDP in 2022 to 5.8% of GDP in 2070. However, it should be noted that COVID-19 support measures were still included in 2022 expenditure and therefore, for example, in comparison with 2024 (5.3% of GDP), expenditure will increase in the long term. This will be driven by higher demand for health care services as life expectancy increases and the population ages. Given the growing need for long-term care services, long-term care expenditure shows a similar trend, with a projected increase from 0.5% of GDP in 2022 to 0.8% of GDP in 2070.

In addition to the baseline scenario, a number of sensitivity tests and alternative scenarios were developed under different assumptions. In the risk scenario, public expenditure related to the ageing population is projected to increase by 1.4 percentage points compared to 2022, reaching 18.9% of GDP in 2070. The risk scenario would mainly lead to increased spending on health care and long-term care, taking into account both potential cost increases due to technological developments and convergence of costs per one recipient with the EU average.

9. SENSITIVITY ANALYSIS AND MACROECONOMIC SCENARIO RISKS

In developing its forecasts for macroeconomic indicators, the MoF uses cautious assumptions and assesses both external and internal risks, noting that the forecasts continue to be made against a background of high uncertainty. The most significant negative risks are currently related to trade tariff wars, which could slow down the economic growth of Latvia's foreign trade partners more sharply, having either direct or indirect influence on Latvia's economic development. Also, the persistence of high inflation and interest rates, as well as the still unfavourable geopolitical situation in the region, could leave a negative impact on economic growth. Downside risks include delays in the absorption of EU funds, as well as a drop in consumer confidence, which could limit the recovery of private consumption, and the negative impact on competitiveness of excessively high wage growth.

However, positive risks could boost growth, including avoiding a broader global trade tariff war would stimulate economic growth and investment activity. A successful ceasefire in Ukraine would also improve security and the investment climate in the region. A faster uptake of EU funds and the successful implementation of major projects, e.g. Rail Baltica and RRF, can also provide an additional boost.

Taking into account the potential risks to economic growth, the MoF has prepared two alternative economic scenarios for the period 2025–2029, with the impact of negative and positive risks being expected to materialise respectively. The scenarios model the impact of these risks materialising on various macroeconomic indicators, the general government budget balance and debt.

9.1. Pessimistic scenario

The biggest negative risk is related to trade tariff wars, which would limit economic growth of the main foreign trade partners of Latvia and would leave a negative impact on export growth due to reduced demand for Latvian exports. At the same time, geopolitical uncertainty would also limit investment activity and consumer confidence, also reducing domestic demand. Trade tariff wars and geopolitical escalation would also lead to faster price increases, which would force the European Central Bank to slow down or refrain from further reduction of interest rates, thus holding back economic growth even more. Consequently, a slowdown in economic growth would be felt from mid-2025 and continue through 2026, with the largest impact in the following year.

Under the pessimistic scenario, GDP growth at constant prices could reach 0.7% in 2025 and 0.6% in 2026, accordingly by 0.5 and 1.5 percentage points less than under the baseline scenario. More sustained economic growth would only resume in 2027. The slowdown in economic growth would also be reflected in the labour market, where the decline in employment would be slightly steeper and the unemployment rate slightly higher than under the baseline scenario. Inflation would reach 2.9% in 2025 and 2.7% in 2026, accordingly by 0.4 percentage points and 0.5 percentage points higher than under the baseline scenario.

Table N. Pessimistic macroeconomic indicator development scenario

	2024	2025	2026	2027	2028	2029
	actual	forecast				
GDP, EUR million	40,208	41,909	43,515	45,674	47,888	50,081
nominal growth, %	2.1	4.2	3.8	5.0	4.8	4.6
real growth, %	-0.4	0.7	0.6	2.3	2.5	2.2
GDP deflator, year-on-year, %	2.6	3.6	3.2	2.6	2.3	2.3
CPI, year-on-year, %	1.3	2.9	2.7	2.5	2.5	2.5

	2024	2025	2026	2027	2028	2029
	actual	forecast				
Average monthly gross wage of employees in the economy, EUR	1685	1783	1881	1975	2074	2177
nominal growth, %	9.6	5.8	5.5	5.0	5.0	5.0
real growth, %	8.2	2.8	2.7	2.4	2.4	2.4
Employment, thous. residents, according to the Labour Force Survey	877	874	872	870	866	861
growth, %	-0.8	-0.4	-0.2	-0.2	-0.5	-0.6
Unemployment rate, annual average, % of economically active population	6.9	6.9	6.7	6.0	5.6	5.4

The pessimistic scenario would result in lower tax and non-tax revenues, a deterioration of the general government budget balance and higher government debt servicing expenditure. Compared to the baseline scenario, the general government deficit in 2025 would increase by EUR 25.8 million or 0.1 percentage points of GDP under the pessimistic scenario. In 2026 and 2027, the general government balance would deteriorate by 0.3 percentage points of GDP per year compared to the baseline scenario, and in 2028 and 2029 by 0.2 percentage points of GDP per year compared to the baseline scenario, or accordingly by EUR 98.6 million, EUR 101.5 million, EUR 93.3 million and EUR 105.8 million. The general government deficit under the pessimistic scenario would increase to 3.2% of GDP in 2025, 3.2% of GDP in 2026, 3.5% of GDP in 2027, 3.0% of GDP in 2028 and 2.5% of GDP in 2029.

Table O. Impact of the pessimistic scenario on the general government budget, EUR million

	Pessimistic scenario					Deviation from the baseline scenario				
	2025	2026	2027	2028	2029	2025	2026	2027	2028	2029
General government budget balance, % of GDP	-3.2	-3.2	-3.5	-3.0	-2.5	-0.1	-0.3	-0.3	-0.2	-0.2
General government budget balance	-1,345.8	-1,396.8	-1,582.1	-1,436.6	-1,274.7	-25.8	-98.6	-101.5	-93.3	-105.8
Tax revenue	14,373.7	15,017.3	15,676.8	16,317.5	16,885.1	-25.5	-95.7	-98.9	-87.5	-96.4
Non-tax revenue	1,059.4	977.5	961.1	956.2	976.5	-0.3	-2.8	-2.6	-1.9	-2.0
Interest expenditure	455.9	589.0	658.8	754.8	850.5	0.0	0.0	0.0	3.9	7.4
General government debt, % of GDP	49.1	50.0	53.6	53.0	52.4	0.1	0.5	0.8	0.9	1.1

Under the most pessimistic scenario, a decline in tax revenues would increase the general government budget deficit, resulting in a higher overall financing requirement and, consequently, higher borrowing amount over the respective period compared to the baseline scenario. Additional borrowing would lead to higher interest expenditure. Under the pessimistic scenario, interest expenditure would increase and by 2029 interest expenditure would be by EUR 7.4 million higher than under the baseline scenario.

9.2. Optimistic scenario

The optimistic scenario, on the other hand, foresees a faster economic recovery in Latvia's most important export markets, including the euro area, as the world economy avoids wider trade tariff wars. At the same time, an improvement in the geopolitical situation would improve business and consumer confidence in the event of a potential ceasefire, boosting investment activity and private consumption.

Under the optimistic scenario, inflation in the euro area could ease faster and the ECB could decide to cut the base interest rate faster, which would further boost economic growth and stimulate lending. In addition, the energy market situation would remain favourable, the EU would become

more independent from energy imports from politically unstable regions, as well as the coming winter would not be significantly colder than previous ones.

Under the optimistic scenario, GDP at constant prices would grow by 1.5% in 2025 and by 3.0% in 2026, accordingly by 0.3 and 0.9 percentage points higher than under the baseline scenario. Inflation would fall more rapidly in 2025 and 2026, to 2.1% and 1.8% respectively, by 0.4 percentage points lower than under the baseline scenario.

Table P. Optimistic macroeconomic indicator development scenario

	2024	2025	2026	2027	2028	2029
	actual	forecast				
GDP, EUR million	40,208	41,974	44,245	46,516	48,679	50,959
nominal growth, %	2.1	4.4	5.4	5.1	4.6	4.7
real growth, %	-0.4	1.5	3.0	2.4	2.2	2.2
GDP deflator, year-on-year, %	2.6	2.9	2.3	2.7	2.4	2.4
CPI, year-on-year, %	1.3	2.1	1.8	2.5	2.5	2.5
Average monthly gross wage of employees in the economy, EUR	1685	1786	1890	1988	2087	2192
nominal growth, %	9.6	6.0	5.8	5.2	5.0	5.0
real growth, %	8.2	3.8	3.9	2.6	2.4	2.4
Employment, thous. residents, according to the Labour Force Survey	877	876	875	873	869	864
growth, %	-0.8	-0.1	-0.1	-0.2	-0.5	-0.6
Unemployment rate, annual average, % of economically active population	6.9	6.7	6.3	5.7	5.2	5.2

Under the optimistic scenario, in which tax and non-tax revenue increases but interest expenditure to finance public debt decreases, the general government budget balance would improve. Compared to the baseline scenario, the general government deficit under the optimistic scenario would decrease in 2025 by EUR 15.6 million, or 0.04 percentage points of GDP. In 2026, 2027, 2028 and 2029, the general government balance would improve every year by 0.2 percentage points (EUR 75.7 million), 0.3 percentage points (EUR 109.9 million), 0.3 percentage points (EUR 120.9 million) and 0.3 percentage points (EUR 131.2 million) compared to the baseline scenario.

Table R. Impact of the optimistic scenario on the general government budget, EUR million

	Optimistic scenario					Deviation from the baseline scenario				
	2025	2026	2027	2028	2029	2025	2026	2027	2028	2029
General government budget balance, % of GDP	-3.1	-2.8	-2.9	-2.5	-2.0	0.04	0.2	0.3	0.3	0.3
General government budget balance	-1,304.4	-1,222.5	-1,370.7	-1,222.4	-1,037.6	15.6	75.7	109.9	120.9	131.2
Tax revenue	14,414.6	15,187.0	15,880.8	16,517.5	17,100.0	15.4	74.1	105.2	112.5	118.5
Non-tax revenue	1,059.9	982.0	965.7	960.0	980.4	0.2	1.7	2.0	1.9	1.9
Interest expenditure	455.9	589.0	656.1	744.3	832.3	0.0	0.0	-2.7	-6.6	-10.0
General government debt, % of GDP	49.0	49.0	52.0	51.1	50.0	0.0	-0.5	-0.8	-1.1	-1.3

Should the optimistic scenario of the economic development materialise, tax revenue increases would improve the financial balance of the general government budget, leading to a reduction in the overall financing requirement and, consequently, in the amount of borrowing over the relevant period compared to the baseline scenario. Lower borrowings would lead to savings in interest expenditure. Under the optimistic scenario, interest expenditure would decrease and by 2029 interest expenditure would be by EUR 10.0 million lower than under the baseline scenario.

10. GREEN BUDGETING

In accordance with the Guidance to Member States on the Information Requirements for the Medium-Term Fiscal-Structural Plans and for the Annual Progress Reports (C/2024/3975) (Reference 32), the progress report also provides information on progress in implementing “green budgeting”.

“Green budgeting” refers to the use of budgetary policy-making tools to align expenditure and revenue planning with climate and environmental objectives by systematically examining existing and potential fiscal measures and policies, integrating a climate-neutral and environmentally-oriented approach into national budget planning and the fiscal framework¹⁶.

The 2022 survey of the Organisation for Economic Co-operation and Development (hereinafter – the OECD) identifies nine tools used by the OECD countries in “green budgeting”:

1. Carbon pricing instruments;
2. Environmental impact assessment;
3. Green bonds;
4. Green budget tagging;
5. Review of harmful tax expenditure;
6. Environmental Cost and Benefit Analysis;
7. Greening of multi-annual budgets;
8. Green perspective in spending review;
9. Carbon Budgets¹⁷.

“Green budget” tagging is one of the most popular “green budgeting” tools, involving the evaluation and categorisation of budget measures / expenditures according to their impact on green objectives. There is currently no single framework for doing this and each country is developing its own approach and solution. Differences are observed because there may be: (a) different budget frameworks under which “green budgeting” is carried out; (b) different definitions of what is “green”; different national “green” programmes and commitments that may serve as basis for a country-specific definition of “green”; (c) different administrative capacities and political support¹⁸. Any approach should therefore be based on the existing public financial management system of the country and aligned with the strengths and limitations of the existing budgeting process.

The OECD considers that the introduction of “green budget” tagging is likely to be a reform that will require several budget cycles. The first years of “green budget” tagging can be particularly challenging. Moreover, it is in these early years that the effectiveness of the approach is still being tested and improved¹⁹. Although “green budget” tagging does not in itself change existing policies, it provides decision-makers with a clearer understanding of the overall environmental and climate impact of budget spending, thus allowing them to understand the *status quo* of the national budget in relation to the “green” and “brown” budgetary items.

In Latvia, “green budget” tagging will be introduced gradually. In 2024, the basic principles of the methodology were developed and a tagging assessment was carried out for the 2023

¹⁶ Paris Collaborative on Green Budgeting: OECD Green Budgeting Framework. Highlights. Available at: [OECD-Green-Budgeting-Framework-Highlights.pdf](#)

¹⁷ OECD Publications. Insights and context to inform policies and global dialogue. Available at: <https://www.oecd-ilibrary.org/docserver/1bdb9d03-en.pdf?expires=1711723568&id=id&accname=guest&checksum=975119E004AE51F653A29735469AF462>

¹⁸ 2. Implementing green budget tagging | Green Budget Tagging: Introductory Guidance & Principles | OECD iLibrary ([oecd-ilibrary.org](#))

¹⁹ 2. Implementing green budget tagging | Green Budget Tagging: Introductory Guidance & Principles | OECD iLibrary ([oecd-ilibrary.org](#))

expenditures of the MoF, which was included in the Fiscal Risks Declaration²⁰ (hereinafter – the FRD). The basic principles of the methodology state that the Taxonomy Regulation²¹ is used as the basis for tagging the "green budget", which describes activities that significantly contribute to or harm any of the six environmental objectives laid down in the Regulation: (a) climate change mitigation; (b) climate change adaptation; (c) the sustainable use and protection of water and marine resources; (d) the transition to a circular economy; (e) pollution prevention and control; (f) the protection and restoration of biodiversity and ecosystems, and is applied in an adapted version to the classification of expenditure in Latvia's basic budget.

Expenditures are primarily tagged at the level of financing plans (with some exceptions that require a higher level of detail to improve quality) and additional clarifying information is obtained from budgetary implementation documents and through communication with the institutions. After collection of the information, expenditures are classified according to five categories: 'favourable', 'unfavourable', 'mixed', 'neutral' and 'uncertain'.

The methodology is currently being adjusted and adapted to the strengths and limitations of Latvia's public financial management system, extending also the scope of the tagged State basic budget. After approval of the "green budget" tagging methodology, the MoF would make an assessment of the previous year and include it in the Climate Declaration, which would be annexed to the law on the State budget for the current year and the medium term budget framework of the subsequent year.

²⁰ Informative Report "Fiscal Risks Declaration". Available at: <https://www.fm.gov.lv/lv/media/19989/download?attachment>

²¹ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

11. FISCAL RISKS (STATE GUARANTEES, CONTINGENT LIABILITIES)

Data on contingent liabilities and potential obligations of governments are compiled in accordance with Council Directive 2011/85 on requirements for budgetary frameworks of the Member States, as amended by the new Council Directive 2024/1265, which requires Member States to publish relevant information on contingent liabilities with potentially large impact on public budgets, including government guarantees, non-performing loans, and liabilities stemming from the operation of public corporations, including the extent thereof. These liabilities are called ‘contingent’ in the sense that they are only potential, and not actual, in nature, and can only materialise as actual public liabilities under certain conditions.

According to the requirements of the Directive, information on contingent liabilities and potential obligations is available on the MoF website²². Some sources of contingent liabilities of the government are analysed in the FRD.

State and general government guarantees

The range of potential beneficiaries of the **State guarantee** and the objectives, as well as the conditions under which the State guarantee is not provided are laid down in the LBFM. The procedures for the provision and monitoring of State guarantees are laid down in Cabinet Regulation No. 391 of 8 July 2014, “Procedure for including in the annual draft State budget law requests for guarantees to be provided on behalf of the State and the procedure for providing and monitoring guarantees” (hereinafter – Cabinet Regulation No. 391) which prescribes the following:

- the criteria for determining the increased loan repayment risk in cases where the State guarantee is not provided;
- responsibilities for TT, the sectoral ministry and the beneficiary of the guarantee in the process of monitoring State guaranteed liabilities;
- actions in the event of financial deterioration or decrease in the collateral value of the beneficiary of the guarantee (i.e. the possibility to revise the risk interest rate, to request a sworn auditor’s opinion on the financial situation, as well as the right to access information of the beneficiary of the guarantee relating to its economic activity and the use of the State-guaranteed loan) in order to ensure protection of State’s interests.

According to the provisions of Paragraph 40 of Cabinet Regulation No. 391, the Minister for Finance shall, once a year by 1 June, submit to the CoM a report on the quality of the State guarantee portfolio (based on the data from the previous year’s report).

As part of the process of monitoring the State-guaranteed loan portfolio, a report is prepared twice a year for the Minister for Finance on the beneficiaries of the guarantees whose creditworthiness is assessed as ‘weak’ or ‘poor’ according to the internal regulations of TT, with proposals for necessary actions for the protection of State’s interests. Given that the guarantee monitoring process did not identify beneficiaries of State guarantees whose creditworthiness was assessed as ‘weak’ or ‘poor’, no proposals were made to the Minister for Finance during the reporting period on the necessary actions for the protection of State’s interests

The balance of loans guaranteed by the State as at **31 December 2024** totalled EUR 355.1 million and it is by EUR 0.53 million more compared to 31 December 2023. The Law “On the State Budget for 2025 and the Budgetary Framework for 2025, 2026 and 2027” does not foresee new guarantees to be provided on behalf of the State, but stipulates that the State would be

²² Information in Latvian is available at: <https://www.fm.gov.lv/lv/fiskalie-dati> and information in English is available at: <https://www.fm.gov.lv/en/fiscal-data>

liable for guarantees issued by SJSC “Development Finance Institution Altum” in the amount of EUR 260.0 million in accordance with the Law on Agriculture and Rural Development and the Law on Development Finance Institution. Consequently, the balance of loans guaranteed by the State has increased slightly at the end of 2024, but the amount of loans guaranteed by the State relative to GDP remains rather stable.

The lenders, the amount of the guarantee and its ratio against the total State guarantee portfolio are depicted in Table S.

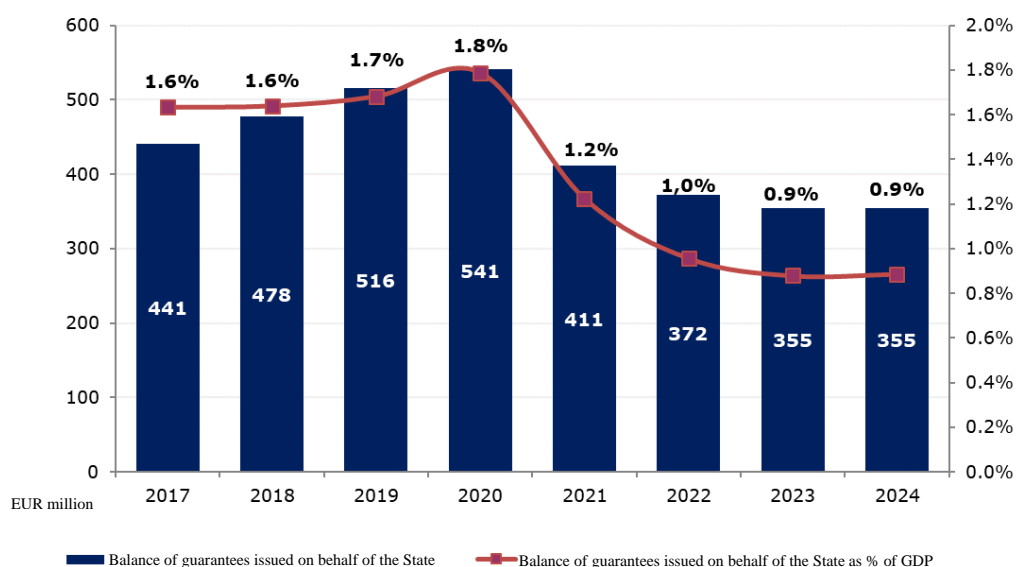


Figure 11.1. Balance of guarantees issued on behalf of the State at the end of the year (EUR million)

Table S. State guarantee amounts as at 31 December 2024

Target (Lender)	Guarantee amount, EUR	Guarantee volume against total State guarantee portfolio, %
Agricultural and rural development credit guarantees (various credit institutions)	239,350,528	67.4%
European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE) following the COVID-19 outbreak for EU Member States 3 (EC)	57,070,750	16.1%
Crediting of studies and students (various credit institutions)	29,922,721	8.4%
Public Expenditures for Administrative Capacity Endurance in Ukraine (World Bank (IBRD))	10,000,000	2.8%
SJSC “State Real Estate” (JSC “Swedbank”)	8,082,031	2.3%
Emergency macro-financial assistance to Ukraine (EC)	8,095,766	2.3%
SJSC “Development Finance Institution Altum” (EIB)	1,505,325	0.4%
Latvian Olympic Committee (JSC “Swedbank”)	1,086,642	0.3%

The guarantees for the International Bank for Reconstruction and Development (within the World Bank Group) and EC support to Ukraine were issued by the Republic of Latvia (hereinafter – the RoL) in 2022.

The State guarantee agreement with the International Bank for Reconstruction and Development (within the World Bank Group) for a loan to Ukraine of EUR 10.0 million plus interest under the Public Expenditures for Administrative Capacity Endurance in Ukraine Project was signed on 11 July 2022 in accordance with Section 8.² of the Law on Assistance to Ukrainian Civilians. The loan has a final maturity date of 15 August 2040.

On 1 December 2022, the RoL signed a guarantee agreement with the EC, based on the decision on emergency macro-financial assistance to Ukraine, which provides for the guarantee of the principal amount of the loan by the RoL until 31 December 2058 in the total amount of EUR 8.1 million.

International rating agencies Fitch, R&I, Moody's Investors Service have graded Ukraine's credit rating at a level indicating significant future default risks. At the same time, it should be noted that on 31 August 2024 the international rating agency S&P Global Ratings graded Ukraine's credit rating as CCC+/C 'Selected Default' and on 6 December 2024 the international rating agency Fitch Ratings graded Ukraine's credit rating as CC/CCC- 'Restricted Default' on the long-term borrowing outlook, indicating a near-default situation due to the ongoing war, therefore this risk is reassessed every year with a strict view to events in the coming years. **Provisions have been set aside for State guarantees in support of Ukraine.**

State guarantees are also analysed within the scope of the **general management of fiscal risks** mechanism which includes a set of procedures providing for annual fiscal risk identification, probability of setting in thereof and fiscal impact assessment, as well as development of measures necessary for the fiscal risk rectification or reduction.

State guarantees are contingent liabilities arising from legislation or contracts, according to the classification of fiscal risk sources. The fiscal risk of State (sovereign) guarantees is the impact of uncertainty on the ability of the beneficiaries of loans guaranteed by the State to settle their liabilities on time and in full amount, which may result in the State being obliged to settle the liabilities towards the relevant lender instead of the beneficiary of the guarantee.

According to Cabinet Regulation No. 229 of 29 April 2014, Regulations Regarding the General Management of Fiscal Risks and Methodology for Determining the Amount of Fiscal Security Reserve, (hereinafter – Cabinet Regulation No. 229), the fiscal impact of the guarantee risk is calculated in each year as the total amount of payments planned for each State-guaranteed loan to institutions classified outside the general government sector in the relevant year according to the loan agreement schedule.

The Fiscal Security Reserve is the quantitative result of the general management of fiscal risks and, for State guarantees, the Fiscal Security Reserve is calculated by multiplying the fiscal impact values of the guarantee risks by the probabilities of occurrence of the guarantee risks.

According to TT assessment, the calculated fiscal impact of the guarantee risk was EUR 0.43 million in 2025, EUR 0.67 million in 2026, EUR 0.91 million in 2027 and EUR 0.89 million in 2028. Taking into account the methodology for calculating the Fiscal Security Reserve laid down in CoM Regulation No. 229, the **Fiscal Security Reserve for State guarantees** is calculated at 0.001% in 2025, 0.0015% in 2026, 0.002% in 2027 and 0.0019% in 2028 of GDP and it forms part of the Fiscal Security Reserve for 2025, 2026 and 2027 **specified** in Section 13 of the Law "On the State Budget for 2025 and the Budgetary Framework for 2025, 2026 and 2027" which is 0.1 per cent of GDP every year.

Another form of State support to public and private commercial companies to mitigate the effects of crises in Latvia, Europe and globally is through financial instruments, including general government sector guarantees granted to entities classified outside the general government sector.

The impact on public finances in this case may arise if the beneficiary of the guarantee is unable to settle its credit liabilities and they must be taken over by the general government sector.

An additional risk may also arise if the originally estimated losses on guarantees accounted for as general government expenditure materialise to a greater extent.

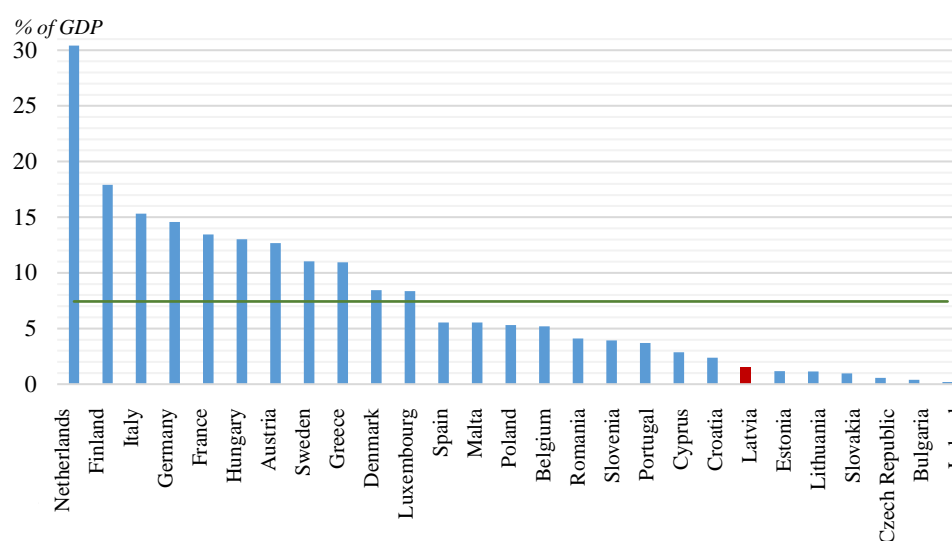


Figure 11.2. Amount of the general government sector guarantees in 2023, % of GDP

(provided to institutions classified outside the general government sector and excludes those already recognised as general government debt according to the ESA methodology). Source: Eurostat

The value of general government guarantees in 2023 expressed as % of GDP in the EU Member States is presented in Figure 11.2 and the average guarantee amount was 7.4% of GDP. It can be clearly concluded from Eurostat data that, among EU Member States, the level of guarantees issued by the Latvian general government sector is low (despite the support provided to mitigate the impact of COVID-19) and this trend has been observed over a long period of time, as shown in Figure 11.3. In the period from 2013 and 2023, the amount of general government sector guarantees averaged 1.5% of GDP.

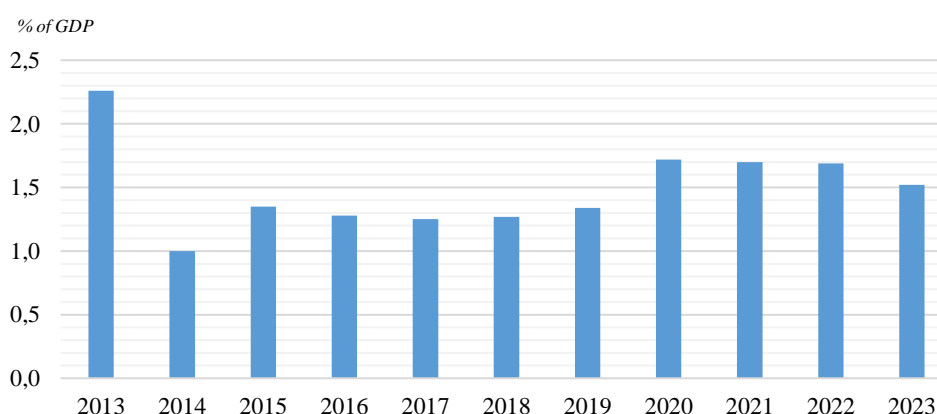


Figure 11.3. Amount of the general government sector guarantees from 2013 to 2023, % of GDP

(provided to institutions classified outside the general government sector and excludes those already recognised as general government debt according to the ESA methodology). Source: MoF

Other contingent liabilities

Public corporations not classified in general government (S.13) sector

The MoF collects data on contingent liabilities under Council Directive 2011/85/EU, including general government sector involvement in public sector corporations (Figure 11.4).

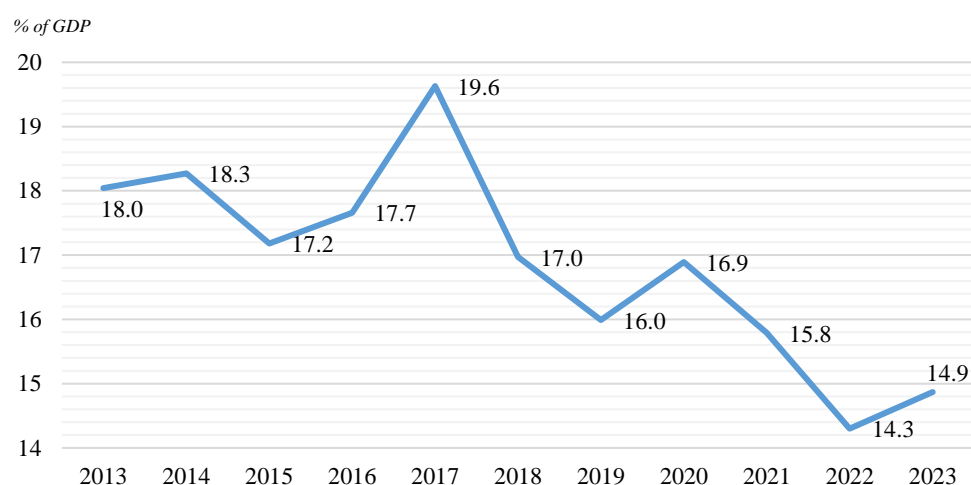


Figure 11.4. Value of general government equity holdings in public sector corporations 2013–2023, % of GDP. Source: MoF

It may be concluded from the gathered data that the general government sector involvement in public sector corporations shows a somewhat fluctuating trend over time, but with a downward trend, the fluctuation band is within certain limits and shows no significant increase in risk and there are no grounds to consider that the risk would increase significantly in the medium term.

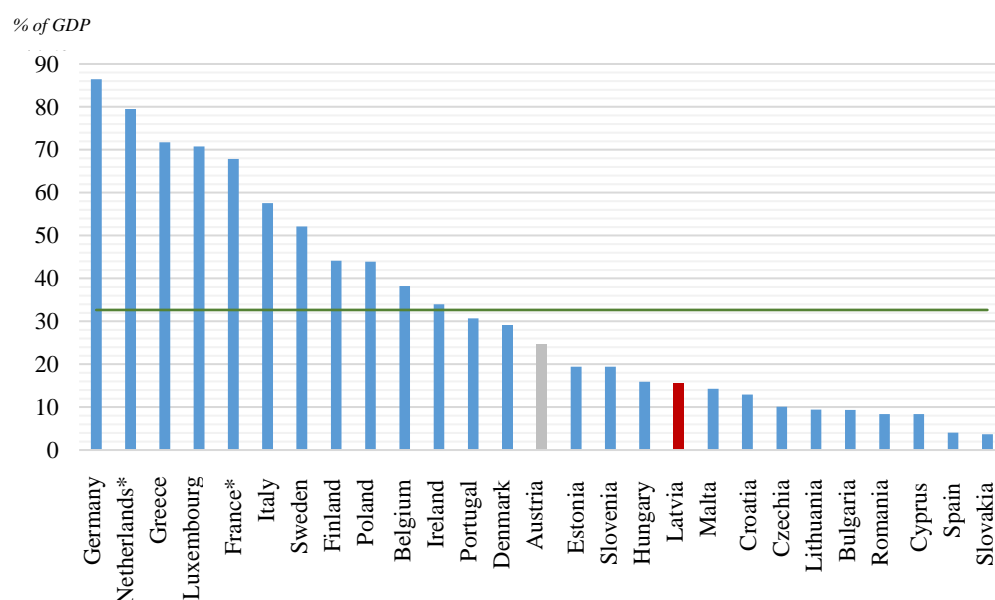


Figure 11.5. Total liabilities of general government controlled public corporations (outside S.13) in 2023 (* - in 2022), % of GDP. Source: Eurostat

Eurostat data on the total liabilities of general government controlled public corporations (outside S.13) are used for cross-country comparisons, which could even more accurately reflect the potential magnitude of the impact in cases where the government would have to assume the liabilities of the corporations. As shown in Figure 11.5, Latvia is below the median (grey shaded column in Figure 11.5, corresponding to Austria) and the average (green line in Figure 11.5, 32.7% of GDP) of EU Member States when measuring the size of liabilities of these corporations. At the

same time, it should be noted that the total liabilities of general government controlled public corporations (outside S.13) have been relatively stable in Latvia over a prolonged period, as shown in Figure 11.6, averaging 21.2% of GDP over the ten-year period.

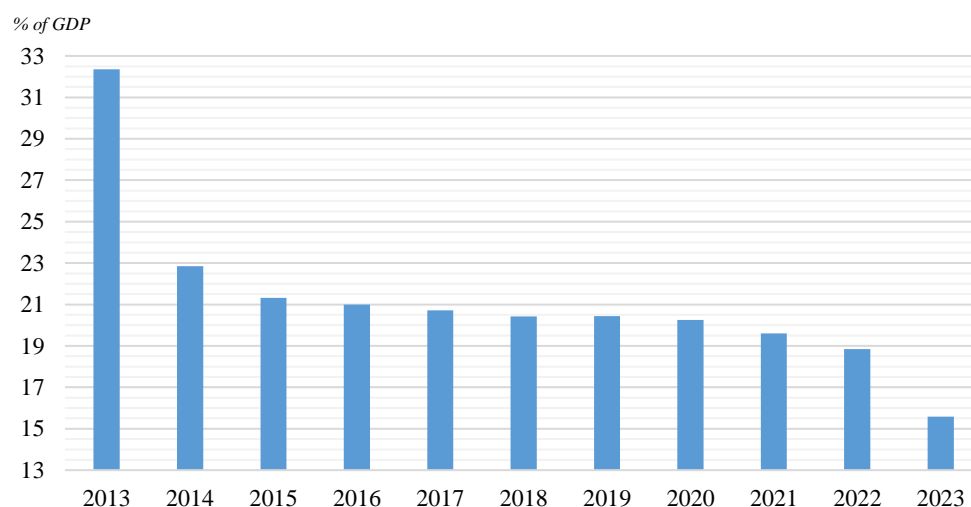


Figure 11.6. Total liabilities of general government controlled public corporations (outside S.13) from 2013 to 2023, % of GDP. Source: MoF

12. REFORMS AND INVESTMENTS

The table annexed to the Progress Report (Annex “Table 9. Progress in the implementation of reforms and investments”) summarises information on the implementation progress of the FSP structural part, i.e. measures, reforms and investments that are being implemented to meet the country-specific recommendations of the EU Council for Latvia for the period of 2019–2024 and common EU priorities. The table provides detailed information on all measures, reforms and investments, as well as how they relate, where relevant, to the EU multiannual budget for 2021–2027, Latvia’s RRF plan, the European Pillar of Social Rights and the UN Sustainable Development Goals (SDG).

Information is also submitted to the CESAR and FENIX platforms within the deadlines specified by the EC, but for reasons of expediency the summary reports extracted from these platforms are not included in the Progress Report in order not to duplicate the information contained in the Annex. Progress reports on the RF submitted to the FENIX platform are publicly available at:

- <https://www.esfondi.lv/profesionaliem/ieviesana/zinojumi/progres-a-zinojumi-par-atveselosanas-fondu>.

Minister for Finance

A. Ašeradens

Krauze-Tola
klinta.krauze@fm.gov.lv

ANNEX.

TABLE 9. PROGRESS WITH REFORMS AND INVESTMENTS

Policy Area - Tax Policy	
Title of the measure (incl. reforms/investments)	Reducing the tax burden on low income earners
Goal (what should be achieved by the measure?)	Increasing disposable income for low and middle income earners
Key steps for implementing the measure	<p>Changes approved by the CoM:</p> <ul style="list-style-type: none"> - Replacing the differential non-taxable minimum with a single (fixed) non-taxable minimum applicable for all employees, regardless of gross income, by setting it at 510 EUR per month from 2025, and further raising the non-taxable minimum to 550 EUR per month from 2026 and to 570 EUR per month from 2027. - From 2025, setting a 25.5% PIT rate for annual income of up to 105,300 EUR and 33% on the part of annual income exceeding 105,300 EUR that is actually collected through the solidarity tax. - Raising the pensioner's non-taxable minimum from 500 to 1,000 EUR per month from 2025. - Annual increase in the minimum monthly wage.
Implementation time	2025-2027
Responsible/co-responsible institution	MoF
RRF/MFF	-
CSR	2019(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Fair working conditions
UN SDG	1 Poverty alleviated; 8 Decent work and economic growth; 10 Reduced inequality
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2024 (what was done in 2024?)	<p>The aforementioned tax policy change measures were approved by the Saeima in 2024.</p> <p>In accordance with amendments to the Law "On Personal Income Tax", from 1 January 2025:</p> <ul style="list-style-type: none"> • differentiated non-taxable minimum is replaced by a single (fixed) non-taxable minimum, which is applied to all employees regardless of the amount of gross income (non-taxable minimum in 2025 is 510 euro per month, in 2026 - 550 euro per month, from 2027 - 570 euro per month); • pensioner's non-taxable minimum has been increased from 6000 euro per year (500 euro per month) to 12 000 euro per year (1000 euro per month); • two-step progressive personal income tax rates have been introduced – 25,5% for the share of income which does not exceed 105 300 euro per year, and 33% for the share of income which exceeds this threshold. <p>The minimum monthly wage has been increased: in 2025 - 740 euros per month, in 2026 - 780 euros per month, in 2027 - 820 euros per month.</p>
Title of the measure (incl. reforms/investments)	Shifting the tax burden towards capital and property taxes

Goal (what should be achieved by the measure?)	Reducing the tax burden on labour force by shifting it to other sources that are less harmful to growth
Key steps for implementing the measure	<p>Changes approved by the CoM:</p> <ul style="list-style-type: none"> - From 2025, introduction of an additional 3% PIT rate for income (PIT taxable income earned in the year of taxation (including income from capital gain and income from capital other than capital gain) and PIT exempt dividends and liquidation quota) above 200,000 EUR per year when declaring income. - From 2025 - increase in ED rates on fuel, natural gas, petroleum gases, non-alcoholic beverages with a sugar content of up to 8 g (excluded) per 100 ml, alcoholic beverages, tobacco products, heated tobacco, tobacco leaves, liquids used in electronic smoking devices and tobacco substitute products, abolition of ED exemption on oil products used in electricity generation and cogeneration. - From 2025 - increase in vehicle operation tax, CCT, lottery tax, gambling fee for re-registering a gambling organisation license, and NRT. - From 2025, aligning the PIT rates for other income (not subject to progressive PIT rates) from 20% to 25.5% (including income from capital, capital gain, dividends, which were already subject to PIT); - From 2027 - increase in gambling tax rates.
Implementation time	2025-2027
Responsible/co-responsible institution	MoF
RRF/MFF	-
CSR	2019(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2024 (what was done in 2024?)	<p>In accordance with amendments to the Law "On Personal Income Tax", from 1 January 2025:</p> <ul style="list-style-type: none"> • an additional personal income tax rate of 3% has been introduced, which will be applied to income over 200 000 euro per year. This additional rate will be applied on a summary basis when submitting an annual income tax return; • equalized personal income tax rates for income to which progressive personal income tax rates do not apply, also increased applicable personal income tax rate for income from capital and capital gains from 20% to 25,5%. <p>In accordance with amendments to the Law "On Lotteries and Gambling Fee and Tax":</p> <ul style="list-style-type: none"> • as of 1 January 2025, the lottery tax rates and the gambling fee rate for the re-registration of a gambling licence for organisation have been increased; • as of 1 January 2027, the gambling tax rates have been increased. <p>In addition, from 2025 to 2027, it is planned to introduce solidarity contributions for credit institutions and branches of credit institutions from other countries in Latvia.</p> <p>On 4 December 2024, the Saeima adopted amendments to the Law on Excise Duties, which provides for an increase of excise duty on motor fuels and heating fuels, taking into account the CO₂ component, non-alcoholic beverages with sugar content from 8 g/100 ml, as well as the abolition of the exemption of excise duty on petroleum products used in electricity production and cogeneration. Amendments to the Law on Vehicle Operation Tax and Company Car Tax have been adopted, which provides for an average increase of 10% in the vehicle operation tax rates. The amendments entered into force on 1 January 2025.</p>

Title of the measure (incl. reforms/investments)	Improving tax payment and compliance (Development of digital services enhancing cross-border tax cooperation)
Goal (what should be achieved by the measure?)	Ensure technical upgrading of the international data exchange modules to enable the processing and exchange of data with EU Member States for the enforcement of EU laws and regulations.
Key steps for implementing the measure	Upgrades are planned with regard to: EU data production system; a module for processing VAT refund applications and decisions and exchanging data with other EU Member States; and a module for exchanging data on the registration of persons involved in the movement of excise goods, together forming the EU Tax Data Exchange Information System.
Implementation time	2022 - Q3 2026
Responsible/co-responsible institution	MoF/SRS
RRF/MFF	RRF
CSR	2019(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	2.1.1.r./2.1.1.1.i.
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	In 2024, technical development of all modules and systems specified in the project has been performed in accordance with the project time and financial flow plan. 2 intermediate reports for a total amount of EUR 567 654,56 have been submitted and approved. The Project supervision board (PSB) has been established and 2 meetings have been held in 2024. PSB consists of representatives of the State revenue service management level, the Ministry of Smart Administration and Regional Development and the Ministry of Finance. No significant risks have been identified. Technical development activities are planned to be completed by the end of 2025, thus leaving reserves for possible rescheduling.
Title of the measure (incl. reforms/investments)	Improving tax payment and compliance (digitisation of circulation of financial documents through the creation of a centralised financial document exchange hub)
Goal (what should be achieved by the measure?)	Implement introduction of the electronic circulation system of supporting documents (e-invoices) in Latvia to determine the use of e-invoices in the B2B (Business to Business) segment in structured electronic form a mandatory requirement.
Key steps for implementing the measure	The plans include establishment of: centrally managed sectoral datasets; centralised functions and shared services; modernised ICT solutions for governance processes.
Implementation time	2023 - Q3 2026
Responsible/co-responsible institution	MoF/SRS
RRF/MFF	RRF
CSR	2019(1)

Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	2.1.1.r./2.1.1.1.i.
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	In 2024, the business requirements for the e-invoice technical solution were defined, and the necessary documentation was prepared for the approval of the RRF project submission. On December 27, 2024, a tripartite agreement was signed between the Ministry of Smart Administration and Regional Development (VARAM), the State Revenue Service (VID), and the Ministry of Finance (MoF) regarding the implementation of the EU RRF investment 2.1.1.1.i.project "Digitization of financial document circulation by creating a centralized financial document exchange platform" (Project No. 2.1.1.1.i.0/1/24/I/VARAM/011). Development and testing of the first phase of the e-invoice technical solution were completed in accordance with the project plan, with no significant deviations identified from the project implementation schedule. Project activities will continue in 2025 in accordance with the project plan.
Title of the measure (incl. reforms/investments)	Improving tax payment and compliance (Tax Service Automation Round 2)
Goal (what should be achieved by the measure?)	Reduce the administrative burden on businesses and other recipients of SRS tax services by digitising and simplifying services, ensuring faster execution of processes and decision-making, making more complete and better quality data available to service recipients, facilitating stable data flows between institutions and promoting a modern, customer-oriented and open public administration.
Key steps for implementing the measure	It is planned to make changes to the SRS information systems to simplify the submission of tax returns, ensure faster processing of data and refund of tax overpayments, and introduce automated solutions to facilitate tax payment.
Implementation time	2025 - 2028
Responsible/co-responsible institution	MoF/SRS
RRF/MFF	MFF
CSR	2019(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	It is planned to start the project in 2025. At the moment, a description of the target-architecture of the tax and customs domain is under development after approval of which the project will be launched. Approval is scheduled to be completed by mid-2025.
Title of the measure (incl. reforms/investments)	Improving tax payment and compliance (development of the SRS customer self-service environment)

Goal (what should be achieved by the measure?)	Develop a convenient self-service environment for SRS customers by creating mutually integrated, customer-oriented and data-driven SRS processes to create a productive working environment for the receipt and delivery of digital services and to ensure a seamless and personalised cooperation with the customer in a multi-channel, customer value-oriented mode.
Key steps for implementing the measure	The plan is to create a single digital service ecosystem as a complementary self-service platform supported by intelligent services, automation and data analytics solutions.
Implementation time	2025 - 2028
Responsible/co-responsible institution	MoF/SRS
RRF/MFF	MFF
CSR	2019(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	It is planned to start the project in 2025. At the moment, a description of the target-architecture of the tax and customs domain is under development after approval of which the project will be launched. Approval is scheduled to be completed by mid-2025.
Title of the measure (incl. reforms/investments)	Improving tax payment and compliance (Development of digital services enhancing cross-border tax cooperation, Round 2)
Goal (what should be achieved by the measure?)	Continue the technical upgrading of the information systems identified by the analysis to be upgraded, ensuring a technologically and economically sound, efficient architecture to enable the processing and exchange of data with EU Member States for the execution of EU laws and regulations.
Key steps for implementing the measure	Technical upgrading of information systems is planned.
Implementation time	2025 - 2028
Responsible/co-responsible institution	MoF/SRS
RRF/MFF	MFF
CSR	2019(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	The project will be planned only after the completion of the project “Development of digital services promoting cross-border tax cooperation” (Nr. 2.1.1.1.i.0/1/23/I/VARAM/001), i.e. the end of 2026.
Title of the measure (incl. reforms/investments)	Improving tax payment and compliance (E-customs (Round 3))
Goal (what should be achieved by the measure?)	1 Ensure the participation of Latvian businesses in EU external trade by reducing administrative burden and increasing the competitiveness of EU traders in the common market; 2 Improve the efficiency of existing customs processes and procedures, thus speeding up and simplifying dealing with customs formalities for traders.
Key steps for implementing the measure	The plan is to create a Single Window environment for customs at EU level, thereby reducing the disparity between customs and non-customs formalities, which creates complex and burdensome obligations and additional costs for businesses.
Implementation time	2025 - 2028
Responsible/co-responsible institution	MoF/SRS
RRF/MFF	MFF
CSR	2019(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Drafting of the customs target architecture has been started.
Title of the measure (incl. reforms/investments)	Improving tax payment and compliance (Modernising the Annual Income Declaration)
Goal (what should be achieved by the measure?)	Implement migration of the AID (Annual Income Declaration) functionality to the Payment Administration Information System and related information systems (Data Warehouse System and EDS) and build a new, modernised risk-based AID analysis system, ensuring that the AID acceptance and processing processes are performed in modern and data security compliant information systems and with a higher degree of automation and efficiency.
Key steps for implementing the measure	Modernise the AID acceptance and processing process, thus ensuring a superior usability service for taxpayers in the EDS where AIDs are submitted and automated AID processing in the Payment Administration Information System and making the calculation of the amount of the PIT more efficient using the SAP HANA solution which is at the disposal of the SRS. The modernisation provides a new approach to AID processing based on data localisation principles. The modernisation will harmonise the set of ICT solutions involved in the AID acceptance and processing process, reducing systemic barriers to simpler, more transparent tax administration and strengthening the ability to adapt to legislative changes. At the same time, continuity of processes will be ensured without increasing the administrative burden for taxpayers or the SRS.

Implementation time	2023 - Q3 2027
Responsible/co-responsible institution	MoF/SRS
RRF/MFF	-
CSR	2019(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>The implementation of the Annual Income Tax Return modernization project (hereinafter referred to as the "project") has been initiated. In relation to the project, 5 acceptance deed documents for software development works have been signed to date:</p> <p>Development of the HANA database data loading solution;</p> <p>Development of the parallel operation for Annual Income Tax return data loading (from Tax Information System (NIS) and HANA database);</p> <p>Development of the HANA database risk management solution;</p> <p>Development of Annual Income Tax return creation solution for automatic surcharge and refund in the HANA database and Electronic Declaration System ;</p> <p>Phase 1 of creation of 9 necessary Annual Income Tax return data sources in Data Warehouse System.</p> <p>In 2024, work continued on detailing the business requirements , software development, and testing in both test and production environments. No significant deviations from the project schedule were identified during the execution phase. These activities will continue in 2025 according to the project plan.</p>
Title of the measure (incl. reforms/investments)	Improving tax payment and compliance (improving SRS analytical solutions for data-driven decision-making)
Goal (what should be achieved by the measure?)	Integrating new analysis objects into a single analytics solution by connecting new data sources to provide comprehensive information on the tax payment and customs clearance processes to further digitise these processes and improve efficiency.
Key steps for implementing the measure	It is planned to provide support the tax compliance processes, to check the quality of the inter-transaction information with maximum information recognition and linking to the taxpayer, functional extensions of the implemented solutions based on new data sources or on the analysis of existing data in other data cross-sections.
Implementation time	2024 - 2028
Responsible/co-responsible institution	MoF/SRS
RRF/MFF	-
CSR	2019(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-

RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The project has not been started in 2024. The project is planned to start in the first half of 2025.
Policy Area - Social Protection and Security	
Title of the measure (incl. reforms/investments)	Improving minimum income
Goal (what should be achieved by the measure?)	Increasing the adequacy of social protection by reducing the share of persons below threshold of income of poor household to 11% in 2027
Key steps for implementing the measure	Raise the minimum income threshold from 20% to 22%, with a corresponding increase in the amounts of the related benefits and remunerations
Implementation time	Amendments to laws and regulations - in 2024, implementation from 1 January 2025, open-ended measure
Responsible/co-responsible institution	MoW
RRF/MFF	RRF (Reference point for receiving RRF funding)
CSR	2019(2); 2020(2); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	1 Poverty alleviated
RRF reform/ investment No.	3.1.2.r. Access to social and employment services to support minimum income reform
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>In 2024 and 2025, an annual revision of the minimum income thresholds was carried out according to the latest data of the Central Statistics Bureau on the median minimum income per one equivalent consumer per month (hereinafter - the median income). In January, the following were increased:</p> <ul style="list-style-type: none"> • state social security benefit and minimum disability pension for people with disabilities; • the calculation base of the minimum old-age pension; • minimum support for children and young people receiving survivor's pensions; • minimum benefits for young people in out-of-family care, to support them in starting an independent life; • the guaranteed minimum income threshold, as well as the amount of the income threshold of a needy and low-income household. <p>Along with the annual revision of the minimum income thresholds, from January 1, 2025, the lowest minimum income threshold was increased from 20% to 22% of the median income.</p> <p>The revision of minimum income thresholds affects an average of 100,000 people.</p>

Title of the measure (incl. reforms/investments)	Support for pensioners
Goal (what should be achieved by the measure?)	Increasing the adequacy of social protection by reducing the poverty risk index for people aged 65 and over to 40% in 2027
Key steps for implementing the measure	Gradual granting of supplementary payments for insurance period accumulated up to 31 December 1995. Renewal of the supplementary payment is based on the years of granting of pension. In 2024, they were granted to people who retired in 2012, 2013 and 2014 (in the amount of 1.52 EUR for each year). In 2025, the supplementary payment will be granted to people who retired in 2015, 2016 and 2017; in 2026 - to people who retired in 2018, 2019 and 2020; in 2027 - to people who retired in 2021, 2022 and 2023; in 2028 - to people who will retire in 2024, 2025 and 2026; in 2029 - to people who will retire in 2027, 2028 and 2029. From 2029, a supplementary payment will be granted at the same time as the pension. The amount of the supplementary payment is indexed annually, similarly as pensions.
Implementation time	From 1 January 2024, open-ended measure
Responsible/co-responsible institution	MoW
RRF/MFF	-
CSR	2019(2); 2020(2); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	1 Poverty alleviated
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	In 2024 supplements to old age and disability pensions for insurance years accumulated up to December 31, 1995, were granted to those who retired in 2012., 2013., 2014. In 2025 supplements are granted to those who retired in 2015., 2016., 2017. It affected approximately 38 thousand people in 2024, 87 thousand persons in 2025.
Title of the measure (incl. reforms/investments)	Support for pensioners
Goal (what should be achieved by the measure?)	Improving the pension indexation mechanism by reducing the poverty risk index for persons aged 65 and over to 40% in 2027
Key steps for implementing the measure	1) Increase in the indexable part (limit) of pensions from 50% of the nationwide average wage subject to insurance contributions to 100% of the average wage subject to insurance contributions. 2) Indexation of the full amount of pension for persons who have been granted an old-age pension before reaching the general retirement age because of the care and upbringing of a disabled child or because of the care and upbringing of five or more children, regardless of the amount of the pension.
Implementation time	From 1 January 2025, open-ended measure

Responsible/co-responsible institution	MoW
RRF/MFF	-
CSR	2019(2); 2020(2); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	1 Poverty alleviated
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	This measure's implementation will start in 2025.
Title of the measure (incl. reforms/investments)	Support for pensioners
Goal (what should be achieved by the measure?)	Provision of long-term care services to 16% of adults receiving family-like services in a municipal long-term social care institution, % of the total number of adults in long-term social care institutions in municipalities, in 2027
Key steps for implementing the measure	Construction of buildings and provision of new places for receipt of family-like long-term care service for 408 persons of pension age.
Implementation time	2024 - 30 June 2026
Responsible/co-responsible institution	MoW/ municipalities/ social service providers
RRF/MFF	RRF
CSR	2019(2); 2020(2); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	1 Poverty alleviated
RRF reform/ investment No.	3.1.2.3.i. Investment "Sustainability and continuity of long-term social care services"
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Despite some delay in the investment implementation (an additional selection was announced, adding to beneficiaries social service providers), the overall planned timeframe for the investment implementation will not be affected. In total, 9 contracts on project implementation have been concluded, which plan to create long-term care services close to the family environment for 408 people of retirement age.
Title of the measure (incl. reforms/investments)	Support for people with disabilities
Goal (what should be achieved by the measure?)	Improving material support for people with disabilities

Key steps for implementing the measure	For review of financial support to mitigate the effects of disability: 1) increase in the supplementary payment to the family state allowance for a child with a disability; 2) increase in the special care allowance for adults with disabilities since childhood.
Implementation time	From 1 January 2024, open-ended measure
Responsible/co-responsible institution	MoW
RRF/MFF	-
CSR	2019(2); 2020(2); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	1 Poverty alleviated
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	As of January 2024: 1) the supplement to the family state benefit for a child with a disability has been increased from 106.72 to 160 EUR per month. The number of beneficiaries - 8.5 thousand per month on average; 2) the benefit for a person with a disability whose disability is caused by an illness from childhood and who requires care has been increased from 313.43 to 413.43 EUR per month. The number of beneficiaries - 2.6 thousand per month on average.
Title of the measure (incl. reforms/investments)	Support for people with disabilities
Goal (what should be achieved by the measure?)	Measures for accessibility to state and municipal buildings (63 buildings)
Key steps for implementing the measure	Within the framework of the RRF 3.1.2.1.i Round 1 investments (CoM Regulation No. 582 of 20.09.2023), by 31 March 2022 - selection of the state and municipal buildings to be subject to environmental adaptations; - by 30 June 2024 - award of contracts to provide access to public spaces in state and municipal buildings; - by 30 June 2026 - completion of construction to provide access to public spaces in 63 state and municipal buildings.
Implementation time	2022-2026 1st half-year
Responsible/co-responsible institution	MoW
RRF/MFF	RRF
CSR	
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	9 Manufacturing, innovations and infrastructure; 10 Reduced inequality

RRF reform/ investment No.	3.1.2.1.i. Investment “Measures to promote accessibility of public services and employment for persons with disabilities”
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Although the signing of contracts has been delayed, this does not affect the overall planned timeframe for the implementation of the investment. To date, the implementation of the projects has been completed, within the framework of which access to 6 buildings has been ensured.
Title of the measure (incl. reforms/investments)	Development of professional and modern social work
Goal (what should be achieved by the measure?)	Increase public trust in social services
Key steps for implementing the measure	CoM Regulation No. 751 of 12.12.2023: 1) Development of professional competence, including the development and implementation of professional further education programmes and professional development education programmes, development and implementation of higher education programmes, as well as the provision of supervision, development of methodologies for working with various client groups, as well as the development and implementation of training programmes for mastering these methodologies; 2) Implementation of information and education activities and public awareness and information raising actions; 3) Assessment of the effectiveness of the work of social area specialists in municipal institutions, including public trust in municipal social services, working conditions of social workers, remuneration system and social work practices, as well as ex-post assessment of the results of the Action 4.3.5.4 and the current needs and challenges of social service clients for the further development of social work
Implementation time	1 September 2022 - 31 December 2029
Responsible/co-responsible institution	MoW
RRF/MFF	MFF
CSR	2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Fair working conditions; Social protection and inclusion
UN SDG	4 Quality education; 8 Decent work and economic growth;
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>2036 specialists have improved their professional competence (66%);</p> <ul style="list-style-type: none"> - summer schools, think tanks and workshops have been organized (2 summer schools “Communication with the media and policymakers” and “Social work with young people: reaching and protecting”, workshop “Digitalization in social work practice: working with data and artificial intelligence”, think tank “Definition of homelessness”, workshop “Social work with seniors: professional competence through understanding and patience”); -several informative events has organized (annual social work conference “Changes in social work: community, crises, opportunities” and interdisciplinary thematic discussion “Social work at school”, interdisciplinary thematic discussion-seminar “Social and health aspects of work with seniors”); - 3 publications “Social work in Latvia” developed; -an agreement has been signed with the University of Latvia for the creation, licensing and organization of 3 professional development education programs (the program “Social Work in the Community” has been developed, licensed and the first group of training has begun; the program “Social Work for Families with Children” has been developed (the first group of training has begun); the program “Social Work with Youth” has been developed (the first group of training has begun)); -organized procurement and concluded an agreement for the development and training of the methodology “Social Work for Families with Children” (the first and second training groups have begun training); - developed and licensed the professional development educational program “Carers Ergonomics” and training has begun. In 2024, 137 carers received state-recognized certificates of training; - conducted procurement and concluded an agreement for the training of the methodology “Social Work with Seniors”; -a professional development education program “Carers Professional Ethics, Interaction and Communication” has been developed and licensed, and training has been organized for carers in all planning regions, 8 training groups have started and completed training (154 carers); - work on compensation for supervision services to municipalities has continued; - a conducted study "Development of a methodology and monitoring of public trust in municipal social services" presented to social services and other industry professionals in July 2024. Available https://ppdb.mk.gov.lv/datubaze/sabiedribas-uzticesanas-pasvaldibu-socialajiem-dienestiem-2024-gads/-veikts
Title of the measure (incl. reforms/investments)	Support for a child in out-of-family care after reaching the age of majority
Goal (what should be achieved by the measure?)	Provide targeted municipal and state support and services that make the transition to independent living more gentle, guarantee the presence of a contiguous, safe and supportive adult and provide additional support to accept and adapt to the new situation
Key steps for implementing the measure	<p>1) Assessment of the needs and resources of an orphan and a child left without parental care after the end of out-of-family care and an adoptee whose adoption has been annulled by a court decision and granting of support action(s):</p> <ul style="list-style-type: none"> a) social mentoring service; b) support groups for the acquisition of various social and practical skills necessary to start independent life; c) financial literacy allowance.
Implementation time	4 May 2024, open-ended action
Responsible/co-responsible institution	MoW
RRF/MFF	-
CSR	2020(2); 2021(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights

European Pillar of Social Rights	Social protection and inclusion
UN SDG	1 Poverty alleviated; 10 Reduced inequality
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>Support measures for orphans and children left without parental care after reaching the legal age has been introduced, including social mentor services for up to three hours a week for learning socialization and independence skills, a benefit for learning financial literacy, and support groups for learning various social skills and abilities once a month (Cabinet of Ministers Regulations No. 275 of 30.04.2024 "Amendments to Cabinet of Ministers Regulations No. 857 of 15 November 2005 "Regulations on social guarantees for orphans and children left without parental care who are in out-of-family care, as well as after the end of out-of-family care"").</p> <p>On 21.01.2025, amendments to the Law on Social Services and Social Assistance came into force, which envisage for local governments from 01.01.2026. to provide social mentoring services to children in foster care, specialized foster care and guardianship who have reached the age of 16.</p>
Title of the measure (incl. reforms/investments)	Implementation of the minimum basket of social services
Goal (what should be achieved by the measure?)	To ensure a unified basket of social services that all municipalities, regardless of the size of the municipality and the number of people (both counties and cities in the country), must provide to their residents.
Key steps for implementing the measure	<p>The local government shall mandatorily provide the following social services to the following groups of persons:</p> <ol style="list-style-type: none"> 1) home care services – for persons with severe functional impairments; 2) crisis centre services – for persons in a crisis situation; 3) group home (apartment) services – for persons with mental disorders; 4) long-term social care and social rehabilitation services in an institution – for adult persons with severe functional impairments, as well as for orphans and children left without parental care until the child can return to the parental family, or, if this is not possible, until guardianship is established for the child, the child is placed in a foster family or is placed for adoption; 5) shelter or night shelter services – for persons without a fixed place of residence and persons in a crisis situation; 6) day care centre services – for persons with severe functional impairments; 7) respite service – for children with disabilities who have an opinion of the State Commission of Medical Experts on Health and Working Capacity on the need for special care, for persons with Group I disabilities and persons with mental disorders with Group I or II disabilities; 8) specialized workshop service – for persons with mental disorders; 9) family assistant service – for families with children, persons with mental disorders, an orphan who has reached the age of majority and a child left without parental care after the end of out-of-family care; 10) social rehabilitation service – for children with behavioral or addiction problems or high risks of their development, children in out-of-family care who have reached the age of 16, as well as for persons referred to in Section 12, Parts Seven and Eight of the Law on Social Services and Social Assistance.
Implementation time	From the adoption of amendments to the Law on Social Services and Social Assistance (19.09.2024 adopted by the Saeima in 1st reading, No. 673/Lp14) adoption - 2029
Responsible/co-responsible institution	MoW/municipalities
RRF/MFF	-
CSR	2019(2); 2020(2); 2021(1); 2022(1); 2023(1); 2024(1); 2024(2); 2024(3)

Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Social protection and inclusion
UN SDG	1. Poverty eliminated; 2. Good health and well-being; 10. Reduced inequality
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The mandatory social services provided in a municipality (minimum basket of social services) have been determined, a total of 10 services. Taking into account that not all municipalities will be able to provide all mandatory services immediately, a transitional period has been provided for the provision of certain social services - up to 2029. The draft law ""Amendments to the Law on Social Services and Social Assistance"", which determines the minimum basket of social services, was adopted by the Saeima on 19.12.2024, and entered into force on 21.01.2025. From 2025, municipalities must ensure that home care services are available to persons with functional disabilities, group apartment services for persons with mental disabilities, and social care center services for persons with severe functional disabilities, as well as children. In turn, crisis center services, shelter or night shelter services must be provided to persons in crisis situations and with insufficient independent living skills.
Policy Area - Healthcare	
Title of the measure (incl. reforms/investments)	Developed dynamic healthcare and reimbursed drug financing model to ensure additional funding for healthcare, which is directed to new publicly funded services, improving the accessibility of existing services, and reviewing inefficient tariffs for existing services.
Goal (what should be achieved by the measure?)	Increase funding for healthcare
Key steps for implementing the measure	The CoM has been instructed to develop and submit to the Saeima by March 1, 2025 a draft law on the procedures for financing state-funded healthcare services. Accordingly, the MoH plans to submit the draft law to the CoM at the end of 2024, and submit it to the Saeima by February 28, 2025.
Implementation time	2024-2026
Responsible/co-responsible institution	MoH/MoF
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>On December 3, 2024, the draft law "Health Care Financing and Administration Law" (see here: https://tapportals.mk.gov.lv/legal_acts/6df45873-6260-4c68-adbf-1c28d8c097ce) was submitted for public consultation. The draft law was adopted by the Cabinet of Ministers on 25 February 2025. The aim of the draft law is to ensure sustainable health care financing based on the solidarity of the entire society through responsible tax payment. This is intended to promote health care funding in line with good international practices and its efficient utilization, thereby improving access to health care services, enhancing public health indicators, and ensuring the provision of effective health care services that meet the public interest within the available resources. The draft law also aims to involve representatives of society in the decision-making process.</p> <p>The draft law stipulates that persons who have declared their place of residence outside Latvia will be excluded from receiving state-funded health care services. Additionally, it proposes the establishment of a derivative public law legal entity—the National Health Insurance Fund.</p>
Title of the measure (incl. reforms/investments)	Improvement of healthcare services in oncology
Goal (what should be achieved by the measure?)	Improvement of access to healthcare
Key steps for implementing the measure	<ol style="list-style-type: none"> 1. Implementation of the plan "Regarding Plan for the Improvement of Healthcare Services in Oncology 2022-2024"; 2. Development of the draft plan for the next period (2025-2027), forwarding it for adoption to the CoM; 3. Implementation of the plan for the next period (2025-2027)
Implementation time	<ol style="list-style-type: none"> 1. By 2025 2. By 2025 3. 2025-2027
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>1. Several activities have been carried out in the field of oncological disease prevention, including public awareness campaigns, promotion of screening and vaccination against Human Papillomavirus infection, the plan for communication on screening and self-examination has been developed too. Patient experience videos have also been created, and cooperation with doctors and employers is promoted. As of January 1, 2024 a new cancer patient card has been introduced in eHealth system, which provides data for population register on cancer diagnostics, treatment and disease progression. Official statistical data on malignant tumours are published in the Center for Disease Prevention and Control Health Statistics Database, which is available online at https://statistika.spkc.gov.lv/pxweb/lv/. The implementation of gender-neutral vaccination against Human Papillomavirus infection continues, ensuring vaccination for both girls and boys from 12 to 17 years of age. Improvements in access to treatment have also been introduced in 2024, including additional funding for the coordination of health care of oncological patients. From 2024, all outpatient services for patients with primary diagnoses of malignant tumours classified under ICD-10 codes C00-D09.9; D37-D48.9 are paid above the quota. From 2024, within the framework of the reimbursement system for the purchase of medicines, the monthly volume of ostomy goods for patients with an artificial opening has been increased. In 2024, the criteria for prioritizing medicines used for the treatment of oncological patients for inclusion in the Reimbursable Medicines List were updated. The range of reimbursable medicines has been expanded with 6 new medicines for the treatment of breast and non-small cell lung cancer, melanoma, multiple myeloma, myeloid leukemia and children with acute lymphoblastic leukemia. Individual drug reimbursement has been increased to 30,000 euros per year instead of the previous 14,228.72 euros. In 2024, a legal framework was adopted on methodological management institutions (see here: https://likumi.lv/ta/id/354310-metodiskas-vadibas-institucijas-noteikumi) to ensure a single leading institution in priority healthcare areas, which will systematically monitor the quality of medical treatment processes, developing uniform principles of prevention, diagnostics, treatment, ensuring uniform quality monitoring, specialist training and the introduction of new progressive methods. In 2024, the status of methodological management institution in oncology was granted to Riga East University Hospital. From 1 January, 2024, palliative care mobile team services are provided at the patient's place of residence, which includes healthcare services (treatment and prevention of symptoms caused by the disease) and social care and psychosocial rehabilitation services (hospice care, psychological, social and emotional support, as well as support for the patient's relatives and other persons during the mourning period after the loss of a loved one). The service can be received by persons who have a decision of the medical council of a level IV or V inpatient medical institution (regional hospitals and clinical university hospitals) on indicated palliative care at the place of residence, if the council decision grants the patient the status of a palliative patient and the person's predicted survival is up to 6 (six) months. An outpatient patient can be sent to the council by a family doctor and a specialist doctor. If the patient is in a hospital, then the council is organized by the inpatient medical institution. The Ministry of Health of the Republic of Latvia (MoH) must submit to the Cabinet of Ministers a report on the impact assessment and implementation of the plan "Healthcare Services Improvement Plan in the Field of Oncology for 2022-2024" by November 1, 2025.</p> <p>2. MoH has developed a draft plan "Healthcare Services Improvement Plan in the Field of Oncology for 2025-2027", which was submitted for public consultation on the Legal Acts Portal on 20.12.2024, the public consultation ended on 24.01.2025. (see here: https://tapportals.mk.gov.lv/legal_acts/a817a9ec-687d-46f2-bdc2-5d118536b166). The aim of the plan is to improve prevention, diagnostics and treatment, as well as reduce inequality in healthcare. The plan includes public education, promotion of vaccination and improvement of screening efficiency, as well as improving the survival and quality of life of children with oncological diseases, and improving early diagnosis and treatment in the most common locations of malignant tumours, ensuring access to medications and promoting access to medical and psychosocial rehabilitation, as well as ensuring continuity of healthcare. Currently, the draft plan is being refined in accordance with the proposals received during the public consultation and the financial impact is being calculated.</p> <p>3. The implementation of the new plan will begin after its approval at the meeting of the CoM.</p>
Title of the measure (incl. reforms/investments)	Improvement of healthcare in the area of mental health
Goal (what should be achieved by the measure?)	Improvement of access to healthcare
Key steps for implementing the measure	Implementation of the "Plan for Improvement of the Organisation of Mental Healthcare 2023-2025"

Implementation time	by 2025
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	A patient pathway has been developed to ensure continuity of care during the transition from pediatric to adult healthcare services for patients with chronic mental health disorders, based on World Health Organization recommendations. The National Mental Healthcare Center and Children's Clinical University Hospital have developed and piloted a model for the transition of patients with chronic mental health disorders (such as psychosis, eating disorders, and autism spectrum disorders) from pediatric healthcare facilities to adult healthcare institutions. In 2024, a coordinated transition from pediatric to adult care was facilitated for 46 patients, including both initiated and completed transition stages.
Title of the measure (incl. reforms/investments)	Improving healthcare services in the field of maternal and child health
Goal (what should be achieved by the measure?)	Improvement of access to healthcare
Key steps for implementing the measure	1. Development of the draft plan "Maternal and Child Health Improvement Plan for 2025-2027", forwarding it for adoption to the CoM; 2. Implementation of the plan
Implementation time	1. by 2025 2. 2025-2027
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track

<p>A brief description of progress for 2024 (what was done in 2024?)</p>	<p>The Ministry of Health (MoH) is continuing to develop the draft of the Mother and Child Health Improvement Plan for 2025-2027 (hereinafter – the Plan draft) and is evaluating the range of measures to be included.</p> <p>Currently, the main directions included in the Plan draft are:</p> <ol style="list-style-type: none"> 1) Primary disease prevention (prevention of risk factors and disease development, immunization); 2) Secondary disease prevention (preventive check-ups, screening diagnostics); 3) Disease diagnosis and treatment (tertiary level of disease prevention); 4) Improvement of the organization and quality of children's healthcare; 5) Organization, accessibility, and quality of healthcare for pregnant women, postpartum women, and new mothers. <p>For 2024 and subsequent years, an additional €12 million has been allocated to improve maternal and child healthcare. These funds have been designated for the following:</p> <ol style="list-style-type: none"> a) Reducing waiting times for children's dental services. A total of €9.8 million has been allocated. This additional funding has enabled the introduction of new state-funded healthcare services for root canal treatment and filling, dental sealants, and an increase in dental service tariffs to ensure the use of modern equipment. b) State-funded fertility preservation for patients undergoing chemotherapy. Young people (and adults) who receive a medical council decision will now have access to state-funded retrieval, freezing, and storage of reproductive cells (eggs or sperm) for up to 10 years. This applies to patients whose treatment process requires chemotherapy, which can significantly impact fertility. This ensures that affected patients will have the option to use their preserved material in the future if necessary. c) State-funded contraception for at-risk minors and socially vulnerable women. From this year onwards, the state is funding contraception for underage girls and women at risk of social exclusion. Available options include an intrauterine device (IUD) or a subdermal contraceptive implant. This service is available to women who: <ol style="list-style-type: none"> 1) Have been diagnosed with intellectual developmental disorders (diagnoses F70-F79); 2) Have alcohol or drug addiction (specific diagnoses); 3) Have given birth before the age of 19 (inclusive). <p>Additional funding for healthcare services in 2024 and beyond:</p> <ol style="list-style-type: none"> a) Improved ultrasound (US) accessibility for children. Tariffs for ultrasound (US) examinations for children have been revised to encourage new healthcare providers to offer state-funded services. A specialist bonus has been introduced for professionals working with children. Performing US on children often requires more time and preparation, and previous tariffs did not fully cover the actual costs. b) New specialized implants for children with genetic bone fragility disorders. Starting in 2024, children with osteogenesis imperfecta, a condition preventing the development of strong bones, will have access to state-funded specialized implants, as previously used implants carried a high risk of complications and required multiple corrective surgeries and other treatments. c) Expanded access to state-funded diagnostic tests for sleep and respiratory disorders. The availability of four state-funded diagnostic tests has been expanded for patients with sleep and respiratory disorders: <ol style="list-style-type: none"> 1) Polygraphy; 2) Polysomnography; 3) Multiple sleep latency test; 4) Transcutaneous capnography; <p>These tests are essential for diagnosing sleep disorders, including rare diseases affecting sleep. Previously, these services were only available at the Children's Clinical University Hospital, but now seven healthcare providers are offering them as well. The tests are specifically designed for patients with rare diseases.</p>
<p>Title of the measure (incl. reforms/investments)</p>	<p>Improving healthcare for cardiovascular diseases</p>

Goal (what should be achieved by the measure?)	Improvement of access to healthcare
Key steps for implementing the measure	1. Development of the draft plan, submission to the CoM for adoption; 2. Implementation of the plan
Implementation time	1. by 2026 2. the plan's implementation deadline will be determined during development
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The Ministry of Health , in collaboration with the industry and other relevant stakeholders, is developing the Cardiovascular Health Improvement Plan for 2025-2027. The draft plan includes the following measures: primary, secondary, and tertiary prevention initiatives, incorporating public education activities. This also includes a public awareness campaign on cardiovascular disease risk factors and strategies to reduce their impact.
Title of the measure (incl. reforms/investments)	Improvement of healthcare services for rare diseases
Goal (what should be achieved by the measure?)	Improvement of access to healthcare
Key steps for implementing the measure	Implementation of the “Plan for Rare Diseases 2023-2025”
Implementation time	by 2025
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare

RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>Since the beginning of 2024, children with a genetic bone fragility disorder that prevents their bodies from developing strong bones are now eligible for state-funded specially adapted implants. These implants are specifically designed for patients diagnosed with osteogenesis imperfecta (OI), as previously used implants posed a high risk of complications and often required repeated surgical interventions and other treatments.</p> <p>From 2024, the availability of four state-funded diagnostic tests for patients with sleep and respiratory disorders has been expanded. These tests include polygraphy, polysomnography, the multiple sleep latency test, and transcutaneous capnography. They are used to diagnose sleep disorders, including rare diseases affecting sleep. Previously, this service was only available at the Children's Clinical University Hospital, but now a total of seven providers offer these diagnostic services. These examinations are intended for patients with rare diseases.</p> <p>Additionally, as of January 2024, the range of state-funded laboratory tests for rare disease patients has been expanded. The newly funded tests include:</p> <ol style="list-style-type: none"> 1) Natriuretic peptide (BNP) testing (for patients up to 18 years old with diagnoses I00 - I99, Q20 - Q28, T82.0 - T82.9, Z94.0 - Z94.9, Z95.0 - Z95.9, Z99.0 - Z99.9, referred by a pediatric cardiologist). 2) Homocysteine testing (for outpatients). 3) 25-OH Vitamin D testing (for patients up to 18 years old with diagnoses E00-E90, G00-G99, Q00-Q99, K70-K77, K80-K87, K90-K93, referred by a pediatrician, pediatric endocrinologist, pediatric neurologist, or pediatric gastroenterologist). <p>In exceptionally rare and complex cases, laboratory tests can now be performed in other European laboratories.</p> <p>Furthermore, newborn metabolic disease screening has been expanded. In addition to the eight existing conditions, screening will now cover 15 additional rare diseases. This expansion aims to enable the early diagnosis of these rare diseases in newborns, ensuring that affected children receive specific and timely treatment.</p>
Title of the measure (incl. reforms/investments)	Improvement of healthcare services for addiction treatment
Goal (what should be achieved by the measure?)	Improvement of access to healthcare
Key steps for implementing the measure	Implementation of the "Plan for the Improvement of Preventive Actions and Healthcare Services for Reduction of the Prevalence of Alcohol and Drug Abuse 2023-2025"
Implementation time	by 2025
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>The Ministry of Health (MoH), in collaboration with other institutions (the Ministry of Welfare, municipalities, experts, and others), is working on long-term and short-term solutions to provide coordinated assistance for minors with substance use disorders. Developing and implementing coordinated and harmonized solutions across various institutions is complex and time-consuming. Therefore, to ensure the provision of services and support in the short term, a decision was made to develop and implement the pilot project: <i>“Integrated Approach Pilot Project – Improving Service Accessibility for Minors with Addiction Problems in Riga”</i> (hereinafter - the pilot project). The pilot project aims to operationalize interinstitutional cooperation mechanisms, ensure continuous and coordinated assistance across sectors, introduce a new mandatory treatment mechanism with court involvement, establish mentorship support, and develop new services. To implement this pilot project, additional funding is required, which must be approved by the Cabinet of Ministers. The pilot project is planned to be launched in the second half of 2025.</p> <p>From February 10 to February 13, 2025, Latvia will host a World Health Organization (WHO) expert visit, during which WHO specialists will work in collaboration with the MoH and industry professionals to conduct an in-depth assessment of addiction treatment services for minors. The experts will provide recommendations for improving existing addiction treatment programs and expanding their application.</p> <p>To facilitate the resocialization of minors at risk of addiction, work has begun on developing legal regulations that would exempt minors from criminal liability for repeated unauthorized drug use. Additionally, amendments to the Medical Treatment Law are being drafted to introduce a continuous mandatory treatment process for minors with severe, harmful substance use disorders or diagnosed addiction.</p> <p>At the same time, efforts are being made to find solutions for implementing a state-funded buprenorphine program for minors in both inpatient and outpatient settings, as well as launching a naloxone program in Latvia.</p> <p>Starting from January 1, 2025, patients will be exempt from co-payments for addiction treatment services in both inpatient and outpatient settings. Furthermore, a new urgently needed device for detecting alcohol in biological samples has been purchased for the National Mental Health Center.</p> <p>Since May 2024, the expanded Addiction Support Helpline operated by the Centre for Disease Prevention and Control has been available. This helpline was built on the foundation of the previous smoking cessation helpline. Additionally, from May to December 2025, it is planned to extend the helpline’s operating hours to a 24/7 service, including the introduction of a chat function. Currently, the helpline operates only on weekdays from 9:00 AM to 6:00 PM, which limits the availability of support.</p>
Title of the measure (incl. reforms/investments)	Development of infrastructure for treatment facilities
Goal (what should be achieved by the measure?)	Improvement of access to healthcare
Key steps for implementing the measure	<ol style="list-style-type: none"> 1. Implementation of action 4.1.1.1 "Developing the Infrastructure of Medical Institutions" and action 4.1.1.5 "Development of the Emergency Medical Service" of the EU Cohesion Policy Programme 2021-2027: <ol style="list-style-type: none"> 1.1 Development of regulatory framework 1.2 Project implementation 2 Implementation of action 4.1.1.2 “Development of Infrastructure of the P. Stradiņš Clinical University Hospital” of the EU Cohesion Policy Programme 2021-2027: <ol style="list-style-type: none"> 2.1 Development of regulatory framework 2.2 Project implementation 3 Implementation of action 4.1.1.3 "Strengthening of the Role of Primary Healthcare Through the Development of Infrastructure" of the EU Cohesion Policy Programme 2021-2027: <ol style="list-style-type: none"> 3.1 Development of regulatory framework 3.2 Project implementation

Implementation time	1.1.2023 1.2. 2024-2029 2.1. 2025 2.2. 2024-2027 3.1. 2024 3.2. 2024-2027
Responsible/co-responsible institution	MoH
RRF/MFF	MFF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>1.1.:</p> <p>4.1.1.1. Action (1st, 5th, and 6th rounds), 4.1.1.5. Action – On August 15, 2023, the Cabinet of Ministers (hereinafter - CoM) approved Regulations No. 462 "Implementation Regulations for the 1st, 5th, and 6th rounds of Action 4.1.1.1. 'Development of Healthcare Institution Infrastructure' and Action 4.1.1.5. 'Development of Emergency Medical Service' under the Specific Support Objective 4.1.1. 'Ensuring Equal Access to Healthcare and Strengthening the Healthcare System, Including the Resilience of Primary Healthcare' of the European Union Cohesion Policy Program for 2021–2027."</p> <p>4.1.1.1. Action (2nd round) – On April 30, 2024, the CoM approved Regulations No. 263 "Implementation Regulations for the 2nd round of Action 4.1.1.1. 'Development of Healthcare Institution Infrastructure' under the Specific Support Objective 4.1.1. 'Ensuring Equal Access to Healthcare and Strengthening the Healthcare System, Including the Resilience of Primary Healthcare' of the European Union Cohesion Policy Program for 2021–2027."</p> <p>4.1.1.1. Action (3rd round) – On August 13, 2024, the CoM approved Regulations No. 539 "Implementation Regulations for the 3rd round of Action 4.1.1.1. 'Development of Healthcare Institution Infrastructure' under the Specific Support Objective 4.1.1. 'Ensuring Equal Access to Healthcare and Strengthening the Healthcare System, Including the Resilience of Primary Healthcare' of the European Union Cohesion Policy Program for 2021–2027."</p> <p>4.1.1.1. Action (4th round) – On November 5, 2024, the CoM approved Regulations No. 704 "Implementation Regulations for the 4th round of Action 4.1.1.1. 'Development of Healthcare Institution Infrastructure' under the Specific Support Objective 4.1.1. 'Ensuring Equal Access to Healthcare and Strengthening the Healthcare System, Including the Resilience of Primary Healthcare' of the European Union Cohesion Policy Program for 2021–2027."</p> <p>1.2.:</p> <p>In 2024, the evaluation process for project applications under the restricted project selection procedure was completed, and project implementation began, which is planned to continue until 2029 – the eligible period for EU fund expenditures.</p> <p>2.1.:</p> <p>Separate CoM regulations specifically supporting the development of Pauls Stradins Clinical University Hospital under the EU funds 2021–2027 planning period SAM 4.1.1.2. action "Development of Pauls Stradiņš Clinical University Hospital Infrastructure" will not be drafted. The planned funding for PSKUS infrastructure development is included within the framework of Action 4.1.1.1. for the implementation of Phase 2 of the project No. 9.3.2.0/17/I/013 "Development of the A2 Building of the Hospital" under the State Ltd. "Pauls Stradins Clinical University Hospital." Accordingly, on January 21, 2025, the CoM approved amendments to the Regulations No. 462 of August 15, 2023, "Implementation Regulations for the 1st and 5th rounds of Action 4.1.1.1. 'Development of Healthcare Institution Infrastructure' and Action 4.1.1.5. 'Development of Emergency Medical Service' under the Specific Support</p>

	<p>Objective 4.1.1. 'Ensuring Equal Access to Healthcare and Strengthening the Healthcare System, Including the Resilience of Primary Healthcare' of the European Union Cohesion Policy Program for 2021–2027." (24-TA-3293; Protocol No. 3/20.§).</p> <p>2.2.: The implementation of Phase 2 of project No. 9.3.2.0/17/I/013 "Development of the A2 Building of the Hospital" under the State Ltd. "Pauls Stradiņš Clinical University Hospital" is ongoing.</p> <p>3.1.: On January 7, 2025, the CoM approved Regulations No. 23 "Implementation Regulations for the 2nd round of Action 4.1.1.3. 'Strengthening the Role of Primary Healthcare by Developing Infrastructure' under the Specific Support Objective 4.1.1. 'Ensuring Equal Access to Healthcare and Strengthening the Healthcare System, Including the Resilience of Primary Healthcare' of the European Union Cohesion Policy Program for 2021–2027."</p> <p>On January 28, 2025, the CoM approved Regulations No. 73 "Implementation Regulations for the 1st round of Action 4.1.1.3. 'Strengthening the Role of Primary Healthcare by Developing Infrastructure' under the Specific Support Objective 4.1.1. 'Ensuring Equal Access to Healthcare and Strengthening the Healthcare System, Including the Resilience of Primary Healthcare' of the European Union Cohesion Policy Program for 2021–2027."</p> <p>3.2.: The announcement of project application selections for the 1st and 2nd rounds of Action 4.1.1.3., as well as the evaluation and implementation of project applications, will begin in 2025.</p>
Title of the measure (incl. reforms/investments)	Investment 4.1.1.2.i. Support for strengthening the healthcare infrastructure of university and regional hospitals to provide comprehensive sustainable integrated health services, reduce the spread of infectious diseases, meet epidemiological requirements
Goal (what should be achieved by the measure?)	Improvement of access to healthcare
Key steps for implementing the measure	<p>1. Harmonise medical technologies in 10 projects supporting the healthcare infrastructure of university and regional hospitals.</p> <p>2. Ensure implementation of RRF projects in 10 hospitals (3 university and 7 regional hospitals) to strengthen healthcare infrastructure, provide comprehensive sustainable integrated healthcare services, reduce the spread of infectious diseases, meet epidemiological requirements</p>
Implementation time	2022 - 2026
Responsible/co-responsible institution	MoH / CFCA / Hospitals
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	4.1.1.2.i.
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>1. On January 17, 2023, the approval process for the procurement of medical technologies in Recovery Fund projects was completed, and the necessary decisions from the Technology Commission were received for projects related to the acquisition of medical technologies. For projects where technology procurement was not planned, the corresponding approvals from the Ministry of Health were obtained, confirming that no technology purchases would be made within those projects.</p> <p>2. In 2024, the implementation of Recovery Fund projects continues in 9 hospitals (2 university hospitals and 7 regional hospitals) to strengthen healthcare infrastructure, ensure comprehensive, sustainable, and integrated healthcare services, and reduce the spread of infectious diseases by meeting epidemiological requirements. The Recovery Fund project in Liepaja Regional Hospital was completed in 2022.</p>
Title of the measure (incl. reforms/investments)	Investment 4.1.1.3.i. Support for strengthening of the healthcare infrastructure of secondary outpatient service providers to provide comprehensive sustainable integrated health services, reduce the spread of infectious diseases, meet epidemiological requirements
Goal (what should be achieved by the measure?)	Improvement of access to healthcare
Key steps for implementing the measure	Ensure the implementation of RRF projects in at least 40 treatment institutions for state-funded secondary outpatient healthcare service provision to strengthen the healthcare service delivery infrastructure of secondary outpatient service providers.
Implementation time	2023 - 2026
Responsible/co-responsible institution	MoH / CFCA / Treatment institutions for secondary outpatient healthcare service provision.
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	4.1.1.3.i.
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>In 2024, the selection and evaluation process for project applications under the Recovery Fund 4.1.1.3.i. investment "Support for Strengthening the Healthcare Infrastructure of Secondary Outpatient Service Providers" was ensured to secure funding for the development of infrastructure for secondary outpatient service providers.</p> <p>In 2024, all 43 project applications submitted by funding recipients were approved, and the Central Finance and Contracting Agency signed agreements for project implementation. The implementation of projects for 10 funding recipients was completed in 2024.</p>
Title of the measure (incl. reforms/investments)	Improvement of affordability of medicines
Goal (what should be achieved by the measure?)	Improve affordability of medicines

Key steps for implementing the measure	<p>1. Revised conditions for reimbursement of medicines included in the list of reimbursed medicines, the list of reimbursed medicines is supplemented by new cost-effective medicines.</p> <p>2. Improved procedure for prescription of reimbursed medicines through the improvement of accessibility and reduction of bureaucracy in obtaining compensated medicines.</p> <p>3. An assessment has been made of the possibility of setting a maximum total co-payment made to a patient for prescription medicines.</p> <p>4. Retail prices of reimbursable medicines have been limited to the prices in Estonia and Lithuania.</p>
Implementation time	<p>1.- Permanently</p> <p>2., 3., 4.- 2024</p>
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	Not completed
A brief description of progress for 2024 (what was done in 2024?)	<p>To ensure the financial availability of medicines, in 2024:</p> <ul style="list-style-type: none"> - the amount of individual compensation for medicines increased from 50% to 75%, - expansion of the range of reimbursable medicines with 7 new medicines for the treatment of breast and lung cancer, melanoma, multiple myeloma, myelogenous leukemia, lymphocytic leukemia in children and depression, - expanded compensation conditions for 6 medications, - the maximum amount of patients individual compensation per 12-month period has been increased from 14.2 to 30 thousand euros, - the right to prescribe prescriptions has also been established for nurses and midwives, - a new prescription medicine pricing model has been developed and from January 1, 2025, a fee for a pharmacist's service has been introduced. <p>In order to improve the accounting of drug sales and calculations also for paper prescriptions with the aim of determining the maximum allowable total amount of patient's co-payments for all prescription drugs, amendments are planned to the Cabinet of Ministers Regulations No. 175 of 8 March 2005 "Regulations Regarding Manufacture and Storage of Prescription Forms, as well as Writing out and Storage of Prescriptions" for the electronization of prescriptions.</p>
Title of the measure (incl. reforms/investments)	Strengthening primary health care
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	Implementation of the actions included in the Informative Report "Regarding Strengthening of Primary Healthcare" (24-TA-922), adopted by the CoM on 23.05.2024.

Implementation time	2024-2027
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>Work continues on the key action points outlined in the Primary Healthcare Strengthening Plan (see here: https://tapportals.mk.gov.lv/legal_acts/81c2b2dc-0944-4ead-bacc-6980a1dcd1af):</p> <ul style="list-style-type: none"> - The Ministry of Health should develop criteria for determining the rural premium for family doctor's practices by December 31, 2024. – The Ministry of Health is working on defining criteria for additional payments to family doctor practices in rural areas. However, the implementation depends on the allocation of funding, which has not yet been provided. - By April 1, 2025, the Ministry of Health should prepare and submit for consideration to the Cabinet of Ministers the Informative Report on strengthening the availability of primary health care services outside the working hours of family doctors – An assessment of the current situation is underway, including gathering information, identifying challenges, and exploring possible solutions to enhance service availability. - By December 31, 2025, the Ministry of Health should develop performance indicators for evaluating the operation of family physician practices - process, structure and performance indicators of family physician practices – Work on developing evaluation criteria for family doctor practices is planned to begin in the first quarter of 2025 in collaboration with the Family Medicine Methodological Leadership Center.
Title of the measure (incl. reforms/investments)	Development of the hospital network
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	Implementation of the actions included in the Informative Report "On the Development of the Hospital Network" (24-TA-481), adopted by the CoM on 30.04.2024
Implementation time	until 2026
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-

On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>On April 30, 2024, the Cabinet of Ministers approved the Ministry of Health's informational report "<i>On the Development of the Hospital Network</i>" (see here: https://tapportals.mk.gov.lv/legal_acts/618c9802-becb-421d-b848-f3165c8b9832), which outlines the following measures:</p> <ol style="list-style-type: none"> 1) Strengthening hospital emergency medicine and patient admission departments, ensuring that upon arrival at any level of hospital, patients are met by a team of specialists capable of providing the necessary healthcare services. 2) Reviewing hospital observation payments to align with the actual costs incurred by hospitals. 3) Introducing an annual digitalization payment to cover hospital expenses related to the improvement of data integration and submission to the E-Health system. <p>To implement the tasks set out in the informational report on the development of the hospital network:</p> <ul style="list-style-type: none"> -The patient transfer plan was developed and implemented in October 2024. This plan ensures that patients are taken by the Emergency Medical Service to the nearest hospital emergency unit, where patients receive the care that's suitable for their health condition. Once the patient's condition has stabilised, a decision is made about further inpatient treatment or transfer to another hospital. Hospitals must ensure the necessary specialists in their emergency department in accordance with the hospital level to ensure that patients can get the care they need at any time of the day. To ensure it, hospitals received additional funding to have the right specialists available in each emergency departments at all hospitals. - From 2024, a digitization payment was introduced for hospitals which provide state-paid health care services, to cover the costs for hospitals related to the digitization of health data. The amount of payment is proportional to the number of services provided; - In 2024, the payment for patient observation in the hospital was revised to bring it closer to the actual costs. - In 2024, a working group established by the MoH developed proposals for patient observation criteria, which are planned to be introduced in 2025. - In collaboration with the MoH and professional associations, service profile requirements are being reviewed, with planned implementation in 2026.
Title of the measure (incl. reforms/investments)	Limit the spread of infectious diseases
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	<ol style="list-style-type: none"> 1. Implementation of the plan "Action Plan for the Control of HIV Infection, Sexually Transmitted Infections, Tuberculosis, Hepatitis B and C 2023-2027" 2. Implementation of the "Plan for Containing Antimicrobial Resistance and Prudent Use of Antibiotics "One Health" 2023-2027"
Implementation time	until 2027
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	Delayed

A brief description of progress for 2024 (what was done in 2024?)	<p>1) The implementation of the task 1 is delayed because funding was not allocated. 2) The implementation of the task 2 is proceeding as planned.</p> <p>1. No additional funding was allocated in 2024 for the implementation of measures under the 2023–2027 Action Plan for the prevention of HIV infection, sexually transmitted infections, tuberculosis, and hepatitis B and C, therefore the implementation of the task is delayed.</p> <p>2. As of March 25, 2024, the Antimicrobial Resistance Competence Center has been launched. It was established to coordinate and enhance efforts to combat antimicrobial resistance in Latvian hospitals, fostering collaboration between healthcare institutions, government agencies, and international partners.</p> <p>To ensure quick and easy access to the most up-to-date antibiotic therapy recommendations in one place and to assist Latvian hospitals in initiating empirical antibacterial therapy, the Antimicrobial Resistance Competence Center has developed a new website available at https://amrcentrs.lv/category/slimnica and a mobile application, “Antibacterial Therapy”.</p> <p>Currently, recommendations for inpatient treatment are available and are being continuously updated. Additionally, both the website and the mobile app provide guidelines for developing infection control and epidemiological safety plans in healthcare institutions.</p>
Title of the measure (incl. reforms/investments)	Establishment of methodological management institutions in priority areas of healthcare - oncology, psychiatry, child psychiatry, traumatology, pediatrics, cardiology and family medicine.
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	<p>1. Adoption of the draft CoM regulations "Regulations of the Methodological Management Institution" (24-TA-317) by the CoM;</p> <p>2. Conclusion of contracts with medical institutions on the implementation of methodological management tasks and on the payment procedure for ensuring methodological management in the relevant field of health care, monitoring of contract execution</p>
Implementation time	<p>1. 2024</p> <p>2. Permanently</p>
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>1. The Cabinet of Ministers' Regulation No. 543 of 13.08.2024 "Regulations of the Methodological Management Institution" establishes the criteria and procedure for granting the status of a methodological management institution, the rights and obligations of the methodological management institution, as well as the conditions for investing public funds in the methodological management institution.</p> <p>2. In 2024, the status of a methodological management institution was granted in oncology, psychiatry, child psychiatry, traumatology, pediatrics, cardiology and family medicine. In 2025, it is planned to establish methodological management institutions in rehabilitation, obstetrics and radiology, which will ensure unified management of healthcare services, a unified approach to the provision of healthcare services, unified quality monitoring (clinical audits, algorithms, data analysis), a multi-professional team of specialists, as well as knowledge transfer. Currently, the process of concluding contracts and defining tasks for 2025 is still underway.</p>
Title of the measure (incl. reforms/investments)	Implementation of action 4.1.2.7 "Improve Patient Safety and Quality of Care" of the EU Cohesion Policy Programme 2021-2027
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	<p>1. Adoption of the legal framework.</p> <p>2. Development and implementation of project</p>
Implementation time	<p>1. 2023</p> <p>2. 2024 - 2029</p>
Responsible/co-responsible institution	MoH
RRF/MFF	MFF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>1. On December 19, 2023, the Cabinet of Ministers adopted Regulation No. 807 "Implementation Regulations for Measure 4.1.2.7. "Enhancing Patient Safety and Care Quality" under the Specific Support Objective 4.1.2. "Improving Equal and Timely Access to High-Quality, Sustainable, and Cost-Effective Healthcare, Health Promotion, and Disease Prevention Services by Enhancing the Efficiency and Resilience of the Healthcare System" of the EU Cohesion Policy Program 2021–2027."</p> <p>2. A project application has been prepared for activity 4.1.2.7. "Enhancing Patient Safety and Care Quality" under the Specific Support Objective 4.1.2. "Improving Equal and Timely Access to High-Quality, Sustainable, and Cost-Effective Healthcare, Health Promotion, and Disease Prevention Services by Enhancing the Efficiency and Resilience of the Healthcare System" of the European Union Cohesion Policy Program 2021–2027, and it was submitted to the Central Finance and Contracting Agency on March 25, 2024, as part of the restricted project application selection process.</p> <p>Achievements in 2024:</p> <p>On April 23, 2024, an agreement was signed for the implementation of the Project No. 4.1.2.7/1/24/l/001 "Enhancing Patient Safety and Care Quality".</p> <p>On December 2, 2024, a conference on healthcare quality topics in oncology was organized.</p> <p>On October 24, 2024, a seminar (think tank) on healthcare topics titled "Transformation of Healthcare Quality in Latvia – Today and Tomorrow" was organized.</p>
Title of the measure (incl. reforms/investments)	Develop digitisation of the health sector and ensure effective data- and technology-driven healthcare governance
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	<p>1. A Digital Health Competence Centre has been established to ensure the digital development of the health sector, improve health sector ICT governance and ICT services, eliminate the identified ICT problems in health sector, ensure sufficient capacity to manage and implement MoH ICT projects and build capacity and knowledge for digital health development in the long term.</p> <p>2. Developing national health information systems, digital services</p>
Implementation time	<p>1. 2024;</p> <p>2. until 2029</p>
Responsible/co-responsible institution	MoH
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	1.3.1.1
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>1. To support the development of a strategic digital health ecosystem in Latvia and implement E-Health system policies, the state-owned enterprise Latvian Digital Health Center (hereinafter - Center) was established in 2025. The company is fully owned by the Ministry of Health, holding 100% of its shares. The Center will ensure ICT governance of the health sector under the Ministry of Health, including the maintenance and development of health information systems. It will establish standards and classifications for the electronic processing of health sector data, provide methodological guidance on health data interoperability, process health data and maintain classification systems, plan and manage a unified electronic data architecture, oversee the National e-Health Contact Point, and facilitate Latvia's participation in the European Health Data Space. Thus, the establishment of the Center will enhance the availability of digital health sector data.</p> <p>2. From January 1, 2024, the E-Health system provides healthcare institutions with the ability to electronically issue the medical document "Opinion on Receiving an Assistive Device", ensuring data exchange with the State Social Policy Monitoring Information System of the Ministry of Welfare. The E-Health system has also introduced a self-declaration questionnaire for residents, allowing them to report essential epidemiological information about the course of COVID-19 and their close contacts by filling out the questionnaire on the website covid19sertifikats.lv.</p> <p>Since January 2024, Latvia has implemented the electronic vaccination data and vaccine management information system. Amendments made in 2023 to Cabinet of Ministers Regulation No. 330 "Vaccination Regulations" (adopted on September 26, 2000) establish the obligation for healthcare institutions to report vaccination data in the E-Health system for state-funded vaccines and commercial vaccines starting from 2024. Additionally, healthcare institutions are required to place vaccine orders digitally. Pharmaceutical wholesalers that have signed a contract with the National Health Service for centralized vaccine procurement must provide the Vaccine and Vaccination Supplies Management Information System with data on their vaccine stock levels, batch numbers, and expiration dates.</p> <p>Since March 4, 2024, cross-border e-Health services have been available: Residents can purchase e-prescription medications in Lithuania, Estonia, the Czech Republic, Poland, Spain, and Portugal, while citizens of these countries can obtain their medications in Latvian pharmacies. This ensures convenient and fast access to medications, regardless of location within the EU, thereby improving the availability of healthcare services. In addition, as part of cross-border e-health data exchange, patient health data summary is exchanged with Estonia, Lithuania, Portugal, Poland, Spain and France.</p> <p>Since September 2024, all healthcare professionals who have signed an agreement (with the National Health Service) to use the E-Health system have been granted full access to the Laboratory Test Results Module.</p> <p>Furthermore, since November 2024, residents also have free access to their laboratory test results via the E-Health portal (www.eveseliba.gov.lv).</p> <p>The E-Health system has also introduced an E-Urgent Notification Form, allowing healthcare professionals and institutions to report infectious disease cases, suspected cases, or potential public health threats to the Centre for Disease Prevention and Control more efficiently, securely, and conveniently. During 2023–2024, the National Health Service developed the E-Health Laboratory Referral Module. It is planned to become available in the E-Health system in the first half of 2025.</p>
Title of the measure (incl. reforms/investments)	Investment 4.3.1.1.i. Support for evaluation and improvement of the quality and accessibility of secondary outpatient healthcare
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	<ol style="list-style-type: none"> 1. Adoption of a methodology for a study on the quality and accessibility of secondary outpatient healthcare; 2. Performance of a study on the quality, availability and accessibility of secondary outpatient healthcare; 3. Integration of the results of the study on quality, availability and accessibility of secondary outpatient care into health policy development.
Implementation time	2022-2026

Responsible/co-responsible institution	MoH / NHS
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	4.3.1.1.i.
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>1. In 2023, a methodology for a study on the quality and accessibility of secondary outpatient healthcare (SOHC) was developed within the Recovery Fund project and approved by the Ministry of Health on July 6, 2023.</p> <p>2. In June 2024, the study on the quality, accessibility, and availability of secondary outpatient healthcare was completed, based on the study methodology approved on July 6, 2023. The study results were published on the National Health Service website.</p> <p>3. In December 2024, work was completed on integrating the secondary outpatient healthcare study results into health policy development, based on the findings and recommendations of the study completed in June 2024.</p>
Title of the measure (incl. reforms/investments)	Reform 4.1.1.r. Sustainability and resilience of a human-centred, comprehensive, integrated healthcare system
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	<p>1. Adoption of a Digital Health Strategy;</p> <p>2. Development of a model for the delivery of a human-centred, comprehensive and integrated health care through the development of an investment strategy and recommendations for the development of integrated and epidemiologically safe healthcare;</p> <p>3. Create a Latvian population genome reference (Latvia's participation in the "Genome for Europe - GoLatvia project");</p> <p>4. Provide methodological management in oncology.</p>
Implementation time	2022 - 2026
Responsible/co-responsible institution	MoH / LLC (SIA) "Rīgas Austrumu klīniskā universitātes slimnīca" / derived public entity "Latvijas Biomedicīnas pētījumu un studiju centrs" (Latvian Biomedical Research and Study Centre)
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	4.1.1.r.

On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>1. At the Cabinet of Ministers (hereinafter - CoM) meeting on August 15, 2023 (see here: https://tapportals.mk.gov.lv/legal_acts/ca84fcc7-3f49-4ac1-a75a-418b6da1f483), the "Digital Health Strategy until 2029" was approved through an Informative Report.</p> <p>2. At the CoM meeting on July 14, 2022, the "Investment Strategy for the Development of Healthcare Infrastructure 2021–2027" was approved through an Informative Report.</p> <p>On June 15, 2023, the Ministry of Health (MoH) approved Epidemiological Safety Recommendations.</p> <p>On June 7, 2023, the MoH adopted and published recommendations on integrated healthcare models.</p> <p>3. The derivative public entity "Latvian Biomedical Research and Study Centre" has engaged 3,520 gene donors, collected genetic material, and conducted whole-genome sequencing by the end of 2024, thereby establishing the Latvian population genome reference.</p> <p>4. In 2024, the legal framework on methodological management institutions was adopted (Cabinet Regulation No. 543 of 13.08.2024 "Regulations of the Methodological Management Authority") in order to ensure one leading authority in the priority areas of health care, which will systematically monitor the quality of medical treatment processes, developing uniform principles of prevention, diagnostics, treatment, ensuring uniform quality monitoring, training of specialists and introduction of new advanced methods. In 2024, the status of the methodological management body in oncology was granted to Riga East University Hospital.</p>
Title of the measure (incl. reforms/investments)	Investment 4.1.1.1.i. Support for performance of public health studies (in connection with the action "Limit the spread of infectious diseases")
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	<p>1. Adoption of methodology for three studies to improve public health policy planning and implementation in the areas of micro-organism resistance, vaccination and infectious diseases;</p> <p>2. Three studies have been carried out and published: a) in the area of AMR (antimicrobial resistance) - study on micro-organism resistance to identify the most effective methods for intervention and surveillance; b) for the identification of the reasons for non-vaccination; c) in the area of infectious diseases - for the identification of the risks of spread of infectious diseases and their impact on public health indicators.</p> <p>3. Entry into force of amendments to the laws aimed at improving public health policy planning and implementation in areas such as antimicrobial resistance (AMR), vaccination and infections.</p>
Implementation time	2022 - 2026
Responsible/co-responsible institution	MoH / CDPC (Centre for Disease Prevention and Control)
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	4.1.1.1.i.
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>1. On April 5, 2025, with the approval of the Centre for Disease Prevention and Control, the methodology for the following studies was adopted:</p> <p>1) "Point Prevalence Study: Prevalence of Healthcare-Associated Infections and Antimicrobial Use in Long-Term Social Care Institutions in Latvia";</p> <p>2) "Seroepidemiological Study: Prevalence of Hepatitis C in the Adult Population of Latvia",</p> <p>"Study on the Prevalence of Barriers to Vaccination in Latvia".</p> <p>2. In 2024, contracts were signed for the implementation of all three studies, and their active research phase is currently ongoing:</p> <p>1) "Point Prevalence Study: Prevalence of Healthcare-Associated Infections and Antimicrobial Use in Long-Term Social Care Institutions in Latvia" (contract signed on June 7, 2024),</p> <p>2) "Seroepidemiological Study: Prevalence of Hepatitis C in the Adult Population of Latvia" (contract signed on July 2, 2024),</p> <p>3) "Study on the Prevalence of Barriers to Vaccination in Latvia" (contract signed on November 22, 2024).</p> <p>3. Amendments to legal acts will be developed after the completion of the studies, taking into account their findings. The studies are scheduled to be implemented until December 31, 2025.</p>
Title of the measure (incl. reforms/investments)	Reform 4.3.1.r. Sustainability of healthcare, strengthening of governance, efficient use of healthcare resources, increase in the total state budget for healthcare sector
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	<p>1. Approved coordination mechanism to evaluate, develop and implement new models for the provision of health services;</p> <p>2. Carried out selection of pilot projects for health service provision models aimed at ensuring better and more efficient provision of state-funded healthcare services at all levels, ensuring accessibility and quality of services through the establishment of system change mechanisms for state-funded services;</p> <p>3. Carried out piloting, monitoring and evaluation of pilot projects;</p> <p>4. Integration of new models for the provision of healthcare service into state-funded healthcare services.</p>
Implementation time	2022- 2026
Responsible/co-responsible institution	MoH / NHS
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	4.3.1.r.
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>1. On June 26, 2023, the National Health Service (NHS) approved the process description for the project "<i>Healthcare Service Model Development Laboratory</i>." On June 20, 2023, a working group was established to ensure the implementation of the project within the NHS, and the working group regulations were approved. This established a coordination mechanism to assess, develop, and implement new healthcare service delivery models.</p> <p>2. In 2024, the selection of funding recipients for the "<i>Healthcare Service Model Development Laboratory</i>" was conducted. Out of the 124 pilot project applications initially submitted, 18 pilot projects were approved, and contracts for their implementation were signed.</p> <p>3. In 2024, the implementation and monitoring of 18 contracts for the introduction of new healthcare service delivery models was initiated.</p> <p>4. The integration of new healthcare service delivery models into publicly funded healthcare services will be carried out after the evaluation of the pilot projects (by August 31, 2026).</p>
Title of the measure (incl. reforms/investments)	Investment 4.2.1.1.i. Support for the implementation of the human resources development system
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	<p>1. Established coordination mechanism for training healthcare staff;</p> <p>2. Simulation approach to healthcare learning process introduced at all levels of education - undergraduate, residency, further education.</p>
Implementation time	2024- 2026
Responsible/co-responsible institution	MoH / CFCA
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Social protection and inclusion
UN SDG	3 Good health and well-being; 4 Quality education
RRF reform/ investment No.	4.2.1.1.i.
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>1. By the order of the Ministry of Health (MoH) of January 24, 2024 the Coordination Mechanism for the Training of Healthcare Workers was adopted. In 2024, the implementation of the MoH project No. 4.2.1.r.0/1/24/l/VM/001 "Implementation of Strategic Development Solutions for the Health Workforce" was launched.</p> <p>On December 17, 2024 the Health Workforce Development Strategy for 2025-2029 was approved.</p> <p>2. On January 9, 2024 the regulatory framework for the implementation of the simulation approach was adopted. On November 5, 2024 an Informative Report for 4.2.1.1.i. was adopted on investment funding recipients and the amount of funding available to them. Invitations have been sent by December 9, 2024 to submit project applications to 10 hospitals and Riga Stradiņš University on the development of a simulation approach in the healthcare education system.</p> <p>By December 12, 2024 evaluation of project applications has begun.</p>
Title of the measure (incl. reforms/investments)	Improve healthcare human resource planning, the education system, the work environment and increase remuneration

Goal (what should be achieved by the measure?)	Improve the quantity, efficiency and quality of healthcare personnel necessary for the healthcare system.
Key steps for implementing the measure	1. Adopt the Health Workforce Development Strategy until 2029 by the CoM. 2. Implement the Health Workforce Development Strategy until 2029.
Implementation time	1. 2024 2. by 2029
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2024(3)
Common EU priorities	3 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Social protection and inclusion
UN SDG	4 Good health and well-being; 4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	1. The Cabinet of Ministers approved the draft plan "On the plan "Health workforce development strategy from 2025 to 2029"" on December 17, 2024. 2. The implementation of the strategy measures is taking place according to the planned schedule.
Title of the measure (incl. reforms/investments)	Implementation of action 4.1.2.6 "Improve Educational Opportunities for Medical Practitioners, Including by Improving Access to Further Education" of the EU Cohesion Policy Programme 2021-2027
Goal (what should be achieved by the measure?)	Improve the quantity, efficiency and quality of healthcare personnel necessary for the healthcare system.
Key steps for implementing the measure	1. Adoption of the legal framework; 2. Development and implementation of project
Implementation time	1. 2023 2. 2024 - 2029
Responsible/co-responsible institution	MoH
RRF/MFF	MFF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Social protection and inclusion
UN SDG	3 Good health and well-being; 4 Quality education
RRF reform/ investment No.	-

On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>1. On December 19, 2023, the Cabinet of Ministers approved Regulation No. 803: "Implementation Regulations for Measure 4.1.2.6. 'Improving Educational Opportunities for Healthcare Professionals, Including Enhancing Access to Continuing Education' under the Specific Support Objective 4.1.2. 'Improving Equal and Timely Access to High-Quality, Sustainable, and Cost-Effective Healthcare, Health Promotion, and Disease Prevention Services by Enhancing the Efficiency and Resilience of the Healthcare System' of the European Union Cohesion Policy Program 2021–2027."</p> <p>2. A project application was prepared and submitted to the Central Finance and Contracting Agency . On April 12, 2024, an agreement was signed for the implementation of the Project No. 4.1.2.6/1/24/1/001 "Ensuring Educational Opportunities for Healthcare Professionals".</p> <p>Four procurements were announced (22 lots).</p> <p>Ten contracts for training initiation were prepared for signing.</p> <p>Ongoing training contracts from the previous period (25 contracts).</p> <p>On June 30, 2024, 13 contracts for training initiation were signed.</p> <p>The Human Resources Training Plan was approved.</p> <p>On December 31, 2024, eight procurements (33 lots) were announced, and 33 contracts were signed.</p> <p>Training was implemented under 58 contracts, with 4,747 individuals trained.</p>
Title of the measure (incl. reforms/investments)	Implementation of action 4.1.2.5 "Attract and Retain Healthcare Professionals to Work in the State-funded Healthcare Services Sector, Especially in Hospitals" of the EU Cohesion Policy Programme 2021-2027
Goal (what should be achieved by the measure?)	Improve the quantity, efficiency and quality of healthcare personnel necessary for the healthcare system.
Key steps for implementing the measure	<p>1. Adoption of the legal framework.</p> <p>2. Development and implementation of project</p>
Implementation time	<p>1. 2023</p> <p>2. 2024 - 2029</p>
Responsible/co-responsible institution	MoH
RRF/MFF	MFF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Fair working conditions; Social protection and inclusion
UN SDG	3 Good health and well-being; 8 Decent work and economic growth
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>1. On August 15, 2023, the Cabinet of Ministers approved Regulation No. 460: "Implementation Regulations for Activity 4.1.2.5. "Attracting and Retaining Healthcare Professionals in the Publicly Funded Healthcare Sector, Particularly in Inpatient Facilities" under the Specific Support Objective 4.1.2. "Improving Equal and Timely Access to High-Quality, Sustainable, and Cost-Effective Healthcare, Health Promotion, and Disease Prevention Services by Enhancing the Efficiency and Resilience of the Healthcare System" of the European Union Cohesion Policy Program 2021–2027."</p> <p>2. The Human Resource Attraction Plan and the Human Resource Attraction Procedure have been developed.</p>
Title of the measure (incl. reforms/investments)	Reform 4.2.1.r. Provision of human resources and skills development
Goal (what should be achieved by the measure?)	Improve the quantity, efficiency and quality of healthcare personnel necessary for the healthcare system.
Key steps for implementing the measure	<p>1. Developed and adopted Human Resources Development Strategy;</p> <p>2. Adoption of the human resources mapping for healthcare;</p> <p>3. Introduced new remuneration model for healthcare staff;</p> <p>4. Adoption of healthcare labour force planning model.</p>
Implementation time	2024- 2026
Responsible/co-responsible institution	MoH
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Fair working conditions; Social protection and inclusion
UN SDG	3 Good health and well-being; 8 Decent work and economic growth
RRF reform/ investment No.	4.2.1.r.
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>1. The Cabinet of Ministers of December 18, 2024 no. 1194 "About the plan "Health Workforce Development Strategy from 2025 to 2029"". https://likumi.lv/ta/id/357507</p> <p>2. Human resources mapping in the healthcare sector was carried out within the framework of the DG Reform project in 2023. According to the plan "Health workforce development strategy from 2025 to 2029", the approval of the human resources mapping and planning model in the IT system of the Ministry of Health is planned to be completed by the end of 2026.</p> <p>3. The remuneration model for healthcare workers is being implemented with the following documents: 28.03.2023 amendments to the Cabinet of Ministers Regulations No. 851 of December 18 (2018) "Regulations on the minimum monthly wage and special allowance for employees in the healthcare sector", December 17, 2024 approved the Health workforce development strategy for 2025-2029. In 2024/2025, work is underway on amendments to Cabinet of Ministers Regulation No. 555 "Procedures for the Organization and Payment of Health Care Services" to strengthen these remuneration principles in Cabinet of Ministers Regulations.</p> <p>4. The healthcare workforce planning model has been developed within the framework of the DG Reform project and adopted on December 5, 2023. According to the plan "Health workforce development strategy for 2025-2029", the approval of the human resources mapping and planning model in the IT system of the Ministry of Health is planned to be completed by the end of 2026.</p>
Policy Area - Education and Skills	
Quality education	
Title of the measure (incl. reforms/investments)	ESF+ programme "Improve the quality, inclusion, efficiency and labour market relevance of education and training systems, including through the validation of informal and daily learning, to support the acquisition of key competences, including entrepreneurship and digital skills, and by promoting the introduction of dual learning systems and apprenticeships" (Action 4.2.2.4)
Goal (what should be achieved by the measure?)	development of an Education Quality Monitoring System (hereinafter referred to - EQMS) for monitoring, assessing and ensuring the quality of education at national, municipal and educational institution level and at individual level, as well as strengthening data literacy capacity for full use of EQMS for data-based decisions for monitoring, assessing and ensuring the quality of education
Key steps for implementing the measure	1) Approval of CoM Regulation, Q3 2024; 2) Announcement of the selection of project proposals Q3 2024 / Q4 2024
Implementation time	2024-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	2019(2); 2020(2); 2022(1); 2023(4); 2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	Delayed

A brief description of progress for 2024 (what was done in 2024?)	ESF+ investment 4.2.2.4. the implementation rules of the "Development and provision of the educational quality monitoring system" measure were first submitted for inter-institutional coordination on the Unified Legal Act Portal on February 16, 2024, and the coordination lasted more than 8 months. It was submitted to the Cabinet of Ministers for approval on November 8, 2024 and approved on November 26, 2024 (Cabinet of Ministers regulations no. 745). By the end of 2024, the selection rules and schedule were approved.
Title of the measure (incl. reforms/investments)	ESF+ programme "Promoting the integration of NEET young people into education and employment" (Action 4.2.3.4)
Goal (what should be achieved by the measure?)	The aim of the action is to develop the skills of young people aged 15-29 (inclusive) who are not in education, employment or vocational training, and are not registered as unemployed with the State Employment Agency prior to their participation in the project, and to promote their involvement in education and training activities, including apprenticeship with a master craftsman, through employment or actions implemented by the State Employment Agency, as well as through the activities of non-governmental organisations or youth centres.
Key steps for implementing the measure	1) CoM Regulation approved in Q4 2023. 2) Project commenced in Q2 2024.
Implementation time	2024-2029
Responsible/co-responsible institution	MoES/AIPY (Agency for International Projects for Youth)
RRF/MFF	MFF
CSR	2019(2); 2020(2); 2022(1); 2023(4); 2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	During 2024 cooperation agreements have been concluded with 32 local municipalities within the framework of the project "KNOW and DO 2" regarding the provision of support to NEETs. By the end of 2024, 133 NEETs have been involved for support in the project, of which 39 young people from the target group have received support under individual measures programmes and have entered education or training. Of these 39 young people who have successfully completed their participation in the project, 11 have received post-programme mentoring support.
Title of the measure (incl. reforms/investments)	ESF+ programme "Improve the quality, inclusion, efficiency and labour market relevance of education and training systems, including through the validation of informal and daily learning, to support the acquisition of key competences, including entrepreneurship and digital skills, and by promoting the introduction of dual learning systems and apprenticeships" (Action 4.2.2.5)
Goal (what should be achieved by the measure?)	ensure participation in international education studies and programmes implemented by international organisations to develop education policy and evaluate implementation and impact of policy..
Key steps for implementing the measure	CoM Regulation approved on 04.07.24. Project implementation is underway
Implementation time	2022-2029

Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	2019(2); 2020(2); 2022(1); 2023(4); 2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Implementing the International Teaching and Learning Survey TALIS, in the spring of 2024, LU researchers ensured responses to the survey questionnaires from 4,099 teachers and 214 school principals, as well as provided data processing and began preparing the survey results. Also, in April, a pilot study of the Program for International Student Assessment (PISA) 2025 was conducted in 56 schools with the participation of 2,615 students, testing the research instruments (tests, questionnaires) in practice. Latvian data was provided for the OECD annual report "Education at a Glance 2024", and on September 10, a presentation of the report was organized for media representatives with the participation of the minister and an OECD expert. On October 17, the participation in the 6th Creativity Summit organized by OECD and UNESCO was ensured, presenting Latvia's high results in the PISA creative thinking test. Checking of Latvian data and comments on OECD Center of Education Research and Innovation CERI reports were provided, and an example of good practice from Latvia was prepared for the OECD report on the use of educational research. Comments and clarifications have been provided for the European Commission's report "Education and Training Monitor 2024". Seminars on the use of research data (ICILS, PIAAC) have been organized. On November 12, a conference on the results of the International Computer and Information Literacy Survey ICILS 2023 was organized - in the assessment of computer skills, the performance of Latvian students is seventh among 31 countries, the average performance in the algorithmic or computational thinking corresponds to the ninth highest among 21 member states. The average performance of Latvian eighth-grade girls in computer skills is the third highest among girls in Europe after the Czech Republic and Denmark. On December 4, a conference on the results of the International Trends in Mathematics and Science Education Study TIMSS 2023 was organized - the performance of Latvian fourth-grade students in mathematics and science is higher than the average performance of the TIMS participating countries, but compared to the 2019 cycle, performance has decreased. On December 11, a presentation of the results of the Adult Skills Survey PIAAC was organized - the numeracy of Latvian adults is at the average level of OECD countries, but literacy and adaptive problem-solving skills are below the OECD average. Also, the methodology for calculating and applying simplified costs for the project was approved. KPMG Baltics conducted an audit of the internal control systems of cooperation partners related to the project.
Title of the measure (incl. reforms/investments)	ERDF programme "Provision of educational institutions for quality implementation of the improved general education content at pre-school education level" (Action 4.2.1.4)
Goal (what should be achieved by the measure?)	Improve provision of educational institutions with resources (teaching materials, educational technology and equipment, inventory for sports and outdoor activities)
Key steps for implementing the measure	1) Approval of CoM Regulation (Q4 2024) 2) Launch of the project (2025, 1st half-year)
Implementation time	2025-2026
Responsible/co-responsible institution	MoES /SEDA (State Education Development Agency)
RRF/MFF	MFF

CSR	-
Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	During 2024, the process of reconciliation of the Cabinet of Ministers regulations for measure 4.2.1.4. has been ensured, but due to the receipt of significant objections in the inter-institutional co-ordination process, it is not possible to agree on the procedures for implementation of measure 4.2.1.4.
Title of the measure (incl. reforms/investments)	ERDF program "Educational institutions' provision for the qualitative implementation of improved general education content at the primary and secondary education levels" (Action 4.2.1.5, Round 1)
Goal (what should be achieved by the measure?)	Strengthen the provision of educational institutions with the resources necessary for the implementation of modern and high-quality basic and secondary education in order to ensure compliance with the needs of the improved curriculum, thus improving equal access to inclusive and high-quality services in the field of education, including in the preparatory stage for five- and six-year-old children.
Key steps for implementing the measure	1) Approval of the CoM regulations (2024); 2) Access to computer equipment for general education teachers, support staff and students, as well as vocational education students (Q2 of 2025)
Implementation time	2024-2025
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	CoM regulations on the implementation of the first round of measure 4.2.1.5 have been approved, and the implementation of the project has been started (the order for computer equipment has been placed).
Title of the measure (incl. reforms/investments)	ERDF programme "Provision of educational institutions for quality implementation of the improved general education content at primary and secondary education level" (Action 4.2.1.5, Round 2)
Goal (what should be achieved by the measure?)	Improve the infrastructure of educational institutions, including creation or renovation of classrooms for STEM subjects

Key steps for implementing the measure	1) Approval of the draft CoM Regulation for the second selection round (Q4 2024); 2) Announcement of the fifth selection round of the project (Q1 2025)
Implementation time	2025-2027
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	During 2024, the process of reconciliation of the Cabinet of Ministers regulations for measure has been ensured, and the Cabinet of Ministers regulations were approved on 28.01.2025.
Title of the measure (incl. reforms/investments)	ERDF programme "Improvement of infrastructure and learning environment for the implementation of effective, quality and modern education in special educational institutions" (Action 4.2.1.3)
Goal (what should be achieved by the measure?)	Improvement of the learning environment in special educational institutions after the reorganisation of the network of special educational institutions.
Key steps for implementing the measure	1) Approval of CoM Regulation (14.11.2023); 2) Commencement of the selection of project proposals (08.03.2024).
Implementation time	2024-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	-
Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The selection of project applications has been implemented (except for the decision on one project application). Agreements (on project implementation) have been concluded for the majority of project applications.

Title of the measure (incl. reforms/investments)	RRF investment "Improvement and equipping of infrastructure in educational institutions" (investment 3.1.1.5.i)
Goal (what should be achieved by the measure?)	Improvement of the learning environment in primary schools established as a result of a comprehensive reorganisation of the network of municipal educational institutions, thus facilitating access to quality education outside the administrative centres of municipalities.
Key steps for implementing the measure	1) Approval of CoM Regulation (04.10.2022); 2) Commencement of the selection of project proposals (24.12.2023).
Implementation time	2023-2026
Responsible/co-responsible institution	MoES
RRF/MFF	RRF
CSR	-
Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	3.1.1.5.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The selection of project applications has been ensured, and 10 local government project applications for improving the learning environment in 19 reorganized educational institutions outside the administrative center of the local governments have been approved. A third pre-selection of project applicants has been provided, where an additional 2 local government with 2 reorganized educational institutions have been approved.
Title of the measure (incl. reforms/investments)	ESF+ programme "Improvement of learning process quality through the implementation of development of a support system for teachers' professional activity, provision of activities for learners' excellence and the development of methodological support materials for teacher" (Action 4.2.2.3)
Goal (what should be achieved by the measure?)	Establish and develop a unified and strategically monitored professional support system at national, municipal and educational institution levels to improve the quality of learning process in general and vocational education, to promote excellence among learners and to provide methodological support materials for teachers. During the action, professional support will be provided to teachers (including teachers from different educational levels and types of educational institutions) on issues related to subject methodology and didactics, learning needs of various students, digital literacy, and other issues.
Key steps for implementing the measure	CoM Regulation was approved on 11.06.24. Deadline of submission of a project proposal: 01.10.24
Implementation time	2024-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	2019(2); 2020(2); 2022(1); 2023(4); 2024(3)
Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market

UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>An agreement has been concluded with the Central Finance and Contracting Agency on the implementation of the project. The main activities implemented:</p> <p>1) Activities to promote general education excellence have been organized - camps, scientific research conferences, general education subject Olympiads at regional and national level for talented students from general education up to 12th grade. They have been ensured to participate in international science competitions and Olympiads too.</p> <p>2) The needs for professional development of teachers have been identified in negotiations and informative seminars with the parties involved – local education authorities, subject coordinators, the Latvian Trade Union of Education and Science Employees, the Latvian Association of Education Managers, the State Education Quality Service.</p> <p>3) Development of methodological support materials for teachers has been initiated - in the 8th grade curriculum, implementing the transition to teaching in the state language, in the 1st-12th grade curriculum of the Latvian language and Mathematics.</p> <p>4) A national team of methodologists has been established, and a team work cycle has been established.</p>
Title of the measure (incl. reforms/investments)	ESF+ programme "Expanding access to interest education, leisure and childcare services for learners at risk of social exclusion and children with special needs" (4.2.3.2)
Goal (what should be achieved by the measure?)	The action will be implemented through two rounds of the selection of project proposals: In Round 1 - To provide the target group learners during the holidays of educational institutions with interest education programmes for linguistic competence - literacy, organised as day camps (with supervision of learners), stimulating the motivation to read in leisure time - and for exploratory learning about ethnic culture, both for practising literacy in minority languages, in order to creatively involve minority learners in the diversity of cultural environment of Latvia according to the interests of the specific age group for achievements at the appropriate level of education. In Round 2 - funding intervention is aimed at the development of STEM interest education - promotion of STEM learning by addressing it at the earliest stages of education and implementing it within the framework of the municipal education ecosystem - with a community-based approach to strengthening STEM education.
Key steps for implementing the measure	For Round 1 1) Approval of CoM Regulation, Q4 2024; 2) Announcement of the selection of project proposals, Q1 2025. For Round 2 1) Approval of CoM Regulation, Q4 2024; 2) Announcement of the selection of project proposals, Q4 2025/ Q1 2026.
Implementation time	2024-2029
Responsible/co-responsible institution	MoES /SEDA (State Education Development Agency)
RRF/MFF	MFF
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	Not completed

A brief description of progress for 2024 (what was done in 2024?)	The measure 4.2.3.2 will not be implemented.
Title of the measure (incl. reforms/investments)	ESF+ programme “Implementation of quality and modern education at pre-school, primary and secondary education levels” (Action 4.2.2.1)
Goal (what should be achieved by the measure?)	Provide opportunities for children and young people to attend STEAM and civic participation events that contribute to the achievement of the set learning outcomes and objectives in order to diversify learning experiences in the learning process, link learning theory to practice more effectively, raise awareness of labour market requirements in these areas, generate interest in learning in these areas and promote future learning choices in these areas
Key steps for implementing the measure	1) Approval of CoM Regulation, Q4 2024; 2) Announcement of the selection of project proposals, Q4 2024/ Q1 2025.
Implementation time	2024-2028
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	-
Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	On December 17, 2024, the Cabinet of Ministers adopted the implementation regulations for the measure 4.2.2.1 'Implementation of Quality and Modern Education at Preschool, Primary, and Secondary Education Levels.' The project will start in 2025, currently project application is being prepared for submission to the CFCA.
Title of the measure (incl. reforms/investments)	ESF+ programme "Integrated “school-community” cooperation programme to reduce the risk of exclusion in educational institutions" (Action 4.2.3.1)
Goal (what should be achieved by the measure?)	Develop an integrated school-community or municipal education ecosystem approach, promoting inter-institutional cooperation and the involvement of learners' parents (persons exercising guardianship) in the education process to ensure coordinated action to reduce social exclusion and the risk of early school leaving for learners and to facilitate the acquisition of the content of general primary and secondary education
Key steps for implementing the measure	CoM Regulation approved on 16.07.2024. Selection of the project proposal: 2024 III, IV Cet.
Implementation time	2024-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	-

Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	An agreement on the implementation of the Project has been concluded with the Central Financial Contracting Agency of the Republic of Latvia. Information has been provided in both online and face-to-face meetings regarding the activities of the ESF+ Project, to engage potential cooperation partners. To ensure the effective management and implementation of the Project, legal employment relationships have been established with the Project management and implementation team. Interactive tool development and customisation services have been arranged for the Project's launch. Technical specifications have been developed for the creation of the Mentor Training Programme, and a procurement process has been initiated.
Title of the measure (incl. reforms/investments)	Rounds one, two, three and four of the selection of project proposals for action 4.2.1.6 "Learning environment of vocational educational institutions and colleges for the acquirement of sector-relevant skills" (action 4.2.1.6) of the Specific Aid Objective 4.2.1 "Improve equitable access to inclusive and quality services in education, learning and lifelong learning through the development of accessible infrastructure, including by promoting retention in distance and online education and learning" of the EU Cohesion Policy Programme 2021-2027.
Goal (what should be achieved by the measure?)	Objective - Modernisation of the learning environment of vocational educational institutions under the Ministry of Education and Science and the Ministry of Culture, including technical schools, competence centres for arts education and vocational secondary schools, and colleges of the Ministry of the Interior (hereinafter referred to as - vocational educational institutions) for the acquisition of sector-relevant skills.
Key steps for implementing the measure	CoM Regulation on the implementation of the action was adopted on 18.06.2024, No. 388. Development and harmonisation of regulations for selection are in progress. Commencement of selection scheduled for Q3. Commencement of implementation of projects is scheduled for Q4.
Implementation time	2021- 2029
Responsible/co-responsible institution	AI MoES
RRF/MFF	MFF
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The selection of project submissions was started as planned - in the third quarter of 2024 (16.08.2024). The implementation of the first, third and fourth round projects and the one second round project started in December 2024. It is planned that the implementation of the projects will be completed within the initially planned period.

Title of the measure (incl. reforms/investments)	Development of an attractive, flexible and high-quality vocational education system to promote the productivity and competitiveness of the Latvian national economy
Goal (what should be achieved by the measure?)	Stronger work-based learning to improve vocational education and training in Latvia
Key steps for implementing the measure	The following has been planned within the framework of the 2nd round of the Latvian-Swiss cooperation programme: 1) Further development of the work-based (WB) learning approach; 2) Development of the sector-based examination approach; 3) Development of learning tools in vocational education; 4) Preparation of new teachers for vocational education
Implementation time	31.12.2029.
Responsible/co-responsible institution	MoES, NCE
RRF/MFF	-
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	The application for the 2nd round of the Swiss Financial Mechanism programme "STRONGER WBL FOR IMPROVING VET IN LATVIA", where one of the components is a work-based higher education programme for vocational education teachers, has been prepared and submitted to the Swiss side. The second round application has been approved. The draft contract is being finalised.
Title of the measure (incl. reforms/investments)	ESF+ programme "Introduction of the Induction Year in Teacher Preparatory Study Programmes" (Action 4.2.2.7)
Goal (what should be achieved by the measure?)	Objective of the action is to support graduates of teacher preparatory study programmes with teacher qualification in the first year after graduation to attract and retain teachers.
Key steps for implementing the measure	CoM Regulation on the implementation of the action was adopted on 13.07.2023, No. 403. Project implementation is in progress.
Implementation time	2023-2026
Responsible/co-responsible institution	MoES/UoL
RRF/MFF	MFF
CSR	-
Common EU priorities	-

European Pillar of Social Rights	-
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	By the end of 2024, the project has provided induction year support to 136 new teachers. Project activities are being implemented - individual support in professional development groups, observation of teaching hours, implementation of professional competence development programs and targeted scholarships for induction year participants.
Title of the measure (incl. reforms/investments)	Action 4.2.2.6 of the EU Funds 2021-2027 "Implementation of Cyclical Institutional Accreditation in Higher Education"
Goal (what should be achieved by the measure?)	Objective of the planned support is to provide support for the transition to cyclical institutional accreditation of universities and colleges to improve the quality of higher education. The following activities are envisaged within the framework of the support: preparation of the normative and informative base (proposals, methodologies, guidelines) necessary for the implementation of cyclical institutional accreditation; supplementation and improvement of the functionality of the accreditation agency e-platform (simulations); approval of cyclical institutional accreditation, including implementation of pilot accreditations; training of accreditation experts, accreditation agency and university staff for institutional accreditation; support actions for the improvement of the internal quality assurance system of universities.
Key steps for implementing the measure	Q3 2024 - Approval of CoM Regulation Q4 2024 - Commencement of selection 31.12. 2027 - Closure of project implementation Restricted selection of project proposals. Beneficiary - Academic Information Centre
Implementation time	Costs are eligible for the beneficiary from 1 August 2024, if they comply with the cost positions set out in CoM Regulation. 2024-2027
Responsible/co-responsible institution	MoES/CFCA
RRF/MFF	MFF
CSR	2019(2); 2020(2); 2022(1); 2023(4); 2024(3)
Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market; Social protection and inclusion
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	Delayed

A brief description of progress for 2024 (what was done in 2024?)	In 2024, the draft regulations for measure 4.2.2.6 were prepared and in November 2024 it was submitted for consideration to the Cabinet of Ministers (approved Regulations No. 40 by the Cabinet of Ministers on 14.01.2025.). The implementation of the measure was delayed, as the draft regulations had to be considered at a meeting of the Cabinet of Ministers simultaneously with the binding document - the Conceptual Report "On the Transition to Cyclical Institutional Accreditation of Higher Education Institutions and Colleges", the development process of which was delayed.
Title of the measure (incl. reforms/investments)	Development and piloting of Skill Funds (second round of ESF+ Action 4.2.4.1 "Support to Sectoral Needs-Based Adult Learning")
Goal (what should be achieved by the measure?)	Develop a model for the financing and operation of Skill Funds suitable for Latvia, with an intent to make it a self-regulating and self-financing structure in the long-term by developing a social dialogue-based system for the development of skills of employees of a sectoral company, including of the self-employed, and of the potential labour force in the sector, for quick and efficient adaptation of the labour force to the needs of the labour market development.
Key steps for implementing the measure	1) Approval of CoM Regulation (Q4 2024) 2) Commencement of project/-s (2025, 1st half-year)
Implementation time	2024 -2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	2019(2)
Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	In 2024, discussions continued with sectors and social partners on the development of a Skills Fund concept appropriate to the Latvian context. Representation was ensured in the Cedefop study on Skills Funds in Europe. A draft Cabinet Regulation (24-TA-1424) has been developed, which is currently in the final stage of coordination within the TAP portal. It is planned that the draft regulation will be submitted for approval to the Cabinet of Ministers in February 2025. Latvia's planned Skills Fund approach was presented at the OECD Skills Strategy event as an example of social dialogue-based cross-sectoral human resources development cooperation. Work continues on identifying a pool of foreign experts to ensure a high-quality assessment of project applications and conceptual descriptions of the planned Skills Funds.
Title of the measure (incl. reforms/investments)	Quality monitoring in adult learning (within the framework of the ESF+ Action 4.2.4.2 "Support for Adult Learning Based on Their Individual Needs")
Goal (what should be achieved by the measure?)	Develop a quality monitoring system for adult formal and informal education

Key steps for implementing the measure	Established a quality monitoring system for formal and informal adult learning, including: 1) Approved and commenced implementation of the SAM 4.2.4.2 project (Q4 2024) 2) Developed common methodology for systemic monitoring of the quality of adult learning and plan for its implementation; 3) Provided methodological support to educational institutions (on regular basis); 4) Provided public awareness on the quality of adult learning (on regular basis); 5) Performed monitoring of the activities of adult learning providers and implementation of adult learning programmes (on regular basis).
Implementation time	2024-2029
Responsible/co-responsible institution	MoES (SEQS (State Education Quality Service)), SEDA (State Education Development Agency) / MoW (SEA (State Employment Agency)), MoE
RRF/MFF	MFF
CSR	2019(2)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	On 17 October 2024, the State Education Development Agency (SEDA) concluded an agreement with the Central Finance and Contracts Agency on the implementation of the project of measure 4.2.4.2 "Support for adult education based on the individual needs of adults" (No. 4.2.4.2/1/24/I/001). On 1 November 2024, a cooperation agreement was signed between the State Education Development Agency and the State Education Quality Service (SEQS) for the implementation of the SO 4.2.4.2. project. An IKVD expert team has been established, which will implement tasks in accordance with the provisions of the SAM 4.2.4.2. of the Cabinet of Ministers regarding the establishment of a quality monitoring system for formal and non-formal adult education.
Title of the measure (incl. reforms/investments)	Re-skilling / up-skilling of the employed residents, including those with low levels of education (ESF+ Action 4.2.4.2 "Support for adult learning based on their individual needs")
Goal (what should be achieved by the measure?)	Provide support to 28,000 employed people, including 14,000 employed people with low levels of education, to acquire or improve skills or qualifications necessary in the labour market
Key steps for implementing the measure	1) Approved and commenced implementation of the SAM 4.2.4.2 project (Q4 2024) 2) Conceptual solution description and implementation plan developed to reach, inform and motivate employees with low levels of education to engage in training (Q4 2024); 3) Support and training provided (on regular basis); 4) Conceptual solution description and implementation plan updated (1x year)
Implementation time	2024-2029
Responsible/co-responsible institution	MoES (SEDA) / MoE, MoW
RRF/MFF	MFF

CSR	2019(2)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>On 24 September 2024, the SO 4.2.4.2. project application was approved, and an agreement with the Central Finance and Contracts Agency was signed on 17 October 2024. A conceptual solution and implementation plan to engage low-educated employees in training were approved on 28 August 2024 and will be updated by Q2 2025.</p> <p>Following the 2024 training offer list approved by the Joint Adult Education Coordination Commission on 15 October 2024, the selection of education institutions for the 1st project call was announced on 17 October 2024. Cooperation agreements were signed with 22 partners. Applications for individuals under the 1st call opened on 9 December 2024, closing on 12 January 2025.</p> <p>Using effective communication channels, activities and materials were developed for adult education coordinators, career counselors, employers, and trade unions to support direct engagement. Public information efforts also promoted lifelong learning.</p>
Title of the measure (incl. reforms/investments)	ESF Plus Programme "Individualisation of the educational process and interdisciplinary cooperation for excellence in vocational education" (Action 4.2.2.9, Round 1)
Goal (what should be achieved by the measure?)	The aim is to develop a systematic coordination mechanism for the improvement of vocational education content and ensure cooperation between vocational education institutions and sectors in the implementation of vocational education content, identifying skills that are relevant in the labour market and introducing skills into educational content to ensure sustainability, digital and green economies, and to ensure the development of a learning collaboration and implementation model based on the work environment of vocational education.
Key steps for implementing the measure	<p>1) CoM regulations approved in Q4 2023</p> <p>2) Project implementation in Q2 2023</p>
Implementation time	2023 - 2029
Responsible/co-responsible institution	MoES/SEDA (State Education Development Agency)
RRF/MFF	MFF
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	Project implementation activities have been ensured: Determination and introduction of current skills in the labour market in education content in three sectors essential to the Latvian economy; planned development and updating of professional qualification requirements; the development of the module's content outlines has been started and the development of module content outlines for 2025 has been planned in 21 vocational education institutions; a procurement has been announced for the mapping of teaching aids in vocational education institutions; a procurement has been announced "Development, implementation, maintenance and improvement of the digital platform "System of Professional Qualifications""; developed a model for cooperation and implementation of work-based learning in vocational education.
Title of the measure (incl. reforms/investments)	ESF Plus Programme "Individualization of the educational process and interdisciplinary cooperation for excellence in vocational education" (Action 4.2.2.9, Round 2)
Goal (what should be achieved by the measure?)	The aim is to ensure cooperation between vocational education institutions and sectors for the development of skills mastery in vocational education, the conduct of national skills mastery competitions and participation in international competitions, promoting support for talent development.
Key steps for implementing the measure	1) CoM regulations approved in Q4 2023 2) Project implementation in Q1 2023
Implementation time	2023 - 2027
Responsible/co-responsible institution	MoES/SEDA (State Education Development Agency)
RRF/MFF	MFF
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Project implementation activities have been provided: preparation of competitors and participation of the Latvian national delegation in the international EuroSkills and WorldSkills competitions for young professionals (in 2024, participation of six competitors in WorldSkills Lyon 2024, France); support has been provided for vocational education institutions and their teachers in working with talented students in acquiring and developing skills (80 seminars, 3 events); the National skills competition for VET students SkillsLatvia 2024 has taken place.
Green skills development	
Title of the measure (incl. reforms/investments)	(ESF+ SAM Action 6.1.1.5 "Improvement of skills of the employed people and support for the acquisition of qualifications, support for training of the labour force")
Goal (what should be achieved by the measure?)	Improvement of skills of workers in the peat sector and related industries and support for the acquisition of vocational qualifications to adapt to the labour market needs resulting from the green transition of the economy. Number of employees supported in Kurzeme, Latgale, Vidzeme and Zemgale statistical regions - 3,950; Number of students in vocational education - 1,609.

Key steps for implementing the measure	1) Approval of CoM Regulation (Q4 2024); 2) Launch of the project (2025, 1st half-year).
Implementation time	2024-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF (JTF)
CSR	2020(2); 2023(4); 2024(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	The regulatory framework (23-TA-874) necessary for the implementation of the measure has been developed. The draft Cabinet of Ministers regulations are currently in the final coordination stage.
Title of the measure (incl. reforms/investments)	improvement of skills of local government and regional professionals in climate-neutral economy and mitigation of socio-economic impacts related to climate change (Programme (TPTP) 6.1.1.8 (without flexibility in funding indicators and finances))
Goal (what should be achieved by the measure?)	Investments in enhancement of skills of planning regions and municipalities to ensure progress towards climate-neutral economy and mitigate climate change risks in the most affected regions, contributing to mitigation of socio-economic impacts. Achievable results: 1) 4 regional training programmes implemented; 2) 178 local government and regional professionals with improved knowledge and skills.
Key steps for implementing the measure	1) Approval of CoM Regulation (17.10.2023); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (19.07.2023); 3) Commencement of restricted selection (15.11.2023); 4) Conclusion of contract (15.07.2024) and project implementation.
Implementation time	15.07.2024.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF (JTF)
CSR	2020(2); 2023(4); 2024(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education

RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	On March 20, 2024, project selection was completed, and the evaluation of the submitted MoSARD project application was ensured. On July 15, 2024, an agreement for the implementation of the project was signed, with JTF funding of 1.4 million EUR. The project implementation continued in cooperation with Kurzeme, Vidzeme, Zemgale, and Latgale planning region to achieve the objectives and results set out in the measure.
Digital skills development	
Title of the measure (incl. reforms/investments)	Digital skills development - development of a self-directed learning approach for ICT professionals (2.3.1.3.i Development of a self-directed learning approach for ICT professionals)
Goal (what should be achieved by the measure?)	A self-directed learning approach to training ICT professionals has been developed, including provision of the transfer of international experience, with 1,000 persons having indicatively acquired knowledge and skills of an ICT professional.
Key steps for implementing the measure	1) Approval of CoM Regulation (2024, Q4); 2) Development of a methodology for project selection (Q4 2024) 3) Approval of the project/-s to implement the investment (Q1 2025); 4) Monitoring of the implementation of the project/-s (on regular basis).
Implementation time	2024-2026
Responsible/co-responsible institution	MoES
RRF/MFF	RRF
CSR	2024(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	2.3.1.3.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	A draft of the amendments to Cabinet of Ministers Regulation No. 506 has been developed. The amendments stipulate that investment 2.3.1.3.i. "Development of Self-Directed ICT Specialist Training Approach" will be implemented as an eligible activity within the framework of investment 2.3.1.4.i. "Development of Individual Learning Account," using the adult skills management platform "stars.gov.lv" created within investment 2.3.1.4.i. as a unified adult education management channel. The procedure for the implementation and monitoring of investment 2.3.1.3.i. has been established. It is planned that the amendments to the Cabinet of Ministers regulations will come into force in the first quarter of 2025.
Title of the measure (incl. reforms/investments)	Digital Skills Development - Development of Basic Digital Skills of Society (RRF project No. 2.3.2.1.i.0/1/23/I/CFLA/001 "Development of Digital Skills of Society")
Goal (what should be achieved by the measure?)	Promote the development of digital self-service skills in society. 40,000 people aged 16-74 have been supported.

Key steps for implementing the measure	1) Digital self-service skills training 2) e-learning course developed (2024, Q4) 3) Development of the informal education programme and receipt of permit at the municipality (2024, Q3); 4) Monitoring framework established and approved in practice (from 2024, Q3 to 2026, Q2) 5) Training of teachers-mentors (2024, Q3 – 2025, Q3); 6) Training for residents (2024, Q4 – 2026, Q2) 7) Conclusion of cooperation agreements with local governments (2024, Q3, Q4) 8) Implementation of communication activities (2024, Q3 -2026, Q2)
Implementation time	2023-2026
Responsible/co-responsible institution	MoSARD / MoES
RRF/MFF	RRF
CSR	2024(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	2.3.2.1.i
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	<p>1) In 2024, an e-learning course for acquiring digital self-service skills was developed and placed on the learning platform stars.gov.lv, and a monitoring framework was established. 30 municipalities have signed cooperation agreements, and several instructor-mentor training sessions have already taken place. Since December 9th, people have had the opportunity to sign up for the training programs and participate in the courses. Considering that the project preparation phase has been delayed, the intermediate target indicator was not reached on time (by December 31, 2024, 15,000 participants were supposed to have attended the training). The achievement of the indicator is currently in progress.</p> <p>2) The process of obtaining (in-person) permits for the implementation of non-formal education programs in municipalities is ongoing. Since 7 municipalities are still in the process of signing agreements, these municipalities will need to request permits in 2025. The permit for the non-formal self-learning education program has been obtained.</p> <p>3) The monitoring framework has been developed, and work continues on the piloting and preparation of monitoring reports.</p> <p>4) Training for instructors-mentors began in October 2024. By the end of 2024, a total of 52 mentors have been trained in Rēzekne, Riga, Jelgava, and Ventspils.</p> <p>5) Public training – in 2024, 2 residents completed one of the training programs and received a certificate of completion. Public training has been available since December 19, 2024.</p> <p>6) In 2024, 29 cooperation agreements were signed with municipalities. Agreements with 7 municipalities are still pending due to delays caused by ongoing procurement processes for instructor-mentor selection or administrative approval procedures on the municipal side. 6 municipalities have declined participation in the project.</p> <p>7) In December 2024, a General Agreement was concluded for the implementation of communication activities. As part of these activities, the first press release was published on the VARAM website in December. In collaboration with the VARAM public relations department, visual materials (infographics for websites and social media) were developed in December 2024, which municipalities can use as needed.</p>

Title of the measure (incl. reforms/investments)	Development of digital skills - Development and piloting of the individual learning account approach (RRF investment 2.3.1.4.i "Development of the Individual Learning Account Approach")
Goal (what should be achieved by the measure?)	Develop and approve a Latvian context-specific individual learning account (hereinafter referred to as - ILA) approach that strengthens the implementation and management of individual learning pathways and storage of information on learning results, as well as promote adult participation in education by helping to acquire and improve digital skills in society by involving 3,500 adults in the approbation of ILA
Key steps for implementing the measure	1) Digital skills training commenced within the framework of the ILA support (2024, Q3, starting from selection of educational institutions) 2) Developed appropriate digital environment for the approval and further functioning of the ILA approach (2024, Q4), functionality for the launch of the ILA approval and its gradual development; May 2026) 3) 1,000 adults are registered on the ILA platform (2024, Q4) 4) 3,500 ICT users (2026, Q2)
Implementation time	2024-2026
Responsible/co-responsible institution	MoES (SEDA)
RRF/MFF	RRF
CSR	2019(2); 2020(2); 2022(1); 2023(4); 2024(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	2.3.1.4.i
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	The Cabinet of Ministers regulations were approved on 23 July 2024, and the initial model of the platform has begun its testing phase. By 31 December 2024, the necessary core functionalities for the project launch were ensured in the skills management platform. On December 5, the platform was launched in a production environment, and participant registration and group formation started. Within a few days, 2,091 applications for training participation were received. However, due to delays in the project's preparation and platform development, fewer than 1,000 participants had joined the training by 31 December 2024. The target indicator is expected to be achieved by 31 March 2025.
Title of the measure (incl. reforms/investments)	High level digital skills 2.3.1.1.i. investment "Provision of acquisition of high level digital skills"
Goal (what should be achieved by the measure?)	Three projects are under implementation within the framework of the investment: Quantum Technology Initiative, Language Technology Initiative and High Performance Computing (HPC) Technology Initiative, implemented by Latvian universities of science in cooperation with leading research institutions. The investment will include development of at least 21 study modules in these areas, training of at least 3,000 professionals, as well as creation of new research-industry collaborations
Key steps for implementing the measure	1) Approval of CoM Regulation (2022) 2) Implementation of the project and achievement of the objectives set in the investment (2023-2026)
Implementation time	2022-2026

Responsible/co-responsible institution	MoES
RRF/MFF	RRF
CSR	2024(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	2.3.1.1.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	By 31 December 2024, the following interim national indicators have been met: - At least 16 academic and research staff trained to teach high-level digital skills modules and related research, including at least 6 in high-performance computing, at least 4 in language technologies and at least 6 in quantum technologies; - at least 665 professionals and students trained with advanced digital skills in quantum technologies, high-performance computing and language technologies, including at least 375 in high-performance computing, at least 200 in language technologies and at least 90 in quantum technologies; - 7 scientific publications in language technologies and 13 first or second quartile (Q1-Q2) scientific publications in quantum technologies.
Title of the measure (incl. reforms/investments)	ESF+ programme “Digitisation of the Study Process” (Action 4.2.2.11)
Goal (what should be achieved by the measure?)	Introduce digital solutions, including shared solutions, in higher educational institutions to provide student-centred learning and improve the quality of studies.
Key steps for implementing the measure	1) Approval of CoM Regulation, Q4 2024; 2) Announcement of the selection of project proposals, Q4 2024/ Q1 2025.
Implementation time	2025-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	-
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	In 2024, the draft rules of measure 4.2.2.11 were prepared, and its coordination began (3 coordination cycles were implemented). During the process of developing the draft rules, the initial concept of the measure was changed (in order to improve the effectiveness of the measure, the activities supported by the open project application selection round and other conditions were changed to focus on the implementation of shared study management solutions to be created within the limited selection round of the measure). For this reason, the implementation of the measure was delayed.

Title of the measure (incl. reforms/investments)	ERDF programme "Modernisation of the Study Environment in Universities" (Action 4.2.1.8)
Goal (what should be achieved by the measure?)	Ensure the modernisation of the study environment of STEAM (science, technology, engineering, arts, mathematics), including creative industries and medicine (hereinafter referred to as - STEAM) in higher educational institutions - universities and colleges - and introduction of industry-relevant technologies in the study process.
Key steps for implementing the measure	1) Approval of CoM Regulation, Q4 2024; 2) Announcement of the selection of project proposals, Q4 2024/ Q1 2025.
Implementation time	2025-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	-
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	In 2024, a draft regulation was prepared and approved by the Cabinet of Ministers on January 7, 2025. The project application selection was announced on February 4, 2025, and project applications will be submitted on April 4, 2025. Infrastructure development plans for higher education institutions are submitted by 20.02.2025 and their evaluation has started.
Title of the measure (incl. reforms/investments)	Development of digital skills for young people 2.3.2.1. investments in "Digital skills for residents, including young people" project No. 2.3.2.1.i.0/1/23/I/CFLA/002 "Development of the system of digital work with youth in municipalities"
Goal (what should be achieved by the measure?)	The goal is to create a modern, flexible, sustainable digital youth work system aimed at target group problem-solving in municipalities, linking it with other municipal services (including development of e-services) and the needs of the target group to provide young people with broad opportunities to develop and apply their digital skills. at least 10,000 young people will have participated in technological innovation activities in digital youth work.
Key steps for implementing the measure	1) Approval of the Informative Report (2023, Q2) 2) Project commenced in Q1 2024 3) Prepared training content and implemented training for representatives of local governments on digital youth work (2024, Q1 and Q2) 4) Conclusion of contracts with local governments to participate in the project is underway (2024, Q3) 5) Local governments will implement individual plans for the development of the digital youth work system and digital skills of young people (2025)
Implementation time	2023-2026

Responsible/co-responsible institution	MoES/AIPY (Agency for International Projects for Youth)
RRF/MFF	RRF
CSR	2024(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	2.3.2.1.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	On January 4, 2024, a General Agreement was signed between Agency for International Programs for Youth (AIPY) and CFLA. Mentors have been selected and prepared for working with municipalities. Several events have been held for municipal representatives, including training sessions in May and June, attended by 273 youth work professionals from 43 municipalities, as well as a mid-term conference on November 21, 2024. Several documents necessary for the project's implementation have been developed and approved, including the Simplified Cost Methodology. Additionally, the Unified Technology Creativity Guidelines for developing youth technology and innovation skills in digital youth work and the Monitoring Tool for assessing the performance of the digital youth work system have been created. Municipalities, with the support of AIPY mentors, have developed their individual plans for the development of the digital youth work system. By December 30, 2024, individual plans from 40 municipalities were submitted for evaluation by AIPY.
Title of the measure (incl. reforms/investments)	Closing the digital divide 2.3.2.3.i. investment "Closing the digital divide for socially disadvantaged learners and in educational institutions"
Goal (what should be achieved by the measure?)	Goal of the investment is to reduce barriers to acquisition of the content of general education: 1) by ensuring the availability of portable computing devices for learners from socially disadvantaged groups; 2) by ensuring the availability of data transmission for quality, meaningful and planned use of digital technologies in the learning process.
Key steps for implementing the measure	1) CoM Regulation No. 168 approved (April 2023) and contract with CFCA for project implementation signed (September 2023) 2) 35,792 computer hardware units purchased by December 2023; 3) Feasibility study launched on upgrade of the data transmission network capacity, including intranet upgrade, of educational institutions; 4) Physical upgrading of the data transmission capacity and intranets of educational institutions in 2025 and 2026 (following the results of the feasibility study), upon submission of technical designs for upgrading by the cooperation partners.
Implementation time	2023 - 2026
Responsible/co-responsible institution	MoES
RRF/MFF	RRF
CSR	2024(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education

RRF reform/ investment No.	2.3.2.3.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	A feasibility study on the improvement of the data transmission network capacity of educational institutions, including intranets, has been launched, and it is planned to be completed by 30.04.2025. In 2024, the first part of the feasibility study was completed - a survey of schools on the current situation and challenges of the data transmission network and intranets in educational institutions. 480 educational institutions (42 municipalities, the Ministry of Education and Science and the Ministry of Culture), participated in this round. Hereafter, an in-depth study 50 educational institutions will be carried out and recommendations for their improvements will be prepared.
Title of the measure (incl. reforms/investments)	Digital skills improvement (Programme 4.2.4.3 (without flexibility in funding indicators and finances))
Goal (what should be achieved by the measure?)	Investments in promotion of digital transition to improve the digital skills of the employees of state and municipal institutions and promote the use of digital opportunities and platforms oriented at the society and businesses, thereby increasing the use of information and communication technology opportunities and closing the digital divide in society. Achievable results: 1) at least 25 events organised to promote the use of information and communication technologies; 2) at least 1,572 employees of state and municipal institutions trained; 3) at least four integrated communication campaigns implemented.
Key steps for implementing the measure	1) Development and commencement of harmonisation of CoM Regulation on the draft law portal (TAP) (24.05.2024); 2) Approval of CoM Regulation (2024, Q4); 3) Examination of the evaluation criteria of project proposals at the thematic sub-committee (20.06.2024); 4) Approval of the evaluation criteria of project proposals at the EU Funds Supervisory Committee (12.08.2024); 5) Commencement of restricted selection (Q1 2025); 6) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2025.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2019(2); 2020(2); 2024(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	Delayed

A brief description of progress for 2024 (what was done in 2024?)	<p>The project application evaluation criteria for the measure were approved by the EU Funds Monitoring Committee on August 12, 2024.</p> <p>A draft regulation of the Cabinet of Ministers for the implementation of the measure 4.2.4.3. "Development of Digital Skills" has been developed, and the draft regulation, agreed upon with the involved institutions, was submitted to the State Chancellery for approval by the Cabinet of Ministers on August 28, 2024.</p> <p>However, the review of the draft regulation in the Cabinet of Ministers was postponed to assess the possibility of expanding the target group of the measure 4.2.4.3. The proposed expansion aims to extend training not only to employed persons working in the State and Municipal Unified Customer Service Centers but also to residents with no or low digital skills. This initiative aims to provide them with digital self-service skills, thereby improving digital skills accessibility for a broader segment of society and raising overall level of basic digital competencies.</p> <p>As a result, the MoSARD has proposed the necessary amendments to the EU Cohesion Policy Programme 2021–2027 and plans to make corresponding adjustments to the draft regulation of the Cabinet of Ministers. (The draft regulation was resubmitted for harmonization on February 6, 2025).</p>
Policy area - Employment policy	
Title of the measure (incl. reforms/investments)	Active employment policy actions
Goal (what should be achieved by the measure?)	Increase entry of disadvantaged unemployed and economically inactive people into the labour market, promotion of extension of working lives of the employed (support 57,762 people for their involvement in training activities, promote involvement of 7,846 people, especially the long-term unemployed and disabled unemployed, in employment support actions, support 148 social enterprises, improve the working environment for 2,477 older employed persons)
Key steps for implementing the measure	<p>1) Improving the qualifications and skills of the unemployed, jobseekers and persons at risk of unemployment (RRF Investment 3.1.2.5.i (20.06.2023, CoM Regulation No. 323) and ESF + Action 4.3.3.1 (development of CoM Regulation is planned for 01.01.2025));</p> <p>2) Promoting entry of disadvantaged unemployed and economically inactive people into the labour market (subsidised employment and other support actions, ESF+ Action 4.3.3.2 (28.11.2023, CoM Regulation No. 691))</p> <p>3) Support for social entrepreneurship (ESF+ Action 4.3.3.3 (19.12.2023, CoM Regulation No. 818))</p> <p>4) Ensuring the operation of the Euroes network in Latvia (ESF+ Action 4.3.3.4 (28.11.2023, CoM Regulation No. 689))</p> <p>5) Promoting longer and better working lives (support for employees aged 45 and over to improve working conditions and environment, ESF+ Action 4.3.3.5 (2.07.2024, CoM Regulation No. 431))</p> <p>6) Capacity building and modernising the services of the State Employment Agency (ESF+ Action 4.3.3.6 (5.12.2024, CoM Regulation No. 723))</p>
Implementation time	2023-2029
Responsible/co-responsible institution	MoW, SEA, ALTUM, FTUCL (Free Trade Union Confederation of Latvia), ECL (the Employers Confederation of Latvia), RSU IOSEH (Riga Stradiņš University Institute of Occupational Safety and Environmental Health)
RRF/MFF	RRF
CSR	2019(2); 2020(2); 2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	1 Poverty alleviated; 8 Decent work and economic growth
RRF reform/ investment No.	3.1.2.5.i. Investment "Inclusion of the unemployed, job seekers and residents at risk of unemployment in the labour market"
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>1) 12,506 persons have improved their skills;</p> <p>2) 1,447 unemployed people (18%) have been supported; 659 subsidized jobs have been created and 672 unemployed people have been involved in them; 70 people have been provided with support for regional mobility; 288 jobs have been adapted for unemployed people with disabilities, 116 employed people with disabilities have received job adaptation services; 112 unemployed people have received support for overcoming addictions; 2,670 psychological consultations have been provided to the project target group; 13 unemployed people have received mentoring services; 24 consultations for employers have been organised;</p> <p>3) support provided to 54 companies (36%), employing 135 persons at risk of social exclusion (persons with disabilities and mental disorders) (96%); by the end of 2024, 75 grant applications were received, 28 grants were awarded for a total amount of 1,602,224 EUR (the average grant amount is 57,222 EUR).</p> <p>4) informational support provided - 79 events for job seekers, 38 events for employers; national and European level training provided for SEA employees, 12 EURES accessibility and recognition events implemented;</p> <p>5) the implementation of the project is gradually being launched; from 01.02.2024. LBAS advises employees on issues of non-discrimination, promotion of a longer and better working life, labor rights and labor protection; organizes lectures and a competition for students at PROFS vocational education institutions;</p> <p>6) the implementation of the project is gradually being launched.</p>
Policy Area - Business environment	
Title of the measure (incl. reforms/investments)	Identification of laws and regulations and bureaucratic obstacles
Goal (what should be achieved by the measure?)	Reduce administrative and regulatory burdens
Key steps for implementing the measure	Work on solutions to the identified bureaucratic obstacles (amendments to laws and regulations) and identification of new bureaucratic obstacles
Implementation time	2023-2027
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)

The Ministry of Economy continues to work on solutions to reduce bureaucratic burden:

Develop proposals for the conditions of payment of sick-leave certificates and control of issuance - several meetings have been held in different formats; work is ongoing to find a compromise between all parties involved. At the end of 2024, EM has prepared an analytical tool that dynamically allows to assess the impact on the economy of various policy proposals related to changing the payment procedure for sick-leave certificate A – on employers, employees and the state (and municipalities through a reduction in PIT revenues). EM developed a study on the prevalence of sick-leave certificates by sector, which was submitted to supplement the Ministry of Health information report (24-TA-2730) for reconciling on the TAP portal.

Review of the regulation of the use of cash registers and cash register systems - An initiative was received from the Latvian Chamber of Commerce and Industry to review the existing regulation regarding the use of cash registers and cash register systems. It is necessary to reduce the financial burden on enterprises, if it is able to meet the requirements specified in regulatory enactments on its own, without the involvement of support services, reviewing the frequency of certification and technical requirements. 20.09.2024. The updated methodological material "Guidelines on technical requirements for electronic devices and equipment for registering taxes and other payments" is posted on the SRS website and is publicly available. Amendments to Cabinet of Ministers Regulation No. 96 of 11 February 2014, Procedures for the Use of Electronic Devices and Equipment for The Registration of Taxes and Other Payments (TAP 24-TA-2285), are being pushed. Deadline for provision of opinions 12.02.2025.

Speeding up the processes of the Register of Enterprises (ER) in order to reduce the registration time for as many companies as possible (from 10 to 3 days). In August 2024, a meeting was held with representatives of ER, Ministry of Justice, State Revenue Service, Ministry of Finance, Ministry of Economy. It was decided to work on the development of the necessary amendments to speed up the ER processes in the Law on the Enterprise Register of the Republic of Latvia.

Elimination of duplication of notifications of the Electronic Declaration System (EDS) of the State Revenue Service (SRS) in e-address and e-mails.

Amendments to the Law on Taxes and Duties have been initiated in order to ensure the sending of information and documents (not notifications) from the SRS EDS to the E-address, if the user has made such a choice in the EDS. Draft law 22-TA-3320 was adopted at the meeting of the Cabinet of Ministers on 17.12.2024. 13.03.2025. examined by the Saeima in the 2nd reading, deadline for submission of proposals for the 3rd reading until 18.03.2025.

Procedure for import of goods into SRS (customs): set a deadline of 3 days for taking the SRS decision on the release of goods for free circulation. It was established that the SRS sends the goods conformity documents to the Consumer Rights Protection Centre, which provides an opinion, after which the SRS provides this opinion to the merchant; there is no operational communication with the economic operator regarding the elimination of deficiencies in the documents, therefore customs procedures are protracted.

On 28.06.2024, a letter from the SRS was received, in which the SRS provided an opinion on the possibility to organize informative events in order to improve the level of knowledge of entrepreneurs about the release of goods for free circulation. The SRS points out that there is already sufficient information available on the SRS website on the declaration of goods when they are released for free circulation, as well as seminars are organized for merchants to improve knowledge. Taking into account that the decision-making process is determined by the Directive and after letters from the SRS and communication with market surveillance authorities it was concluded, it is more important to increase the level of knowledge of merchants on requirements related to goods intended to be released for free circulation in the EU.

In 2024, the SRS implemented several informative measures for merchants to increase the level of knowledge. The information provided on the SRS website in the customs field is updated regularly, making amendments to publications as necessary in accordance with changes in regulatory enactments or taking into account current issues. After reviewing the topicality of the information provided on the website, in July 2024 changes were made to the section Actions with the customs declaration after release of the goods for free circulation or post-clearance.

As the amount of information to be published increased, a separate section was created "Sanctions | The State Revenue Service" (previously it was a subsection of the section "Restrictions and prohibitions") with a structure that allows to structure information in a more transparent and easily understandable way for customs customers.

In order to continue work on reducing the administrative burden in the field of real estate, an information report has been prepared on additional measures to reduce the administrative burden in the field of real estate development (TAP 24-UZ-214), submitted to the Cabinet of Ministers on 18.02.2025.

Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Improve public awareness on the planned development of the area, ensure meaningful public involvement and process
Key steps for implementing the measure	Define the objectives and scope of the public consultation at each stage: Amend the Construction Law, including by defining the cases where public consultation may be waived.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	<p>The draft law "Amendments to the Construction Law" (24-TA-2288) was approved by the Cabinet of Ministers on 25 March 2025, and was submitted for review in the Saeima on 28 March.</p> <p>The regulation defines the objectives and scope of public participation, meaning that within the framework of public participation, only those aspects of the project implementation that may affect public interests are discussed, i.e., the integration of planned construction into the specific environment and solutions for public outdoor spaces. At the same time, issues that are substantively discussable or should be discussed at other stages of real estate development are not considered, thereby ensuring stability for the real estate developer, as previously determined rights are not "re-evaluated."</p> <p>The cases in which a public discussion is required are determined by the binding regulations of the municipality, while the law also defines cases where a public discussion is not required, for example, if a detailed plan has been approved for a specific territory</p>
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Improve public awareness on the planned development of the area, ensure meaningful public involvement and process
Key steps for implementing the measure	Improve the functionality of the Building Information System (hereinafter referred to as - BIS), allowing anyone to apply for information electronically on proposed construction in the area of interest and decisions taken in relation to the construction (issue of a building permit, marking the fulfilment of design conditions).
Implementation time	31.12.2025.
Responsible/co-responsible institution	MoE/SCCB
RRF/MFF	-

CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The functionality of the Construction Information System will be improved in accordance with the adopted regulation.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Improve public awareness on the planned development of the area, ensure meaningful public involvement and process
Key steps for implementing the measure	Clarify the role of the board depicting the construction work in the process of implementation of the construction intent, stating that it only provides an additional function of public awareness, its absence on a given day is not considered insufficient public awareness and cannot be a reason for extension of the contestation period. Revise the amount of information to be included in the board depicting the construction work. The regulation must enter into force at the same time as the BIS functionality envisaged in Action 3.1.1.3.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE/SCCB
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	The draft law "Amendments to the Construction Law" (24-TA-2288) was approved by the Cabinet of Ministers on 25 March 2025, and was submitted for review in the Saeima on 28 March.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Improve the receipt of opinions and regulations from competent authorities in real estate development processes

Key steps for implementing the measure	Amend CoM Regulation No. 628 of 14 October 2014 "Regulations on Local Government Spatial Development Planning Documents" by defining the following: a) objectives of the conditions and the amount of information to be provided on mandatory basis. Taking into account the information provided in the application for the development of a local plan, holders of utilities should identify the infrastructure investments that are a precondition for the implementation of the local or detailed plan; b) when requesting conditions from a particular authority, justification should be given to reduce the possibility of unjustified conditions being imposed. Upon volunteering to provide an opinion, reasons also must be given. c) application for the development of a local plan shall clearly and in detail describe the planned construction and the planned activity.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoSARD /MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2024 (what was done in 2024?)	On 3 December 2024, Cabinet of Ministers Regulation No. 777 " Amendments to the Cabinet of Ministers Regulation No. 628 of 14 October 2014, Regulations Regarding Spatial Development Planning Documents of Local Governments" has been approved. As a result, the regulation on the involvement of institutions in the development of planning documents, including the justification for providing an opinion, has been clarified. As part of the project development, the regulation on cooperation between institutions has been revised. This occurs only using TAPIS. If institutions apply independently to provide conditions and opinions, they must justify such action. Conditions and opinions must be provided in accordance within the level of the planning document.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Improve the receipt of opinions and regulations from competent authorities in real estate development processes
Key steps for implementing the measure	Amend the regulatory framework in the field of construction by stipulating that certain technical regulations in the field of environmental protection are not required if an EIA has been carried out. The State Environmental Service shall harmonise the construction project, verifying that the results and conclusions of the EIA have been taken into account.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-

CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	The draft law "Amendments to the Construction Law" (24-TA-2288) has received opinions. It is planned to submit the draft law for re-examination to the Cabinet of Ministers in early March 2025.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Improve the procedure for obtaining Technical Regulations for the implementation of construction intent
Key steps for implementing the measure	Amend the Construction Law and regulations issued on the basis thereof, stipulate that: a) the authorities from which technical or special regulations are obtained shall be determined by the developer of the construction design. The municipality shall be entitled to add authorities providing appropriate substantiation; b) the purpose and content of the Technical Regulations; c) the cases when receipt of the Technical Regulations is not necessary; d) validity term of the Technical Regulations.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	The regulation is divided into two parts: 1. The draft law "Amendments to the Construction Law" (24-TA-2288) was approved by the Cabinet of Ministers on 25 March 2025, and was submitted for review in the Saeima on 28 March. 2. The subordinate regulation is included in the draft legal act "Amendments to the Cabinet of Ministers Regulations No. 500 of August 19, 2014, 'General Construction Regulations'." The draft legal act was approved in the Cabinet of Ministers on 25 March 2025 (protocol No. 12, para 29).

Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Improve the procedure for obtaining Technical Regulations for the implementation of construction intent
Key steps for implementing the measure	Consider possibility to introduce an out-of-court dispute resolution mechanism, if Technical Regulations do not comply with the requirements of laws and regulations.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	With the adoption of the Informative Report (24-TA-2818), the deadline has been extended until August 1, 2025. The task is subordinated to the regulation on technical requirements included in the draft law "Amendments to the Construction Law" (24-TA-2288).
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Introduction of a single process from the commencement of construction to the entry of the structure in the Land Register
Key steps for implementing the measure	A conceptual model for registration of structures in the State Cadastre Information System of Real Estate and in the Land Register will be approved at the level of the CoM , based on data about the structure obtained during the construction process and registered in the BIS system as structured data by abandonment of repeated (duplicate) data acquisition in the vicinity during the cadastral survey of the structure. Define requirements for data accuracy, mandatory data, aspects of administrative legality checking of construction to ensure a high quality and legal registration process.
Implementation time	The single process must be introduced no later than as of 1 January 2026.
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-

European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The draft Informative Report has been prepared and submitted for review by the Cabinet of Ministers. The work on developing a unified process model has been completed, and an agreement has been reached between the State Land Service, the State Construction Control Bureau, and representatives of the surveying sector on the minimum set of building data required to register a structure in the Cadastre without the need for an inspection by the State Land Service. Additionally, the report outlines the technical solutions for certain aspects. The report also describes the division of responsibilities among institutions to avoid duplication of control functions.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Application of new regulations for the spatial planning to ongoing real estate development processes
Key steps for implementing the measure	Supplement the Spatial Development Planning Law and the Construction Law with regulation on the conditions for the completion of ongoing processes in case of change in the regulation on spatial planning.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoSARD /MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Not completed
A brief description of progress for 2024 (what was done in 2024?)	During the examination of amendments to the Spatial Development Planning Law, it was decided in the Saeima committee that the issue of continuation of the initiated processes is to be regulated in the final issues of the binding regulations of the local government. Consequently, it was not included in the Spatial Development Planning Act. In the binding regulations by which the new spatial plan is approved, the local government may determine the final norm regarding the completion of the initiated processes.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Waiving overhead lines for improvement of the urban environment

Key steps for implementing the measure	Amend CoM Regulation No. 574 of 30 September 2014 "Regulations on Latvian Building Code LBN 008-14 "Location of Engineering Networks", stipulate a duty to construct communication tunnels in case of construction of a new street or reconstruction of a street;
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE/MoT
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	The opinion of the industry has been identified and proposals have been received, and amendments are planned to be submitted to the Cabinet of Ministers during the summer. The measure is also included in the Shadow Economy Restriction Plan for 2024–2027 (23-TA-1903).
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Waiving overhead lines for improvement of the urban environment
Key steps for implementing the measure	Amend the Law on Electronic Communications, stipulate simplified requirements for the undergrounding of overhead lines, including addressing the need to harmonise construction with the owners of the land parcels to be crossed by the communications;
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoT / MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	Amendments to the Electronic Communications Law had been prepared, that is, supplemented with the Article 28, Part Six, Clause 6, which determines that coordination is not required if the public electronic communications network is moved to real estate that is already encumbered with a protective zone for the electronic communications network. Public consultation 12.07.2024. - 26.07.2024. Inter-institutional coordination 04.11.2024.-22.11.2024. Coordination meetings 04.02.2025., 11.02.2025., 18.02.2025. Coordination continues.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Waiving overhead lines for improvement of the urban environment
Key steps for implementing the measure	Provide for a uniform regulation for the relocation of overhead lines underground in laws and regulations concerning the spatial planning, balancing the interests of owners of the overhead lines and buildings and preventing the redevelopment of buildings.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoSARD/ MoT
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Not completed
A brief description of progress for 2024 (what was done in 2024?)	The deadline set in the information report is 01.06.2025. The MoSARD has conceptually agreed with the involved institutions that in order not to increase the administrative burden on local governments that would arise in case of changes in laws and regulations, because thus the existing local government spatial plans should be reviewed and amendments made thereto, additional regulation in the field of spatial planning is not necessary, building codes should be specified. In addition, the proposals of the industry are already included in the draft law "Amendments to the Electronic Communications Law" drafted by the Ministry of Transport.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	The construction process must be made more flexible to avoid the construction regulation becoming disproportionately restrictive in certain aspects.
Key steps for implementing the measure	"Reorganisation" of the implementation of construction intent process: Amend the General and Special Construction Regulations by providing for the implementation of parallel construction intents, stipulating the cases where this would be permissible and strengthening the procedure for supervision and commissioning of construction works.
Implementation time	Submission to the CoM for examination - 30.11.2024

Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2024 (what was done in 2024?)	The implementation has been completed. Currently, the draft legal act "Amendments to the Cabinet of Ministers Regulations No. 500 of August 19, 2014, 'General Construction Regulations'" (23-TA-2311) has been prepared. The draft regulations were approved in the Cabinet of Ministers on March 25, 2025.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	The construction process must be made more flexible to avoid the construction regulation becoming disproportionately restrictive in certain aspects.
Key steps for implementing the measure	Amend CoM Regulation No. 500 of 19 August 2014 "General Construction Regulations" by including regulation for a phased implementation of the construction intent.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2024 (what was done in 2024?)	The implementation has been completed. Currently, the draft legal act "Amendments to the Cabinet of Ministers Regulations No. 500 of August 19, 2014, 'General Construction Regulations'" (23-TA-2311) has been prepared. The draft regulations were approved in the Cabinet of Ministers session on March 25, 2025.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development

Goal (what should be achieved by the measure?)	Clarify the role of author's supervision: the role and importance of author's supervision should be strengthened, separating it from the copyright aspect, and the scope of the responsibility of the author's supervisor (what he is and is not responsible for) for the compliance of the works with the construction project should be clearly defined.
Key steps for implementing the measure	Amend CoM Regulation No. 500 of 19 August 2014 "General Construction Regulations", improving the regulation of author's supervision.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2024 (what was done in 2024?)	The implementation has been completed. Currently, the draft legal act "Amendments to the Cabinet of Ministers Regulations No. 500 of August 19, 2014, 'General Construction Regulations'" (23-TA-2311) has been prepared. The draft regulations were approved in the Cabinet of Ministers session on March 25, 2025.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Right to carry out works on the construction site before a mark on the fulfilment of the design conditions has been made
Key steps for implementing the measure	To determine the optimal construction process, assess whether and which preparatory works the developer can commence before the mark on the fulfilment of the design conditions has been made.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed

A brief description of progress for 2024 (what was done in 2024?)	The task has been completed. The draft legal act "Amendments to the Cabinet of Ministers Regulations No. 500 of August 19, 2014, 'General Construction Regulations'" (23-TA-2311) was approved in the Cabinet of Ministers session on March 25, 2025.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	A clear regulation for challenging the mark on the fulfilment of the design conditions and the fulfilment of the conditions for the commencement of construction works should be developed, improving public awareness of the planned construction, while creating a predictable process for the investor to challenge the construction permit.
Key steps for implementing the measure	Amend the Construction Law by laying down the requirements for public awareness about the mark on the fulfilment of the design conditions, the procedure for contestation and the time limit for contestation.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Not completed
A brief description of progress for 2024 (what was done in 2024?)	Implementation is in progress. The draft law "Amendments to the Construction Law" (24-TA-2288) was approved in the Cabinet of Ministers session on March 25. The draft law was submitted for review in the Saeima on March 28, 2025.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Improve the efficiency of the construction process while reducing potential fraud risks.
Key steps for implementing the measure	Amend CoM Regulation No. 500 of 19 August 2014 "General Construction Regulations" and special construction regulations, such as CoM Regulation No. 529 of 2 September 2014 "Construction Regulations of Buildings" and improve the regulation for recording construction works and mitigating risks to the quality of construction works.
Implementation time	-
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)

Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2024 (what was done in 2024?)	<p>Implementation has been completed.</p> <p>The "Amendments to the Special Construction Regulations" were adopted at the Cabinet meeting on October 22, 2024 (24-TA-1297; 24-TA-1287; 24-TA-1286; 24-TA-1285; 24-TA-1284; 24-TA-1283; 24-TA-434).</p> <p>The legal act draft "Amendments to the Cabinet of Ministers Regulation No. 500 of August 19, 2014, 'General Construction Regulations'" (23-TA-2311) was approved at the Cabinet of Ministers meeting on March 25, 2025.</p>
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Facilitate the acquisition of information on underground utilities and liability for damage to underground communications
Key steps for implementing the measure	Amend CoM Regulation No. 281 of 24 April 2012 by stipulating that data on underground engineering systems shall be depicted in the topographic plan on the basis of the data of the Information System for Restricted Territories.
Implementation time	Submission to the CoM for examination - 30.11.2025
Responsible/co-responsible institution	MoJ/MoE/SLS
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>Within the framework of the task, amendments to the Cabinet of Ministers' regulations Nr. 281 of 24.04.2012 are being developed, stipulating that the data on underground engineering systems are displayed in the topographic plan based on the data of the Difficult Areas Information System. The planned solution has been discussed with public organizations of surveyors (LMB and LKGA).</p> <p>06.06.2024 - the solution was presented to the engineering network holders.</p> <p>Work is currently underway on the development of the amendment draft.</p> <p>Deadlines for the task in accordance with the Informative Report of the Ministry of Economy on the action plan for reducing the administrative burden in the field of real estate development (24-TA-385), subsection 6.6.1:</p> <p>For public participation – 01.09.2025.</p> <p>Submission for consideration to the Cabinet of Ministers - 30.11.2025.</p>

Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Facilitate the acquisition of information on underground utilities and liability for damage to underground communications
Key steps for implementing the measure	Improve the regulation of the Construction Law by limiting the liability of the construction contractor and the initiator of the construction, stipulating that they are not liable for damage to underground engineering systems which they did not and could not have had any knowledge of.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Not completed
A brief description of progress for 2024 (what was done in 2024?)	The draft law "Amendments to the Construction Law" (24-TA-2288) was approved by the Cabinet of Ministers on 25 March 2025, and was submitted for review in the Saeima on 28 March.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Promote re-use of construction products
Key steps for implementing the measure	Improve the regulatory framework for construction products, promoting the re-use of construction products and the use of construction waste for re-cultivation.
Implementation time	Submission to the CoM for examination - 30.11.2025
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	12 Responsible consumption and production

RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2024 (what was done in 2024?)	<p>A draft legal act has been developed, titled "Amendments to the Cabinet of Ministers Regulation No. 156 of March 25, 2014, 'Procedure for Market Surveillance of Construction Products.'" The draft legal act was approved at the Cabinet of Ministers meeting on 11 March. The regulation came into force on 18 March 2025.</p> <p>The regulation establishes significantly easier reuse of construction products in non-load-bearing structures and finishes.</p>
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Improvement and digitisation of the deforestation process
Key steps for implementing the measure	Amend the laws and regulations in the field of construction, setting out the requirements for the insertion of a deforested landfill into the construction design, uploading to BIS, indication of the structured data required by the State Forest Service for registration in the Forest Register and for the calculation of compensation. Provide for determination of the area to be deforested on the basis of Cadastre data on forest land.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE/MoJ
RRF/MFF	-
CSR	2024(3)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	On 29.05.2024, the State Land Service (SLS) organized a meeting with the State Forest Service (SFS), the Ministry of Agriculture and the Ministry of Economy (EM) in order to agree on a solution for the transfer of State Cadastre information system of immovable property (NĪVKIS) data to the Construction information system (CIS) for the marking of a deforestation landfill site. As a result of the negotiations, it was agreed that the SLS shall transfer the forest map of the SFS to the CIS, after the relevant solution will be incorporated into the CIS, amending the agreement between the SLS and the SFS regarding the transfer of the forest map of the SFS to the CIS accordingly. Amendments developed by the Ministry of Agriculture in regulations No. 86 of the Cabinet of Ministers 04.02.2025."Amendments to the Regulations of the Cabinet of Ministers of December 18, 2012 No. 889 "Regulations on Deforestation Compensation Determination Criteria, Calculation and Reimbursement Procedures"" deleted the requirement to attach a plan for the location of the forest land to be deforested and certain requirements for the landfill to be deforested to the request for the calculation of the compensation, as well as if the deforestation is carried out for construction, the request must be accompanied by the necessary deforestation for the compensation calculation submitting and receiving the landfill in the CIS. In the amendments developed by the Ministry of Justice/State Land Service and under coordination, the Cabinet of Ministers 27.12.2011. in regulations no. 1019 "Regulations of land cadastral surveying" (24-TA-554) the regulation, which provides for the preparation of a plan for the location of forest land to be deforested, is deleted, ensuring that surveyors will not have to prepare plans for the location of forest land to be deforested in the future. The mentioned solution has been coordinated with the institutions involved in its implementation - the Ministry of Economy, the Ministry of Agriculture and the State Forest Service.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Improvement and digitisation of the deforestation process
Key steps for implementing the measure	Revise CoM Regulation No. 1019 of 27 December 2011 "Cadastral Land Survey Regulations" provide for the right of a certified building specialist to mark the landfill.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Draft Cabinet of Ministers regulations "Amendments to the Cabinet of Ministers Regulations No. 889 of 18 December 2012 "Regulations on the Criteria for Determining Deforestation Compensation, Calculation and Compensation Procedures" (23-TA-956) submitted to the State Chancellery on 07.01.2025.
Title of the measure (incl. reforms/ investments)	Reduction of administrative burden in the field of real estate development

Goal (what should be achieved by the measure?)	Improvement and digitisation of the deforestation process
Key steps for implementing the measure	Improve BIS functionality accordingly
Implementation time	30.12.2025
Responsible/co-responsible institution	MoE/SCCB
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The functionality of the Construction Information System will be improved in accordance with the adopted regulation.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Improve the process of "formation" of a residential property
Key steps for implementing the measure	<p>Amend the Law on Residential Properties to allow, in the case of a new building, the possibility to assign the cadastral numbers necessary for the registration of a residential property to the groups of premises in the Cadastre and to calculate the undivided shares of the common property attached to the residential property along with the registration of the apartment building and the groups of premises in the Cadastre.</p> <p>If necessary, amend the law governing the regulation in the field of land register to allow simultaneous registration of an apartment house and division thereof into residential properties (can be requested at the same time, ensuring consecutive registration).</p>
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE/MoJ
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-

RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	With the adoption of the Informative Report (24-TA-2818), the deadline has been extended until August 1, 2025. Apartment Property Law – will be promoted simultaneously with other amendments to the Apartment Property Law related to the right of separate use and the regulation of shared infrastructure. For both of these tasks, the deadline has been extended until August 1, 2025 with the adoption of the informative report (24-TA-2818).
Title of the measure (incl. reforms/ investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Improve the process of "formation" of a residential property
Key steps for implementing the measure	Develop informative material and explanations on aspects of common property, promoting the division of apartment houses into residential properties.
Implementation time	30.12.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2024 (what was done in 2024?)	Task completed. Information material prepared and published on the Ministry of Economy website on 19.12.2024. Available: https://www.em.gov.lv/lv/dzivojamas-majas-parvaldisana-0
Title of the measure (incl. reforms/ investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Improve the process of "formation" of a residential property
Key steps for implementing the measure	Amend the regulatory framework, thus facilitating the commissioning of commonly-owned structure, including regulation for the prevention of unauthorised construction.
Implementation time	31.12.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-

CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Not completed
A brief description of progress for 2024 (what was done in 2024?)	The draft law "Amendments to the Construction Law" (24-TA-2288) was approved by the Cabinet of Ministers on 25 March 2025, and was submitted for review in the Saeima on 28 March.
Title of the measure (incl. reforms/ investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Improve the regulation on the commonly-owned share of a residential building
Key steps for implementing the measure	Amend the Law on Residential Properties to provide for the possibility to create (establish) functionally related objects that are beyond the commonly-owned share, but that are still functionally related to a specific residential property and that separately may be an object of civil circulation (only within the owners of the residential apartment building).
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE/MoJ
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	With the adoption of the Informative Report (24-TA-2818), the deadline has been extended until August 1, 2025. In March 2024, a working group was established, which, taking into account foreign experience, identified the scope of the necessary amendments. The work of the working group was completed in May 2024. The first edition of the draft law has been prepared, which will be reviewed by the working group.
Title of the measure (incl. reforms/ investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Improve the legal solution for shared infrastructure

Key steps for implementing the measure	Amend the regulatory framework to create a solution for roads built by private individuals when building villages of private houses. The possible solution is to determine that the roads built during construction of villages of private houses belong to the municipality and are to be transferred thereto without compensation, at the same time providing for stipulation of a special obligation in laws and regulations for the owners of the villages of private houses to provide or finance maintenance of the roads.
Implementation time	Submission to the CoM for examination - 30.11.2025
Responsible/co-responsible institution	MoSARD/MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	Amendments to the Land Management Law have been prepared, discussed at the meeting of State Secretaries on 06.02.2025 and submitted for consideration at the meeting of the Cabinet of Ministers on 04.03.2025. The draft amendment to the Land Management Law (24-TA-927) includes a provision regarding the obligation of the owner of the land to transfer it free of charge and for the local government to take possession of it after the planned construction and commissioning of streets or roads.
Title of the measure (incl. reforms/ investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Improve the legal solution for shared infrastructure
Key steps for implementing the measure	Given that the Civil Law provides for the right to establish a restriction on property by will, contract or law - consider the possibility of amending the regulatory framework in the field of construction by introducing the concept of shared infrastructure and providing for registration of the status of shared use in the Land Register (restriction of rights by law, similar to the case of red lines) at the level of law. The regulation should include an explanation of the nature of this institution, rules for its use, legal consequences, etc.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE/MoJ
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-

RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	Opinions have been received on the draft law "Amendments to the Construction Law" (24-TA-2288). It is planned to submit the draft law for re-examination to the Cabinet of Ministers in early March 2025.
Title of the measure (incl. reforms/ investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Increased use of electronic signature requesting entries in the Land Register
Key steps for implementing the measure	Simplify the process for making certain entries in the Land Register, strengthen protection of the bona fide acquirer. The Ministry of Justice is to set up a working group and "sort" the types of requests for corroboration that can be submitted electronically, signed with an electronic signature, possibly using the official e-address.
Implementation time	31.12.2024.
Responsible/co-responsible institution	MoJ/MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	A working group was established in the Ministry of Justice, which has identified several solutions to simplify the procedures of registering real estate in the Land Register. The working group has concluded the active discussion phase. With the conclusion of the discussions, amendments to the Land Register Law have been developed. The harmonization of the draft law will begin in March 2025.
Title of the measure (incl. reforms/ investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Strengthening the legal status of the community of apartment owners
Key steps for implementing the measure	Amend the regulatory framework by clarifying the legal status of the community of apartment owners.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE

RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	Work continues on developing a solution for the registration of beneficial owners in the Company Register. After the solution is agreed with the Ministry of Finance, the draft law will be forwarded to the Cabinet of Ministers for consideration.
Title of the measure (incl. reforms/ investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Simplify the land survey process for the expropriation of land in case of construction of linear structures
Key steps for implementing the measure	Amendments to laws and regulations in the field of land survey and cadastral land survey. Make the process of land separation for the construction of linear structures efficient: 1) allow a project for the division of a land parcel to serve as basis for the separation of a land area; 2) to waive the obligation to survey the residual area when a part of a land parcel belonging to a private individual is separated for the construction of a linear structure.
Implementation time	Submission to the CoM for examination - 30.11.2025
Responsible/co-responsible institution	MoJ/MoE/MoF
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The necessary amendments to the laws and regulations or introduction of other types of reliefs are currently being identified in order to ensure efficient separation of the land area necessary for the construction of linear structures. On 04.02.2025 the meeting took place between the Ministry of Justice and the State Land Service on the legislative texts to be amended. Work continues. Conversation is scheduled with the Ministry of Economy.

Title of the measure (incl. reforms/ investments)	Market surveillance in the commercial banking sector
Goal (what should be achieved by the measure?)	The purpose of market surveillance is to conduct a comprehensive assessment of the competitive situation in the market, understanding the structure of the specific market and the impact of the activities of existing market participants on competition, as well as to examine in depth certain problematic aspects of the commercial banking market (consumer and legal entity lending, mobility, market barriers). It is also planned to offer proposals as part of market surveillance on how to improve competition in the commercial banking sector.
Key steps for implementing the measure	Market research, obtaining information from market participants, cooperation with other government institutions, industry societies and associations, consumer survey.
Implementation time	October 30, 2025
Responsible/co-responsible institution	CC
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	On 23 May 2024, market inquiry was initiated. After the launch, meetings were organized with market participants, industry associations, and institutions overseeing the industry. Public information was gathered, the regulatory framework was researched and several market issues were analysed to identify those that require in-depth analysis in the context of Competition law. Documentation for conducting consumer survey was approved.
Title of the measure (incl. reforms/ investments)	Market surveillance in the commercial banking sector
Goal (what should be achieved by the measure?)	Improve competition in financial markets

Key steps for implementing the measure	<p>1) In 2023, the Bank of Latvia commenced publishing commercial banks' lending and deposit rates, thereby improving access to information for bank customers, strengthening competition and promoting customer mobility</p> <p>2) In 2023, following a dialogue with the industry, the BoL revised the regulation, contributing to reducing barriers to the development of crediting services identified by the industry.</p> <p>3) The BoL's initiative to facilitate the refinancing of loans is being implemented: In 2023, work of the Refinancing Task Force led to a significant easing of the mortgage refinancing process (already in force), thereby significantly enhancing customer mobility and competition in the financial sector. In 2024, work on easing the refinancing process for corporate loans was commenced.</p> <p>4) A new market entrant, "Indexo" bank, has been licensed in 2024.</p> <p>5) BoL regularly supports IDAL in negotiations with potential market participants for their entry into the Latvian financial market.</p> <p>6) Competition in the field of payment services will be promoted by providing non-bank payment service providers with access to the CB payment systems</p> <p>7) BoL maintains a regular dialogue with businesses, including in the regions, on access to financing, including by encouraging businesses to make greater use of small banks, which will promote competition in the market.</p>
Implementation time	2023-2024
Responsible/co-responsible institution	BoL
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>In 2024, Latvijas Banka continued to publish rates of commercial bank loans and deposits (activity launched in 2023), thus improving the availability of information to bank customers, strengthening competition and promoting customer mobility. For borrowers to compare the interest rate on their loan with the average interest rate and calculate their benefit from re-crediting, in 2024 Latvijas Banka has developed and in January 2025 published an interest rate comparison tool and a re-crediting calculator on the website "Money School".</p> <p>With the aim of promoting customer mobility and competition in the financial sector, in 2024 Latvijas Banka prepared the amendments to the Commercial Law have been introduced.</p> <p>In 2024, Latvijas Banka issued a license to the new financial market participant - "Indexo" Bank.</p> <p>Latvijas Banka continuously provides support to the LIAA in negotiations with potential market participants for their entry into the Latvian financial market. At the initiative of the Latvijas Banka, a regulatory framework has been enacted on the availability of financial services in the regions. Furthermore, proposals have been prepared for possible state aid instruments and changes in tax policy.</p> <p>In 2024, work began on the development of "The Latvian Fintech industry strategy". In the area of payment services, competition will be fostered by providing non-bank payment service providers with access to central bank's payment systems. Preparations have started to ensure the authorization of crypto-asset service providers as of 2025 in line with the MiCA framework. Moreover, Latvijas Banka has provided guidance to the service providers planning to obtain registration directly in Latvia.</p> <p>Amendments to the legislation, promoting development of activities regarding the credit unions, have been submitted to the Saeima.</p> <p>Latvijas Banka has developed "The Capital Market Development 10-step program". This, has been done also with a view to diversify the sources of funding available to companies.</p> <p>Latvijas Banka maintains a regular dialogue with businesses, in particularly in the regions, on the access to financing. The entrepreneurs are being encouraged to make more active use of their local banking services, thereby promoting competition of the financial sector.</p>
Title of the measure (incl. reforms/ investments)	On changes to the regulation of the Economic Affairs Court to improve the business environment
Goal (what should be achieved by the measure?)	Reduce administrative and regulatory burdens
Key steps for implementing the measure	1) Assessment and identification of additional competences of the Economic Affairs Court in conjunction with premises and human resources. 2) Drafting of the "Amendments to the Civil Procedure Law" and of the "Amendments to the Criminal Procedure Law", establishing additional competence of the Economic Affairs Court.
Implementation time	2025
Responsible/co-responsible institution	MoJ
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	In 2024, the assessment of additional competencies of the Economic Court in connection with premises and human resources was continued. It is currently essential to develop the court's capacity and accordingly expand the court's competence. Continuing to work at the current capacity, there is a risk that the court will not be able to operate effectively. Taking into account the abovementioned, a dialogue will be initiated this year with the Judicial Council regarding the transfer of additional judge positions to the Economic Court, using unfilled vacancies in other courts.
Title of the measure (incl. reforms/ investments)	Modernisation of the Register of Enterprises
Goal (what should be achieved by the measure?)	Reduce administrative and regulatory burdens
Key steps for implementing the measure	Data processing and services of the Register of Enterprises will be modernised
Implementation time	31.05.2026
Responsible/co-responsible institution	MoJ
RRF/MFF	RRF
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	2.1.3.1.i.0
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	<p>On 10 December 2024, amendments to the project "Modernization of data processing and services of the Register of Enterprises" were agreed upon (Cabinet of Ministers Order No. 1061 "Amendments to the Cabinet of Ministers Order No. 45 of 25 January 2023, "On the Approval of the Project Passport for the 2.1.3.1.i. Investment Project "Modernization of data processing and services of the Register of Enterprises"").</p> <p>A procurement commission was established, and a technical specification for the procurement "Investment for the 2.1.3.1.i. Project "Modernization of data processing and services of the Register of Enterprises"" was prepared. On 10 October 2024, the procurement for the "Investment for the 2.1.3.1.i. Project "Modernization of data processing and services of the Register of Enterprises"" was announced. The Procurement Monitoring Bureau conducted a preliminary review of the procurement documentation and provided a positive opinion on 26 November 2024. On 5 February 2025, the procurement commission decided to award the contract to the tenderer with the most cost-effective offer. However, other tenderers filed complaints with the Procurement Monitoring Bureau, which will review them on 17 March 2025.</p> <p>Meanwhile, the Register of Enterprises has prepared an alternative plan to use the funds if the Procurement Monitoring Bureau's decision is unfavourable. On February 23, 2025, the Register of Enterprises identified funds that can be redirected to other projects and informed the relevant institutions.</p>
Policy Area - Promotion of investments	
Title of the measure (incl. reforms/ investments)	Productivity loans for innovative companies

Goal (what should be achieved by the measure?)	Increasing investments in innovations
Key steps for implementing the measure	CoM Regulation No. 24 of January 7, 2025 has been approved, within the framework of which it is planned to start receiving project applications in the second quarter of 2025
Implementation time	2025-2029
Responsible/co-responsible institution	MoE
RRF/MFF	RRF+MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	ERAF SAMP 1.2.1.2.
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	On January 7, 2025, the Cabinet of Ministers approved the support programme "Regulation for productivity loans for business innovation" directed by the Ministry of Economics (Nr. 24). Support for final beneficiaries will be available in April 2025.
Title of the measure (incl. reforms/ investments)	Support for the development of new products and technologies
Goal (what should be achieved by the measure?)	Increasing investments in innovations
Key steps for implementing the measure	CoM Regulation No. 32 of 9 January 2024 approved, within the framework of which 8 contracts with beneficiaries have been concluded
Implementation time	2024-2026 Q2
Responsible/co-responsible institution	MoE
RRF/MFF	RRF+MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	RRF 5.1.1.2.i. investment Round 2
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	On October 22, 2024, the Cabinet of Ministers approved the third round of the support program "Support for the development and internationalization of new products" directed by the Ministry of Economics (No. 663). Support for final beneficiaries will be available in May 2025.
Title of the measure (incl. reforms/ investments)	Support for the development of new products and technologies
Goal (what should be achieved by the measure?)	Increasing investments in innovations
Key steps for implementing the measure	CoM Regulation No. 663 of October 22, 2024 has been approved, within the framework of which the selection of project applications is planned to begin in the first quarter of 2025
Implementation time	2025-2029
Responsible/co-responsible institution	MoE
RRF/MFF	RRF+MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	ERAF SAMP 1.2.1.1. Round 3
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	On January 9, 2024, the Cabinet of Ministers approved the second round of the support program "Support instrument for research and internationalization" directed by the Ministry of Economy (No. 32). Until December 31, 2024, 44 research projects have been approved for the total RRF funding of 17.06 million EUR.
Title of the measure (incl. reforms/ investments)	Support for the development of new products and technologies
Goal (what should be achieved by the measure?)	Investments for the promotion of green transition
Key steps for implementing the measure	RRF CoM Regulation No 33 approved on 9 January 2024. Within the framework of the action, the CFCA concluded contracts with 9 beneficiaries as a result of a public call for proposals.
Implementation time	2024-2026 Q2
Responsible/co-responsible institution	MoE
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2024(4)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights

European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	RRF 1.2.1.2.i. 2. measure
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	On January 9, 2024, the Cabinet of Ministers approved the support program "Development of innovative products and technologies" directed by the Ministry of Economics (No. 33). Until December 31, 2024, 33 research projects have been approved for the total RRF funding of of 13.72 million EUR.
Title of the measure (incl. reforms/ investments)	Support for the digitisation of processes in commercial activity
Goal (what should be achieved by the measure?)	Investments for the promotion of digital transition
Key steps for implementing the measure	For the RRF support programme - support for digitisation of traders' processes, CoM Regulation No. 10 approved on 10.01.2023. Support is available for traders. Support programme for the promotion of digitisation of traders within the framework of the programming period 2021-2027 has been developed and is currently in the inter-institutional harmonisation process.
Implementation time	RRF funding available from 2023-2026 Q2, EU funds funding available from 2025-2029.
Responsible/co-responsible institution	MoE
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2024(4)
Common EU priorities	2 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	10 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	RRF 2.2.1.2.i. investment and ERAF SAMP 1.2.2.1.
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	On November 26, 2024, the Cabinet of Ministers approved the support programme "Support for digitisation of processes in commercial activities" directed by the Ministry of Economics (Nr. 748). Support for final beneficiaries will be available in May 2025.
Title of the measure (incl. reforms/ investments)	Support for the digitisation of processes in commercial activity

Goal (what should be achieved by the measure?)	Investments for the promotion of digital transition
Key steps for implementing the measure	For the RRF support programme - loans for digitisation, CoM Regulation No. 421 has been approved on 05.07.2022. Support is available for traders.
Implementation time	2023-2026 Q2
Responsible/co-responsible institution	MoE
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2024(4)
Common EU priorities	3 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	11 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	RRF 2.2.1.4.i. investment
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	In 2024, 68 companies were supported for a total amount of EUR 33,283,445.
Title of the measure (incl. reforms/ investments)	Support for the digitisation of processes in commercial activity
Goal (what should be achieved by the measure?)	Increasing investments in innovations
Key steps for implementing the measure	RRF CoM Regulation No. 34 has been approved on 9 January 2024. The CFCA has concluded contracts with 8 beneficiaries through the open selection process.
Implementation time	2024-2026 Q2
Responsible/co-responsible institution	MoE
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2024(4)
Common EU priorities	4 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	12 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	RRF 2.2.1.3.i. investment
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	On January 9, 2024, the Cabinet of Ministers approved the support program "Support for the introduction of new products and services in business" directed by the Ministry of Economics (No. 34). Until December 31, 2024, 37 research projects have been approved for the total RRF funding of 13.19 million EUR.
Title of the measure (incl. reforms/ investments)	Loans (start-up and productivity loans, as well as large investment loans)
Goal (what should be achieved by the measure?)	Promote SME's access to funding
Key steps for implementing the measure	Within the framework of the programming period 2021-2027, for the support programme Start-Up Loans, CoM Regulation No. 532 was approved on 19.09.2023. Support is available for traders. Within the framework of the programming period 2021-2027, for the support programme Productivity Loans, CoM Regulation No. 28 was approved on 09.01.2024. Support is available for traders
Implementation time	2024-2029
Responsible/co-responsible institution	MoE
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	For the start - ERAF SAMP 1.2.3.3. For the productivity - ERAF SAMP 1.2.3.5.
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	In 2024, 276 companies were supported within the framework of the "Start-up, growth loan" for a total amount of 12,371,503 EUR. In 2024, 49 companies were supported within the framework of the "Loans for increasing productivity (investments and working capital)" for a support amount of 15,691,258 EUR.
Title of the measure (incl. reforms/ investments)	Loans (start-up and productivity loans, as well as large investment loans)
Goal (what should be achieved by the measure?)	Promote SME's access to funding
Key steps for implementing the measure	06.07.2021. The CoM approved regulations No. 503, which provide for loans with a capital discount of up to 30%, but not more than 10 million EUR for large investment projects (investments over 10 million EUR). Support is available to merchants.
Implementation time	2024 and beyond
Responsible/co-responsible institution	MoE

RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	By 2024, 29 investment projects with the applied capital discount of 190.36 million EUR million have been approved within the framework of the first, closed and third rounds. As part of the investment project, 1357 new jobs will be created, 429.79 million EUR exports and 19.39 million EUR will be invested in R&D.
Title of the measure (incl. reforms/ investments)	Guarantees (for economic operators to improve competitiveness, portfolio guarantees, short-term export credit guarantees)
Goal (what should be achieved by the measure?)	Promote SME's access to funding
Key steps for implementing the measure	Within the framework of the programming period 2021-2027, Portfolio Guarantees for Support Programme, Regulation No. 498 was approved on 5 September 2023. Guarantee support for traders is provided.
Implementation time	2024-2029
Responsible/co-responsible institution	MoE
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	ERAF SAMP 1.2.3.4.
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	In 2024, 131 companies were supported for a total amount of EUR 8,820,034.
Title of the measure (incl. reforms/ investments)	Guarantees (for economic operators to improve competitiveness, portfolio guarantees, short-term export credit guarantees)
Goal (what should be achieved by the measure?)	Promote SME's access to funding

Key steps for implementing the measure	Within the framework of the programming period 2021-2027, for the support programme Guarantees for Economic Operators to Improve Their Competitiveness, CoM Regulation No. 500 was approved on 05.09.2023. Guarantee support for traders is provided.
Implementation time	2024-2029
Responsible/co-responsible institution	MoE
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	ERAF SAMP 1.2.2.2.
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	In 2024, 1 company was supported for a total amount of 36,646 EUR.
Title of the measure (incl. reforms/ investments)	Guarantees (for economic operators to improve competitiveness, portfolio guarantees, short-term export credit guarantees)
Goal (what should be achieved by the measure?)	Promote SME's access to funding
Key steps for implementing the measure	CoM Regulations No. 866 of 20 December 2016, which provides for the possibility for companies to obtain short-term export credit guarantees. Guarantee support for traders is provided.
Implementation time	2024 -2028
Responsible/co-responsible institution	MoE
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	A total of 25 guarantees have been issued to businesses for a total amount of 8,781,840 EUR, the declared transaction volume in 2024 is 3,880,386 EUR.

Title of the measure (incl. reforms/ investments)	Investments in public business infrastructure to develop industrial parks and territories in the regions
Goal (what should be achieved by the measure?)	<p>Investments to reduce inequality, to develop the infrastructure of industrial parks and territories of national importance and to attract investors to Latvian regions outside the Riga planning region, thus promoting creation of high value-added and export-oriented jobs, as well as reducing regional development disparities between the Riga region and the remaining territory of Latvia.</p> <p>Objectives to be achieved and milestones:</p> <ol style="list-style-type: none"> 1) by 31.12.2022, the support programme for the development of industrial parks and territories in the regions has been adopted; 2) by 31.12.2023, decisions on the award of contracts for the development of industrial parks in the regions have been sent to project applicants; 3) by 31.12.2025, at least four letters of intent or contracts with internationally recognised industrial park operators or potential investors have been signed, generating non-financial investments in the amount of at least 85,741,349 EUR; 4) by 31.12.2025, construction of at least four industrial parks and territories of national importance in the regions has been completed; 5) by 31.07.2026, at least 328 jobs have been created in industrial parks in the areas of smart specialisation with a salary exceeding the average salary in the relevant sector of the national economy of the planning region concerned.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Approval of CoM Regulation (30.08.2022); 2) Implementation of the open selection (19.10.2022-28.04.2023); 3) Conclusion of contracts and implementation of projects.
Implementation time	01.02.2020.-31.08.2026.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	RRF (CID Annex - Investment 3.1.1.3.i under "COMPONENT No. 3 REDUCING INEQUALITIES")
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities
RRF reform/ investment No.	3.1.1.3.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>During the period from January 8, 2024 to February 14, 2024, five contracts were concluded for the implementation of projects aimed at establishing industrial parks of national significance in regions outside the Riga Planning Region (Daugavpils, Valmiera, Jelgava, Liepāja, and Ventspils).</p> <p>The implementation of projects continued, as well as monitoring the progress and implementation of investment targets.</p> <p>To address risks identified by municipalities in achieving future targets, amendments to the Cabinet of Ministers Regulation No. 543 of August 30, 2022, were approved by the Cabinet of Ministers on December 17, 2024. The amendments provide changes of the targets verification mechanism, without changing the targets specified in the RRF plan but clarifying the documents certifying their achievement, which will contribute to the acquisition of the investment in general. The amendments made were informally agreed with the European Commission.</p>

Title of the measure (incl. reforms/ investments)	Infrastructure to support entrepreneurship (Programme 5.1.1.1 (only Round 1, Round 2, no flexibility funding for Round 3; only indicators for Rounds 1 and 2 are specified, no flexibility indicators for Round 3. Indicators are specified against CoM Regulation, not against the OP.)
Goal (what should be achieved by the measure?)	Investments to promote the development of public infrastructure for entrepreneurship by increasing the volume of private investment in urban functional areas through investments for the development of entrepreneurship in line with municipal development programmes. Achievable results: 1) at least 35 traders benefiting from the public infrastructure developed; 2) at least 51,400,781 EUR increase in the wage fund at private traders; 3) at least 68,534,375 EUR private non-financial investments in intangible investments and fixed assets.
Key steps for implementing the measure	1) Approval of CoM Regulation (16.01.2024; amendments of 07.05.2024 and 04.06.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (02.08.2023); 3) Commencement of the selection (for Round 1 - restricted selection on 09.05.2024; for Round 2 - open selection on 21.02.2024); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2021. -31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA/local governments
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	On January 16, 2024, the Cabinet of Ministers adopted Regulations No. 55 "Implementation Regulation for the specific support objective 5.1.1. "Local territory integrated social, economic and environmental development, culture, natural heritage, sustainable tourism, and promoting security in functional urban areas" of the EU Cohesion Policy Programme 2021-2027, measure 5.1.1.1. "Infrastructure for business support". From May 9, 2024 to December 31, 2024, the first round of the limited project application selection was conducted and 27 project applications were submitted. The evaluation of projects is currently in progress. As of December 31, 2024, two contracts on project implementation have been signed with ERDF funding of 3.24 million EUR. From February 21, 2024 to June 21, 2024, the second round of the open call was conducted and 20 project applications were submitted. The evaluation of projects is currently in progress. As of December 31, 2024, five contracts on project implementation have been signed with a total ERDF funding of 3.98 million EUR. The evaluation of the remain project applications is ongoing. <i>(By February 17, 2025, 11 additional project implementation contracts were signed with ERDF funding of 19.42 million EUR).</i> On September 27, 2024, an additional call for the second round of the open call was announced, with the submission deadline set for February 28, 2025.

Title of the measure (incl. reforms/ investments)	Capacity building of local governments and planning regions (Programme 5.1.1.2 (no flexibility funding planned))
Goal (what should be achieved by the measure?)	<p>Investments to improve the administrative capacity of planning regions and local governments in matters concerning territorial development planning and implementation, facilitating the preparation of quality project proposals for the attraction of support of the EU structural and investment funds for territorial development, including by complying with good governance principles, to strengthen the competitiveness of municipalities and ensure sustainable development of the territory's settlement and living environment.</p> <p>Achievable results:</p> <ol style="list-style-type: none"> 1) Improvement of administrative capacity ensured in at least 29 municipalities and at least 3 planning regions; 2) Capacity building events (seminars, campaigns, experience exchange or other events) for development planning and project specialists of at least 5 planning regions and municipalities organised.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Approval of CoM Regulation (31.01.2023); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (26.01.2023); 3) Commencement of restricted selection (06.03.2023); 4) Conclusion of contract (09.08.2023) and project implementation.
Implementation time	01.01.2023.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>The implementation of the project, launched on August 9, 2023 (with ERDF funding of 0.38 million EUR) has continued, as well as monitoring the progress and implementation of the indicators to be achieved in the measure, in order to achieve the objectives and results set in the measure.</p> <p>In 2024, as part of the project, the following activities took place:</p> <ul style="list-style-type: none"> - 4 capacity-building events on public participation in the development of municipal regulations, development planning, and implementation, including enhancing basic knowledge about civil society as a resource and its contribution to the development of territories. - 2 capacity-building events on spatial planning issues. - An evaluation was conducted on the municipalities' capacity in the field of territorial development planning. - A seminar was organized on the application of smart solutions to improve the efficiency of municipal administration work and services. - An international exchange visit to the Netherlands was organized for municipal specialists on urban environment quality and the development of sustainable public outdoor spaces.

Title of the measure (incl. reforms/ investments)	Promoting competitiveness in agriculture
Goal (what should be achieved by the measure?)	Support 2,500 farms to improve their economic performance and competitiveness, as well as to promote the development of cooperation and access to funding
Key steps for implementing the measure	1) Development and approval of laws and regulations for the transition period 2020-2021 2) Development of the CAP SP 2023-2027 and harmonisation thereof with the EC 2) Development and approval of laws and regulations (2023 -2024) 3) Implementation of support actions from 2023-2029
Implementation time	2023 - 2029
Responsible/co-responsible institution	MoA/RSS; ALTUM
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>The following legal acts have been developed:</p> <ul style="list-style-type: none"> - The draft regulations "Loans with a capital rebate for agricultural and rural economic operators" (24-TA-2550) have been developed and announced for public consultation. - Several amendments have been made in legal acts to ensure additional funding for support financial instruments in the form of loans. - Amendments No 214 of the Cabinet of Ministers of 02.04.2024 "Amendments to Regulations No 306 of the Cabinet of Ministers of 13 June 2023 "Procedure for granting State and European Union support under the intervention of the European Agricultural Fund for Rural Development "Support for investments in small agricultural farms" for the period 2023-2027" - Draft Regulations (23-TA-1439) "Procedure for granting State and European Union support in the form of open calls for proposals for investments in tangible assets under the European Agricultural Fund for Rural Development for the programming period 2023-2027", adopted on 21.05.2024. - Amendments have been made to the Cabinet of Ministers Regulations of 7 March 2023 No 113 "General procedure for granting, administering and monitoring State and European Union support for rural and fisheries development", as well as to other regulatory enactments, contributing to the reduction of administrative burden for support applicants and administering authorities, as well as clarifying the scope of regulatory enactments and their compliance with the EU regulation. <p>In 2024, the following support measures were implemented:</p> <ul style="list-style-type: none"> - The support round was announced, and payments were made under the CAP SP intervention "Food Quality Schemes," benefiting 618 applicants. - The support round was announced under the CAP SP intervention "Insurance premiums of crop, animal and sowed and planted areas," with support granted to approximately 2,000 farmers. - The compensation round was announced under the CAP SP intervention "Support in the Form of Subsidies for Partial Repayment of the Interest Rate," benefiting approximately 2,500 farmers. - The support call was announced under the CAP SP measure "Support for investments in small farms" for the period 03.06.2024 - 03.07.2024, under

	<p>which support was granted to 227 farmers.</p> <ul style="list-style-type: none"> - The support call was announced under the CAP SP measure "Support for young farmers to set up their own business" for the period 05.08.2024 - 05.09.2024, under which support was granted to 157 farmers. - The support call was announced under the CAP SP measure "Support for the implementation of EIP Operational groups projects", under which 21 EIP Operational groups were supported. - Announcement of the 12th round of support under the sub-measure "Support for investments in processing" of the RDP 2014-2020 measure "Investments in tangible assets" (25.04.2024. - 27.05.2024.), within the framework of which support has been granted to 19 applicants for support. - Announcement of the aid round under CAP SP measure "Support for investments in agricultural and forestry infrastructure", Round 1 (11.07.2024 - 01.12.2026) for managers of drainage systems of national importance and agricultural research institutions. - The announcement of the 1st round of support under the CAP SP measure "Support for investments in processing" (22.07.2024 - 22.08.2024) was secured, under which support was granted to 33 applicants. - The launch of the support round for the CAP SP measures "Support for investment in agricultural holdings for competitiveness" Round 1 and "Support for investment in processing" Round 2 (04.11.2024 - 04.12.2024) was secured, under which 17 project applications from cooperative societies and associations of cooperative societies were granted support. - Announcement of the second round of support under the CAP SP measure "Support for investments in agricultural and forestry infrastructure" (04.11.2024 - 04.12.2024) for scientific institutions in the agricultural sector, municipalities and municipal corporations. - The announcement of the 1st round of support under the CAP SP measure "Investments in tangible assets" (04.11.2024 - 04.12.2024) has been secured, under which the sub-measures: <ul style="list-style-type: none"> - "Support for investment in agricultural holdings to improve competitiveness", 147 small and 181 medium-sized agricultural holdings; - Support for investments to reduce GHG and ammonia emissions', 252 applicants were granted support; - "Support for investments to improve welfare and biosecurity" was granted to 57 applicants; - "Aid for investments in the use of RES or to increase energy efficiency" was granted to 26 applicants for investments in the production of renewable energy and to 16 applicants for investments in improving energy efficiency. - Also worth mentioning is the announced round (04.11.2024-04.03.2025) for preventive investments in sheep farms, investing in the protection of livestock against large predators and reducing wildlife mortality. - Announcement of the 13th round of support under the RDP 2014-2020 measure "Investments in tangible assets" (05.12.2024-06.01.2025), under which 83 small, 69 medium-sized organic farms and 4 cooperative societies have been granted support.
Title of the measure (incl. reforms/ investments)	Investments for the promotion of green transition
Goal (what should be achieved by the measure?)	Investments for the promotion of green transition

Key steps for implementing the measure	<p>1) Approval of the National Energy and Climate Plan;</p> <p>2) Preparation of CoM Regulation "Regulations of the Public Call for Proposals Funded by the Emission Allowance Auctioning Tool "Promoting Public Awareness of the Importance and Opportunities of Climate Neutrality and Climate Resilience"", approval of CoM Regulation - Q3 2024, announcement of the selection of project proposals - Q4 2024, implementation deadline for projects approved within the framework of the call for proposals - as specified in each concluded project agreement;</p> <p>3) Preparation of CoM Regulation - Regulations of the Public Call for Proposals Funded by the Emission Allowance Auctioning Tool for the period until 2028 - according to the directions for the use of funding set out in the Emission Allowance Auctioning Tool's operational strategy (under development) and the priorities set out in the National Energy and Climate Plan; 2) According to the investments indicated in line 43 - 1) and 2), investments indicated in line 44 - 2) and 3)</p> <p>4) Preparation of CoM Regulation - on the EU Cohesion Policy Programme 2021 -2027 for the action "Sewage Sludge Recycling" of the Specific Aid Objective 2.2.2.3 (2025), approval of CoM Regulation (2025), implementation of the programme (2026-2028);</p> <p>5) according to investments 1) and 2), indicated in line 43, investments 2) and 3) indicated in line 44 and investments 4)-17), indicated in line 45.</p>
Implementation time	For the EU fund actions (2025 - 2029), <i>REPowerEU</i> (2024 - 2026), the Social Climate Fund (2026 - 2032), the Emission Allowance Auctioning Tool - according to the implementation deadline set in each public call for proposals and the project implementation deadline set in each concluded project contract, the Modernisation Fund - according to the implementation deadline set in each call for proposals and the project implementation deadline set in each concluded project contract.
Responsible/co-responsible institution	MoCE, MoSARD, MoE UAD
RRF/MFF	RRF+MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	6 Clean water and sanitation; 13 Climate action
RRF reform/ investment No.	4) 2.2.2.3. investment
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>1) The updated National Energy and Climate Plan 2021-2030 (hereinafter - NECP) was adopted by the Cabinet of Ministers Order No. 657 of 12 July 2024 and submitted to the European Commission. In the first half of 2024, an active public consultation of the NECP took place, meeting with more than 40 social partners, non-governmental sector organizations, industry representative organizations, businesses and local governments with the aim of agreeing on the objectives included in the NECP, listening to the issues and discussing solutions. At the same time, the institutions involved worked on the implementation of the NECP measures, for example, by developing various support programs or promoting legislative initiatives.</p> <p>2) The Cabinet of Ministers Regulations No. 84 were approved by the Cabinet of Ministers on 4 February 2025 on "The Emission Allowance Auction Instrument cofinanced open call for proposals on the Public awareness building actions on role and opportunities of climate neutrality and resistance ". The starting date of the submission for project proposals is foreseen on 1 July 2025. Duration of projects' implementation is set according to the conditions of individual project agreement but not later than 31 December 2026.</p> <p>3) The Emission Allowance Auction Instrument Strategy currently is in the development process.</p> <p>4) No progress was planned in 2024 regarding the 2.2.2.3. specific objective "Processing of sewage sludge", preparation of rules for the 2.2.2.3. specific objective "Processing of sewage sludge" is underway in 2025.</p>
Policy Area - Energy and Energy Efficiency	
Title of the measure (incl. reforms/ investments)	Synchronisation with the Central European power system
Goal (what should be achieved by the measure?)	Promoting energy security
Key steps for implementing the measure	<p>1) On 2 July 2024, CoM Regulations No. 432 were approved on the European Union Recovery and Resilience Mechanism Plan 7.1.1. reforms "Energy Sector Transformation" 7.1.1.1.i. investments "Electricity Transmission System Synchronization";</p> <p>2) Implementation of electricity transmission system synchronization projects within the framework of CEF funding.</p>
Implementation time	2024-2025
Responsible/co-responsible institution	MoCE
RRF/MFF	RRF+MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	7.1.1.1.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Regulations No. 432 for the RRF investment 7.1.1.1.i "Synchronisation of the electricity transmission system" of reform 7.1.1 "Transformation of the Energy Sector" were adopted on 2 July 2024; implementation of projects is foreseen in 2025 - 2026.
Title of the measure (incl. reforms/ investments)	Increasing the share of renewable energy in final energy consumption

Goal (what should be achieved by the measure?)	Reducing dependence on fossil fuels
Key steps for implementing the measure	<p>1.) Approval of the National Energy and Climate Plan;</p> <p>2.) Improvement of regulatory framework and development of simplification of permit issuance procedures for renewable energy projects (2024-2025);</p> <p>3.) Mapping of renewable energy go-to territories (2024-2025)</p> <p>4.) Preparation of Cabinet regulations on the specific support objective 2.1.2 "Promotion of renewable energy - biomethane" of the European Union Cohesion Policy Programme 2021-2027 (3rd quarter of 2024), approval of Cabinet regulations (4th quarter of 2024), implementation of the programme (2025-2027);</p> <p>5.) Preparation of the Cabinet of Ministers' Regulations on the specific support objective measure "Use of RES and improvement of energy efficiency in district and individual heating and cooling" of the European Union Cohesion Policy Programme 2021-2027 (3rd quarter of 2024), approval of the Cabinet of Ministers' Regulations (4th quarter of 2024), implementation of the programme (2025-2027);</p> <p>6.) On 2 July 2024, Cabinet of Ministers' Regulations No. 432 were approved for the European Union Recovery and Resilience Mechanism Plan 7.1.1. reform "Energy sector transformation" 7.1.1.2.i. investment "Modernisation of electricity transmission and distribution networks";</p> <p>7.) On 2 July 2024, Cabinet of Ministers' Regulations No. 432 European Union Recovery and Resilience Mechanism Plan 7.1.1. reforms "Energy sector transformation" 7.1.1.3.i. investments "Increasing the share of biomethane in final consumption"; ;</p> <p>8.) Development of the regulatory framework of the Social Climate Fund (2025), development of the Social Climate Plan (2025), implementation of investments (2026 - 2032);</p> <p>9.) Cabinet of Ministers Regulations No. 35 of 12 January 2016 "Regulations of the open competition for projects financed by the Emission Allowance Auctioning Instrument "Reduction of greenhouse gas emissions in architectural monuments of national importance"" - the implementation of projects will continue within the framework of the second round of project application selection, which was announced in 2022;</p> <p>10.) Cabinet of Ministers Regulations No. 35 of 12 June 2018 333 "Regulations of the open tender for projects financed by the Emissions Trading Facility "Reduction of greenhouse gas emissions with smart urban technologies"" - announcement of the second round of project application selection in August 2024, the deadline for submitting project applications until 1 November 2024, the implementation period for projects approved within the framework of the tender - in accordance with the one specified in each concluded project agreement;</p> <p>11.) Cabinet of Ministers Regulation No. 150 of 1 March 2022 "Regulations of the open tender for projects financed by the Emissions Trading Facility "Reduction of greenhouse gas emissions in households - support for the use of renewable energy resources"" - implementation of activities supported within the framework of the tender until 31 December 2024 or until the funding specified within the framework of the tender is available;</p> <p>12.) Cabinet of Ministers Regulation No. 454 of 14 July 2022 "Regulations on the open competition for projects financed by the Emissions Quota Auctioning Instrument "Reduction of greenhouse gas emissions in the lighting infrastructure of municipal public areas"" - the implementation of projects will continue within the framework of the selection of project applications, which was announced in 2022;</p> <p>13.) Preparation of the Cabinet of Ministers Regulation "Regulations on the open competition for projects financed by the Emissions Quota Auctioning Instrument "Promoting public awareness of the importance and possibilities of climate neutrality and climate resilience"", approval of the Cabinet of Ministers Regulation - 3rd quarter of 2024, announcement of the selection of project applications - 4th quarter of 2024, the implementation period of projects approved within the framework of the competition - in accordance with the provisions of each concluded project agreement;</p> <p>14.) Preparation of the Cabinet of Ministers' regulations "Regulations for the open tender for projects financed by the Emissions Quota Auctioning Instrument "Reduction of greenhouse gas emissions in the buildings of institutions of the Ministry of the Interior system and local government police institutions", approval of the Cabinet of Ministers' regulations - 3rd/4th quarter of 2024, announcement of the selection of project applications - 4th quarter of 2024, implementation period of projects approved within the framework of the tender - in accordance with that specified in each concluded project agreement;</p> <p>15.) Preparation of the Cabinet of Ministers' regulations - Regulations for open tenders for projects financed by the Emissions Quota Auctioning Instrument for the period until 2028 - in accordance with the directions for the use of funding set out in the Emissions Quota Auctioning Instrument's operational</p>

	strategy (under development) and the priorities set out in the National Energy and Climate Plan; 16.) Preparation of the Cabinet of Ministers' regulations "Regulations on the open competition for projects financed by the Modernization Fund "Promotion of the use of renewable energy resources in multi-apartment buildings, state and municipal buildings, including support for the creation of infrastructure related to their operation"", approval of the Cabinet of Ministers' regulations - 4th quarter of 2024/1st quarter of 2025, announcement of the selection of project applications - 1st/2nd quarter of 2025, approval within the framework of the competition
Implementation time	For the EU fund actions (2025 - 2029), <i>REPowerEU</i> (2024 - 2026), the Social Climate Fund (2026 - 2032), the Emission Allowance Auctioning Tool - according to the implementation deadline set in each public call for proposals and the project implementation deadline set in each concluded project contract, the Modernisation Fund - according to the implementation deadline set in each call for proposals and the project implementation deadline set in each concluded project contract.
Responsible/co-responsible institution	MoCE
RRF/MFF	RRF+MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	6) and 7) 7.1.1.2.i, 7.1.1.3.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>The updated National Energy and Climate Plan 2021-2030 (hereinafter - NECP) was adopted by the Cabinet of Ministers Order No. 657 of 12 July 2024 and submitted to the European Commission. In the first half of 2024, an active public consultation of the NECP took place, meeting with more than 40 social partners, non-governmental sector organizations, industry representative organizations, businesses and local governments with the aim of agreeing on the objectives included in the NECP, listening to the issues and discussing solutions. At the same time, the institutions involved worked on the implementation of the NECP measures, for example, by developing various support programs or promoting legislative initiatives.</p> <p>Within the Renewables goes to territories mapping the data layers necessary for mapping, the data holders were identified and the necessary information was requested so that the state Limited Liability Company "Latvian Environment, Geology and Meteorology Centre" could begin the data analysis for the development of a proposal on the potential use of certain renewable energy resource technologies in specific territories, taking into account potential prohibitions.</p> <p>On January 7, 2025 Regulation of the Cabinet of Ministers No. 21 "Implementing rules for 2.1.2. specific objective "Promotion of energy from renewable energy sources - biomethane" of the EU Cohesion policy programme 2021 - 2027" was adopted.</p> <p>On January 7, 2025 Regulation of the Cabinet of Ministers No. 20 "Implementing rules for the second round for 2.1.1. specific objective "Promotion of energy efficiency and reduction of greenhouse gas emissions" 2.1.1.3. measure "Use of renewable energy sources and increase of energy efficiency in central heating and cooling" of the EU Cohesion policy programme 2021 - 2027" was adopted.</p> <p>On 2 July 2024 Regulations of the Cabinet of Ministers No. 432 "Implementing rules for investment 7.1.1.1.i "Synchronisation of the electricity transmission system", investment 7.1.1.2.i "Modernisation of electricity transmission and distribution networks" and investment 7.1.1.3.i "Increasing the share of biomethane in final consumption" of the reform 7.1.1 "Transformation of the Energy Sector" of the European Union Recovery and Resilience Facility Plan" was adopted. The regulations provide financing for three investment measures under the <i>REPowerEU</i> chapter of the RRF plan for Latvia, including investment 7.1.1.2.i "Modernisation of electricity transmission and distribution networks" and investment 7.1.1.3.i "Increasing the share of biomethane in final consumption".</p>

	<p>Social Climate Fund: within the framework of the project "Support to the Preparation of the Social Climate Plans", financed under the European Commission's Technical Support Instrument (TSI), work is underway on the development of the Latvian Social Climate Plan, including the identification of target groups and eligible measures and investments. The work will continue in 2025.</p> <p>Within the framework of the second round of project tender, announced in 2022, the implementation of projects continues.</p> <p>On July 16, 2024, the Cabinet of Ministers approved amendments to Regulations No. 333 of June 12, 2018 "Regulations of the open competition "Reducing greenhouse gas emissions with smart urban technologies" for projects financed by the Emission Allowance Auction Instrument ", for the second call of selection project proposals.</p> <p>On December 10, 2024, the Cabinet of Ministers approved amendments to Regulations No. 150 of March 1, 2022 "Regulations of the open tender for projects financed by the Emission Allowance Auctioning Instrument "Reduction of greenhouse gas emissions in households - support for the use of renewable energy resources", to increase the available funding and ensure the operation of the program until December 31, 2029.</p> <p>Within the framework of the second round of project tender, announced in 2022, the implementation of projects continues.</p> <p>The Rule of Cabinet of Ministers No. 84 were approved by the Cabinet of Ministers on 4 February 2025 on "The Emission Allowance Auction Instrument cofinanced open call for proposals on the Public awareness building actions on the role and opportunities of climate neutrality and resistance ". The starting date of the submission for project proposals is foreseen on 1 July 2025. Duration of projects' implementation is set according to the conditions of individual project agreement, but not later than 31 December 2026.</p> <p>The Cabinet of Ministers Regulations No. 807 were adopted on December 10, 2024. Submission of project applications from December 16, 2024 to April 17, 2025.</p> <p>The Strategy of the Emission Allowance Auction Instrument is currently in the development process.</p> <p>The draft Cabinet of Ministers regulations - the regulations of the project tender - are in the development process. The measure is to be implemented in 2025.</p> <p>On December 17, 2024, the Cabinet of Ministers approved "Amendments to the Cabinet of Ministers Regulations No. 896 of December 21, 2021 "Regulations of the open tender for projects financed by the Emission Allowance Auctioning Instrument "Reduction of greenhouse gas emissions in the transport sector - support for the purchase of zero-emission and low-emission vehicles"" in order to increase the available funding and ensure the operation of the program until December 31, 2025.</p> <p>The Cabinet of Ministers Regulations No. 701 were adopted on November 5, 2024. Submission of project applications (1st round) from November 14, 2024 to February 7, 2025.</p>
Title of the measure (incl. reforms/ investments)	Promoting energy efficiency
Goal (what should be achieved by the measure?)	Reducing dependence on fossil fuels; improving energy efficiency in the public and private sectors

Key steps for implementing the measure	<p>1.) Approval of the National Energy and Climate Plan;</p> <p>2.) Development and adoption of the legal framework for the transposition of the Energy Efficiency Directive (2024-2025)</p> <p>3.) Implementation of the NECP measures (2024-2028)</p> <p>4.) (1) in accordance with: Cabinet of Ministers Regulation No. 35 of 12 January 2016 "Regulations on the open competition for projects financed by the Emissions Trading Instrument "Reduction of greenhouse gas emissions in architectural monuments of national importance"" - the implementation of projects will continue within the framework of the second round of the selection of project applications, announced in 2022;</p> <p>(2) Cabinet of Ministers Regulation No. 333 of 12 June 2018 "Open competition for projects financed by the Emissions Trading Instrument "Reduction of greenhouse gas emissions with smart urban technologies"" regulations"" - announcement of the second round of project application selection in August 2024, deadline for submission of project applications until November 1, 2024, deadline for implementation of projects approved within the framework of the competition - in accordance with the provisions of each concluded project agreement;</p> <p>(3) Cabinet of Ministers Regulation No. 454 of 14 July 2022 ""Regulations of the open competition for projects financed by the Emission Allowance Auctioning Instrument ""Reduction of greenhouse gas emissions in the lighting infrastructure of public areas of municipalities"""" - implementation of projects within the framework of the selection of project applications announced in 2022 will continue;</p> <p>(4) Preparation of the Cabinet of Ministers' regulations ""Regulations for the open tender for projects financed by the Emissions Quota Auctioning Instrument ""Reduction of greenhouse gas emissions in the buildings of institutions of the Ministry of the Interior system and local government police institutions""", approval of the Cabinet of Ministers' regulations - 3rd/4th quarter of 2024, announcement of the selection of project applications - 4th quarter of 2024, implementation period of projects approved within the framework of the tender - in accordance with the provisions set out in each concluded project agreement;</p> <p>- in accordance with the directions for the use of funding set out in the Emissions Quota Auctioning Instrument's operational strategy (under development) and the priorities set out in the National Energy and Climate Plan;</p> <p>(5) Preparation of the Cabinet of Ministers' regulations "Regulations on the Modernization Fund-financed project competition "Improvement of energy efficiency and promotion of the use of renewable energy resources for merchants in energy distribution, transmission and production processes"" (the name of the Cabinet of Ministers' regulations may be specified during the development process), approval of the Cabinet of Ministers' regulations - 2025, announcement of the selection of project applications - 2025, implementation period of projects approved within the framework of the competition - in accordance with the provisions of each concluded project agreement."</p>
Implementation time	2024-2028
Responsible/co-responsible institution	MoCE/ MoE
RRF/MFF	-
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>1) The updated National Energy and Climate Plan 2021-2030 (hereinafter - NECP) was adopted by the Cabinet of Ministers Order No. 657 of 12 July 2024 and submitted to the European Commission. In the first half of 2024, an active public consultation of the NECP took place, meeting with more than 40 social partners, non-governmental sector organizations, industry representative organizations, businesses and local governments with the aim of agreeing on the objectives included in the NECP, listening to the issues and discussing solutions. At the same time, the institutions involved worked on the implementation of the NECP measures, for example, by developing various support programs or promoting legislative initiatives.</p> <p>2) In 2024, an evaluation of the provisions of the revised Energy Efficiency Directive was launched and amendments to the Energy Efficiency Law were prepared regarding the obligations of data centers to report on data center capacity and consumption parameters in the system maintained by the European Commission. At the same time, an evaluation of the efficiency assessment of the district heating and cooling system was launched.</p> <p>3) The implementation of projects continues within the framework of second call of project selection proposals announced in 2022.</p> <p>4) On July 16, 2024, the Cabinet of Ministers approved amendments to Regulation No. 333 of June 12, 2018 "Regulations of the open competition "Reducing greenhouse gas emissions with smart urban technologies" for projects financed by the Emission Allowance Auction Instrument ", for the second call of selection project proposals.</p> <p>5) The implementation of projects continues within the framework of second call of project selection proposals announced in 2022.</p> <p>6) The Cabinet of Ministers Regulations No. 807 were adopted on December 10, 2024. Submission of project applications from December 16, 2024 to April 17, 2025. The measure will be implemented in 2025.</p>
Title of the measure (incl. reforms/ investments)	Investment 1.2.1.1.i. "Improvement of the energy efficiency of multi-apartment buildings and transition to renewable energy technologies"
Goal (what should be achieved by the measure?)	Improvement of the energy efficiency and purchase and installation of renewable energy technologies (e.g., solar panels - use for self-consumption) in multi-apartment buildings
Key steps for implementing the measure	<ol style="list-style-type: none"> 1. Agreement of the apartment owners on their participation in the programme and development of technical documentation. 2. Project proposal to Altum. 3. Altum adopts an initial opinion on the reservation of the capital discount. 4. Suppliers are selected. 5. Altum clarifies the capital discount based on the estimate. 6. Loan application. 7. Altum's decision to grant a loan or a guarantee and a capital discount. 8. Contracting. 9. Construction works. 10. Receiving support.
Implementation time	31.08.2026
Responsible/co-responsible institution	MoE
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-

UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	1.2.1.1.i.
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	As of 13 March 2025, a total of 142 projects, 93 of which have concluded contracts for the implementation of the project and the receipt of aid, the total eligible costs of the projects being EUR 53 118 896. 10 projects have been completed and benefited from capital reductions of EUR 2 248 947. The capital discount is reserved for 39 projects where work is ongoing on selecting suppliers, selecting a financier and other equivalent works. In 2024, amendments to investment 1.2.1.1.i have been made, the main objective of which was to reduce the bureaucratic burden by allowing 1.2.1.1 i. to finance all energy efficiency related works within the framework of the investment without a percentage restriction, as well as to perform the clarification of other conditions so that conditions are clearer, the bureaucratic burden is reduced and acquisition of investment is promoted 1.2.1.1.i.
Title of the measure (incl. reforms/ investments)	Action 2.1.1.1 “Improvement of the energy efficiency in residential buildings, including by developing the ESCO market (multi-apartment, private and small apartment building complexes)”
Goal (what should be achieved by the measure?)	Improvement of the energy efficiency and purchase and installation of renewable energy technologies (e.g., solar panels - use for self-consumption) in multi-apartment buildings
Key steps for implementing the measure	The measure was approved by the CoM on December 17, 2024, and the selection of project applications within its framework will begin on April 3, 2025.
Implementation time	31 December 2029
Responsible/co-responsible institution	MoE
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Normative regulation has been developed and approved by the Cabinet of Ministers on December 17, 2024 (Cabinet of Ministers Regulations No. 880 of 17 December 2024, conditions of the support Programme for implementation of Energy efficiency improvement measures in Multi-apartment residential houses).The selection of project applications will commence on 3 April 2025.
Title of the measure (incl. reforms/ investments)	Action 2.1.1.4 “Improvement of the energy efficiency in public buildings” and Action 2.1.1.7 "Optimisation of infrastructure in public institutions”
Goal (what should be achieved by the measure?)	Improvement of the energy efficiency and purchase and installation of renewable energy technologies in public buildings

Key steps for implementing the measure	The measure was approved by the Cabinet of Ministers on December 17, 2024, and the selection of project applications within its framework will begin in the second quarter of 2025.
Implementation time	31 December 2029
Responsible/co-responsible institution	MoE
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Normative regulation has been developed and approved by the Cabinet of Ministers on December 17, 2024 (Cabinet of Ministers Regulations No. 881 of 17 December 2024, conditions of the specific objective 2.1.1 "Promoting energy efficiency and reducing greenhouse gas emissions" of the EU Cohesion Policy Programme 2021-2027, measure 2.1.1.4 "Increasing energy efficiency in public buildings" and measure 2.1.1.7 "Optimisation of public institutions' infrastructure). The selection of project applications is planned to start in March 2025.
Title of the measure (incl. reforms/ investments)	Investment 1.2.1.4.i. "Improvement of the energy efficiency in public sector buildings, including historic buildings"
Goal (what should be achieved by the measure?)	Improvement of the energy efficiency and transition to renewable energy resources in public sector buildings providing cultural function, including in historic buildings (reduced total primary energy consumption, promoted transition to use of renewable energy sources for energy production, and reduced greenhouse gas emissions)
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Selection of beneficiaries through a closed selection round. 2) Conclusion of contracts/agreements of the beneficiaries with the CFCA for the development of construction intent documentation. 3) Procurements for the development of construction intent documentation. 4) Development, approval, assessment of the construction intent documentation by the MoE/MoC. 5) Decision on the beneficiaries within the framework of projects of which construction will be carried out to provide energy efficiency improvement actions. 6) Construction.
Implementation time	June 30, 2026
Responsible/co-responsible institution	MoE/MoCE
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4)
Common EU priorities	3 Energy security

European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	1.2.1.4.i.
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>In total, 9 contracts have been concluded with the beneficiaries regarding the development of technical documentation, and with one of them also for construction works.</p> <p>Work on the technical documentation is ongoing. Amendments to the Cabinet of Ministers Regulations No. 443 were adopted on 10 December, 2024. (Cabinet of Ministers Regulations No. 443 of 8 August 2023 "Regulations for implementation of Reform 1.2. of the Recovery and Resilience Mechanism Plan of the European Union and Investment direction "Improvement of energy efficiency" 1.2.1.4.i. investment "Improvement of energy efficiency in public sector buildings, including historic buildings").</p> <p>The list of buildings to be supported has been clarified in order to achieve the reduction rate of primary energy consumption and to move on with ensuring the implementation of the second stage of investment (construction).</p>
Title of the measure (incl. reforms/ investments)	Action 2.1.1.8 "Actions promoting energy efficiency actions in cultural infrastructure"
Goal (what should be achieved by the measure?)	Improvement of energy efficiency and transition to renewable energy resources, in public buildings where cultural function is provided (reduction in total primary energy consumption achieved)
Key steps for implementing the measure	The action is currently under development. CoM approval planned for Q4 2024
Implementation time	31 December 2029
Responsible/co-responsible institution	MoE/MoCE
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>Normative regulation has been developed and approved by the Cabinet of Ministers on January 7, 2025 (Cabinet of Ministers Regulations No. 18 of 7 January 2025 "Regulations for implementation of measure 2.1.1.8 "Measures promoting energy efficiency in cultural infrastructure" of the specific support objective 2.1.1. "Promotion of energy efficiency and reduction of greenhouse gas emissions" of the EU Cohesion Policy Programme 2021-2027). There have been discussions with the Ministry of Culture regarding the conditions of support, project applicants, indicators to be achieved. Limited selection of the project proposals is planned in Q2/Q3 2025.</p>

Title of the measure (incl. reforms/ investments)	Action 1.2.1.2.i.1 "Improvement of energy efficiency in business (including transition to renewable energy technologies in heating)"
Goal (what should be achieved by the measure?)	Investments in the improvement of energy efficiency in business, development of renewable energy technologies and rational use of energy resources (reduced negative impacts on the environment and climate change, promoted sustainable and environmentally friendly business development)
Key steps for implementing the measure	1) Preparation for participation in the aid programme. 2) Application for a support programme (selection round). 3) If the application is approved in the selection round - loan/parallel loan application. 4) If the loan is granted - implementation of the project. 5) If the project results are achieved - application of capital allowance.
Implementation time	31 August 2026
Responsible/co-responsible institution	MoE
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	1.2.1.2.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>The investment is implemented in accordance with the Cabinet of Ministers' Regulations No. 594 of 20 September 2022 "European Union Recovery and Resilience Mechanism Plan 1.2. Reform and investment direction ""Improvement of energy efficiency"" 1.2.1.2.i. investment ""Improvement of energy efficiency in business (including the transition to the use of renewable energy technologies in heat supply and research and development activities (including bioeconomy))"" 1.2.1.2.i.1. measure ""Improvement of energy efficiency in business (including the transition to the use of renewable energy technologies in heat supply)"" Implementation regulations".</p> <p>Progress: all CID indicators have been met, the Cover note is being prepared for submission to the European Commission.</p> <p>CID indicators:</p> <p>No. 11. by 31.08.2026. calculated greenhouse gas emission savings – 11 498 tons of CO₂ equivalent per year (performance 11 500 tons of CO₂ equivalent per year)</p> <p>No. 12. to 31.12.2024. the finance development institution "Altum" has approved projects with a total amount of at least 72 351 600 EUR (performance 77 039 630.57 EUR).</p>
Title of the measure (incl. reforms/ investments)	Investment 1.2.1.5.i. "Modernisation of the electricity transmission and distribution networks"

Goal (what should be achieved by the measure?)	Investments to ensure reform of the electricity transmission and distribution modernisation (improved IT solutions, reinforcement of the distribution system and transmission infrastructure (including the electricity grid and buildings), development of an adequate and efficient electricity grid infrastructure to connect electric vehicles and distributed generation)
Key steps for implementing the measure	1) Selection of beneficiaries under a restricted selection procedure. 2) Conclusion of contracts with beneficiaries. 3) Procurements made by the beneficiary for the implementation of the supported actions. 4) Construction works, IT systems development.
Implementation time	31 May 2026
Responsible/co-responsible institution	MoE
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	1.2.1.5.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Active work continues on the implementation of actions to be supported under the two projects (JSC "Sadāles tīkls" and JSC "Augstsprieguma tīkls") : promotion of smart and secure energy systems (including smart grids and information technology systems and equipment); implementation of services contributing to a lowcarbon economy and climate resilience (including the implementation of awareness raising measures); promoting the use of renewable energy sources, electromobility and energy efficiency; implementation of the project "Jāņciems", including the construction of the main dispatching and data centre, as well as the development of a data connection and information technology infrastructure solution of the main data centre and the reserve data centre, ensuring the planning and management of working modes of renewable energy producers. Amendments to the Cabinet of Ministers Regulations No.726 were adopted on 18 June, 2024. (Cabinet of Ministers Regulations No. 726 of 15 November 2022 "Regulations for implementation of the investment "Modernisation of electricity transmission and distribution networks", Reform 1.2. of the RRF Plan and Investment direction "Improvement of energy efficiency", 1.2.1.5.i. investment) The conditions of support for the establishment of connection points for electric vehicles, indicators performance documentation, costs have been clarified.
Title of the measure (incl. reforms/ investments)	Action 2.1.1.2 "Use of RES and improvement of energy efficiency in industry and business" and Action 6.1.1.4 "Business "greening" and product development actions by promoting improvement of energy efficiency and introduction of energy-efficient technologies in enterprises"
Goal (what should be achieved by the measure?)	Investments in the improvement of energy efficiency, smart energy management and renewable energy resources in industry and economic operators, as well as ensuring transition to climate-neutral economy for economic operators in the most affected regions
Key steps for implementing the measure	The measure was approved by the CoM on March 11, 2025, and the selection of project applications within its framework will begin in the second quarter of 2025.
Implementation time	31 December 2029

Responsible/co-responsible institution	MoE
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>Normative regulation has been developed and approved by the Cabinet of Ministers on March 11, 2025 (Cabinet of Ministers Regulation No. 155 of March 11, 2025 "Regulations of the Support Program for Greening Business, Using Renewable Energy Resources and Increasing Energy Efficiency")</p> <p>The company Altum will begin accepting project applications in the second quarter of 2025.</p> <p>At the same time, considering the mid-term redistribution in the EU's Cohesion Policy Program for 2021–2027, and in order to enhance energy security as well as disaster management centers and civil protection infrastructure, the funding for measure 2.1.1.2. has been reduced from EUR 43 180 956 to EUR 7 811 352.</p>
Title of the measure (incl. reforms/ investments)	Improvement of municipal buildings and infrastructure by promoting the transition to the use of renewable energy technologies and improving energy efficiency
Goal (what should be achieved by the measure?)	<p>Investments in climate targets to improve the energy efficiency of municipal buildings and infrastructure, thereby reducing annual primary energy consumption and achieving energy savings by implementing the most effective greenhouse gas emission reduction actions to improve the energy efficiency and thermal performance of municipal buildings.</p> <p>Objectives to be achieved and milestones:</p> <p>1) by 31.12.2022, CoM Regulation on the investment enters into force;</p> <p>2) by 31.12.2024, contracts in the amount of at least 27,838,800 EUR have been awarded;</p> <p>3) by 31.12.2025, primary energy consumption in municipal buildings and infrastructure has been reduced by at least 4,544,563 kWh/year.</p>
Key steps for implementing the measure	<p>1) Approval of CoM Regulation (08.11.2022);</p> <p>2) Implementation of the public selection (20.01.2023 -22.06.2023) and the additional call (28.09.2023 -28.12.2023);</p> <p>3) Conclusion of contracts and implementation of projects.</p>
Implementation time	01.02.2020.-31.12.2025.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	RRF (CID Annex - investment 1.2.1.3.i under "COMPONENT No. 1 CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY")
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4)
Common EU priorities	3 Energy security

European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	1.2.1.3.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>The evaluation of 28 project applications submitted in the additional call for proposals for investment 1.2.1.3.i. and the conclusion of agreements/contracts on the implementation of the projects have been ensured (as of 31.12.2024, a total of 43 agreements/contracts for RRF funding in the amount of 25.6 million EUR have been concluded as a result of both calls, of which 4 projects have been completed, but one project is in the process of concluding a contract; <i>as of 07.02.2025, 44 agreements/contracts have been concluded, of which 7 projects have been completed</i>).</p> <p>The implementation of projects, as well as monitoring of the progress and fulfilment of indicators to be achieved in the investment was continued, in order to achieve the milestones and targets set for the investment, including monitoring of the fulfilment of the 2024 target (by 31.12.2024, in total, the right to conclude contracts in the amount of EUR 27 679 952 has been granted in the first project selection procedure and additional call, the documents supporting the implementation of the target - CoverNote - are being coordinated with the European Commission).</p>
Title of the measure (incl. reforms/ investments)	Improvement of the energy efficiency of municipal buildings (Programme 2.1.1.6 (all 3 classes, incl. 3rd class in terms of flexibility funding indicators and finances))
Goal (what should be achieved by the measure?)	<p>Investments to promote the green transition to improve the energy efficiency of municipal buildings and directly related infrastructure thereto within the framework of Round 1 of the action, in order to reduce annual primary energy consumption and save energy by introducing the most efficient actions to improve the energy efficiency and thermal performance of municipal buildings, whereas, within the framework of Round 2 of the action - to improve the energy efficiency of infrastructure for public water services by reducing annual primary energy consumption and increasing the use of technologies requiring renewable energy resources.</p> <p>Achievable results:</p> <p>1) public buildings with improved energy efficiency in the area of at least 27,454 m2; 2) additional renewable energy generation capacity of at least 2 MW; 3) reduction of total primary energy consumption of at least 1,400 MWh/year.</p>

Key steps for implementing the measure	<p>For Round 1:</p> <ol style="list-style-type: none"> 1) Approval of CoM Regulation (16.07.2024); 2) Approval of the of the exception of the evaluation criteria of project proposals with regard to the application of the single criteria and single selection criteria in the EU Funds Supervisory Committee (23.04.2024); 3) Commencement of the restricted selection (Q3 2024); 4) Conclusion of contracts and implementation of projects. <p>For Round 2:</p> <ol style="list-style-type: none"> 1) Development of CoM Regulation and commencement of harmonisation on the TAP (30.07.2024); 2) Approval of CoM Regulation (Q4 2024); 3) Examination of the evaluation criteria of project proposals by the Thematic Sub-Committee (25.07.2024); 4) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (September 2024); 5) Commencement of the public selection (Q4 2024); 6) Conclusion of contracts and implementation of projects. <p>For Round 3:</p> <ol style="list-style-type: none"> 1) Development of CoM Regulation and commencement of harmonisation on the TAP (Q1 2026); 2) Approval of CoM Regulation (Q2 2026); 3) Examination and approval of the evaluation criteria of project proposals by the Thematic Sub-Committee (Q1 2026); 4) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (Q2 2026); 5) Commencement of the public selection (Q3 2024); 6) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2021.-31.12.2027.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>1st round:</p> <p>Exception to the project application evaluation criteria regarding the application of common criteria and common selection criteria was approved by the EU Funds Monitoring Committee on 23.04.2024.</p> <p>At the meeting of the Cabinet of Ministers on 16.07.2024, Cabinet of Ministers Regulations No. 480 "Implementation Regulation for the first round of project application selection for the specific support objective 2.1.1. "Promotion of energy efficiency and reduction of greenhouse gas emissions" of the EU Cohesion Policy Programme 2021-2027, measure 2.1.1.6. "Increasing the energy efficiency of municipal buildings"" was adopted.</p> <p>From 26.08.2024. to 07.10.2024. limited project selection was performed, the evaluation of three submitted project applications was ensured (evaluation of project applications and conclusion of contracts continues as of 31.12.2024; <i>two contracts concluded as of 05.02.2025</i>).</p> <p>2nd round:</p> <p>The criteria for evaluating project applications were reviewed by the thematic subcommittee on 25.07.2024 and approved by the EU Funds Monitoring Committee on 03.09.2024.</p> <p>Draft Cabinet of Ministers Regulations "Implementation Regulation for the second round of project application selection for the specific support objective 2.1.1. "Promotion of energy efficiency and reduction of greenhouse gas emissions" of the European Union Cohesion Policy Programme 2021-2027, measure 2.1.1.6. "Increasing the energy efficiency of municipal buildings"" coordination within the TAP was initiated on 30.07.2024. Two coordination cycles were implemented and then the draft Cabinet regulation coordinated with the institutions involved was submitted to the State Chancellery for approval by the Cabinet of Ministers on 03.10.2024. At the Cabinet of Ministers meeting on 05.11.2024., Cabinet of Ministers Regulations No. 700 were approved.</p> <p>On 27.11.2024. an open selection for project applications has been announced with the submission deadline of 27.02.2025.</p> <p>3rd round: Investment planning is taking place according to the planned timetable.</p>
Title of the measure (incl. reforms/ investments)	Establishment of shore power connections for service of Ro-Ro passenger ships in the Port of Liepāja
Goal (what should be achieved by the measure?)	Reducing dependence on fossil fuels
Key steps for implementing the measure	The Liepāja Special Economic Zone Authority will provide shore power supply within the framework of the Connecting Europe Facility (hereinafter referred to as - CEF) project "Providing safe berthing of Ro-Ro ferries in the Port of Liepāja" (project acronym 22-LV-TG-LPXRORO, subject ID - CEF-T-2022-COMPGEN-MARP-WORKS, project No. 101122785).
Implementation time	As at 31 December 2027,
Responsible/co-responsible institution	LSEZ Authority, MoCE, MoT
RRF/MFF	-
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4)
Common EU priorities	Meeting the target indicators defined in Article 9 of Regulation (EU) 2023/1804 of the European Parliament and of the Council of 13 September 2023 on the deployment of alternative fuels infrastructure with regard to shore-side electricity supply in seaports; 3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action

RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	In September 2024, the elaboration of the technical design for rebuilding of the Liepāja Port Pier No. 46, including the creation of an electrical connection for ships shore supply, was commenced. Elaboration of the technical design which will be completed in March 2025. It is planned that the construction work for the reconstruction of the pier will begin in the second half of 2025.
Title of the measure (incl. reforms/ investments)	Establishment of shore power connections for service of Ro-Ro passenger ships in the port of Ventspils
Goal (what should be achieved by the measure?)	Reducing dependence on fossil fuels
Key steps for implementing the measure	The Port of Ventspils plans to establish a shore power connection for Ro-Ro passenger ships at No. Pier 16 by 2028. Total number of connections from 2 to 3 (number of connections will be clarified during the projecting). Total capacity of the connections - 4,000 kW.
Implementation time	2028
Responsible/co-responsible institution	FVA, MoCE, MoT
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4)
Common EU priorities	Meeting the target indicators defined in Article 9 of Regulation (EU) 2023/1804 of the European Parliament and of the Council of 13 September 2023 on the deployment of alternative fuels infrastructure with regard to shore-side electricity supply in seaports; 3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	On July 5, 2024, a contract for design work was signed for the construction of on-shore power supply at the Ventspils Freeport Pier No. 16. The design works should be completed by May 2025. A project application for project selection was prepared and submitted for the program 3.1.1.6. "Development of public infrastructure of large ports" on November 15, 2024. On December 14, 2024, the Central Finance and Contracts Agency made a decision (letter No. 39-2-10/8838) on the approval of the project application of the Ventspils Freeport Authority, on the condition that the project submitter submits a project application to the agency by January 14, 2025, in which the conditions listed in the annex to the decision have been fulfilled. Clarifications of the project submission were submitted on January 13, 2025.
Policy Area - Affordable Housing	
Title of the measure (incl. reforms/ investments)	Establishing a financing fund for the construction of low-rent housing

Goal (what should be achieved by the measure?)	Promote access to low-rent housing that meets building standards and energy efficiency requirements for households in regions that cannot afford market housing due to insufficient income
Key steps for implementing the measure	Programme implementation: 1) Q4 2024. - Projects approved for construction of 300 apartments in total 2) Q3 2026. - Projects approved for construction of 467 apartments in total 3) Q3 2026. - 300 apartments built
Implementation time	2022 - 2026
Responsible/co-responsible institution	MoE
RRF/MFF	RRF
CSR	2019(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities
RRF reform/ investment No.	3.1.1.4.i.
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	In 2024, the implementation of the support program continued. At the beginning of 2024, amendments to the support program's implementation conditions were approved, providing additional funding for financing VAT costs. In total, by the end of 2024, 7 loan agreements were signed under the program for the construction of 446 apartments.
Title of the measure (incl. reforms/ investments)	Access to social housing for particularly disadvantaged people
Goal (what should be achieved by the measure?)	To ensure access to housing conforming to decent living conditions for the lowest income groups and to reduce queues in municipalities for renting such housing
Key steps for implementing the measure	Programme implementation: 1) The 1st selection round concluded Q1 2024; 2) The 2nd selection round will be announced around the first half of 2025 after the approval of the amendments to the Operational Programme by the European Commission
Implementation time	2022 - 2029
Responsible/co-responsible institution	MoE
RRF/MFF	MFF
CSR	2019(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion

UN SDG	1 Poverty alleviated; 9 Manufacturing, innovations and infrastructure; 10 Reduced inequality; 11 Sustainable cities and communities
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	In 2024, projects were selected within the framework of the 1st selection round of the support measure, and the implementation is underway for 30 projects. These projects aim to renovate approximately 900 apartments across the territory of Latvia, which, upon completion, will be leased to socially and economically vulnerable persons in municipalities. Concurrently, in 2024, proposals were prepared for amendments to the EU Cohesion Policy Programme 2021-2027 concerning this support measure, in order to facilitate the announcement of the 2nd round of the measure in 2025.
Title of the measure (incl. reforms/ investments)	Support actions to ensure accessibility of the housing environment for persons with disabilities
Goal (what should be achieved by the measure?)	Provide support for the adaptation of housing for 259 persons with disabilities who have reduced mobility, improve employment opportunities and access to services, thereby contributing to quality of life and respect for human rights
Key steps for implementing the measure	RRF 3.1.2.1.i, Round 2 investments (within the framework of CoM Regulation No. 512 of 05.09.2023): 1) By 31 March 2024 - selection of a specific target group to improve the physical accessibility of housing. 2) By 31 March 2025 - conclusion of procurement contracts for actions aimed at accessibility of housing for people with disabilities. 3) By 30 June 2026 - ensured accessibility to housing environment for 259 persons with disabilities.
Implementation time	2023-2026 Half-year I
Responsible/co-responsible institution	MoW/ local governments
RRF/MFF	RRF
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	1 Poverty alleviated; 9 Manufacturing, innovations and infrastructure; 10 Reduced inequality; 11 Sustainable cities and communities
RRF reform/ investment No.	3.1.2.1.i. Investment "Measures to promote accessibility of public services and employment for persons with disabilities"
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Delay in the target group selection will not affect the deadline for investment. As of 17.03.2025. the projects envisage providing support to 255 persons, or 98% of the planned (259 persons). Currently, amendments to one project, which is intended to support 4 target group persons, are in the formal approval process.
Policy Area - Sustainability of Transport	
Title of the measure (incl. reforms/ investments)	Rail Baltica project implementation

Goal (what should be achieved by the measure?)	The railway project with high strategic importance as it will improve military mobility in the region and contribute significantly to the security of the Baltic States by facilitating smoother military mobility and logistics for allied troops seeking to deploy in the region from their bases in Poland and Germany, and as part of the EU military network.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Completion of the detailed technical design of the mainline 2) Commencement of construction of the mainline 3) Development of the control-command and signalling subsystem 4) Electrification of railway line 5) Construction and construction supervision of Riga Central Station and Riga Airport Station
Implementation time	2014-2030
Responsible/co-responsible institution	MoT
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights; 4 Building defence capabilities
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 10 Reduced inequality; 11 Sustainable cities and communities
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	<p>Although only a fully completed Rail Baltica project can ensure the achievement of all project goals, considering the limited funding resources and the strict deadline set by the TEN-T Regulation (the establishment of a cross-border connection by 2030), the most practical way forward is to develop the project in phases.</p> <p>The Cabinet of Ministers has reviewed the Informative Report "On the Implementation Scenario of the Rail Baltica Project in the Territory of Latvia" (24-TA-2704, Cabinet of Ministers meeting minutes No. 52, § 102), and a decision has been made on the project's first phase until 2030:</p> <ul style="list-style-type: none"> • Establishing a cross-border connection from the Lithuanian border to the Estonian border, starting construction in the section from the Lithuanian border to Misa. • Completing the initiated construction works at both Riga stations - Riga Airport and the southern part of the Riga Central Station, to give these facilities functionality. • Constructing a new railway line from Imanta Station to the Riga Airport. • Creating a cargo loading/unloading area on both banks of the Daugava river for military mobility needs. • Conducting a techno-economic analysis and developing a solution for attracting private investment for the connection of one international station to the Rail Baltica main line by building 1435 mm railway infrastructure. • The design for the main line sections (LT/LV border - Misa-Upeslejas-Vangaži-LV/EE border) is planned to be completed by 2025, with certain sections expected to be ready by early 2026. Additionally, construction works in the section from the Lithuanian border to Misa are planned to start in the first quarter of 2025. <p>Funding remains the primary challenge to achieving the set goals in a timely manner. Solutions are being sought to attract funding for the project - redistribution of the EU Cohesion Fund & Recovery and Resilience Facility, state budget, as well as the public-private partnership model.</p>

Title of the measure (incl. reforms/ investments)	Implementation of action 6.2.1.2 "Modernisation and construction of railway infrastructure" of the Specific Aid Objective 6.2.1 "Ensuring a competitive and environmentally friendly TEN-T railway network by promoting its safety, quality and capacity" of the priority axis "Sustainable transport system" of the Operational Programme "Growth and Employment" for the 2014-2020 EU funds programming period.
Goal (what should be achieved by the measure?)	Number of stations with elevated platforms Total length of reconstructed or upgraded railway lines
Key steps for implementing the measure	45 stations and stops 100 km
Implementation time	12.2026.
Responsible/co-responsible institution	SJSC "Latvijas dzelzceļš" (LDz), MoT
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	By the end of 2024, 31 stations and stops have been put into temporary service.
Title of the measure (incl. reforms/ investments)	Implementation of the action 3.1.1.1 "Improvement of rail transport and energy efficiency in public passenger transport" and action 3.1.1.3 "Development of rail infrastructure in the trans-European transport network" of the Policy Objective 3 "A more Connected Europe through better mobility" of the EU Cohesion Policy Programme 2021-2027.
Goal (what should be achieved by the measure?)	Length of new or upgraded railway track - TEN-T New or upgraded railway stations and stops
Key steps for implementing the measure	TBC km TBC stations and stops
Implementation time	12.2029
Responsible/co-responsible institution	SJSC "Latvijas dzelzceļš", MoT
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4)

Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 10 Reduced inequality; 11 Sustainable cities and communities
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Not started yet
Title of the measure (incl. reforms/ investments)	Implementation of the actions related to 1.1.1.1.i.2 and 1.1.1.1.i.3 of the investment 1.1.1.1.i. "Competitive Rail Passenger Transport in the Riga City Public Transport System" of reform 1.1.1.r. "Greening of the Riga Metropolitan Area Transport System" of the reform and investment axis 1.1 "Emission Reduction in the Transport Sector" of the EU RRF plan Component 1 "Climate Change and Environmental Sustainability"
Goal (what should be achieved by the measure?)	Length of electrified railway lines and upgraded existing railway lines for passenger transport
Key steps for implementing the measure	100 km
Implementation time	03.2026
Responsible/co-responsible institution	SJSC (VAS) "Latvijas dzelzceļš", MoT
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2022(4); 2023(4)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 10 Reduced inequality; 11 Sustainable cities and communities
RRF reform/ investment No.	1.1.1.r 1.1.1.1.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Design has taken place, but construction of the railway contact line on the Zaslauks – Bolderāja line has started at the beginning of 2025.
Title of the measure (incl. reforms/ investments)	Purchase of emission-free battery trains
Goal (what should be achieved by the measure?)	Purchase zero-emission battery trains to promote sustainable and diversified urban mobility
Key steps for implementing the measure	1) Procurement 2) Engineering supervision 3) Commissioning and operation

Implementation time	2025-2029
Responsible/co-responsible institution	MoT
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	According to the Informative Report "About Rail Baltica project implementation scenario in Latvia" (24-TA-2704) it is planned to redirect existing EU funding for railway project to implement the first stage of the Rail Baltica. This proposal includes redirection of funding intended for 2 BEMU purchase and recognition of provisions, which provided this funding, as invalid.
Title of the measure (incl. reforms/ investments)	Development of a unified public transport ticket information system
Goal (what should be achieved by the measure?)	Improve the functionality of the unified public transport ticket information system to: <ul style="list-style-type: none"> - comply with the principles of a modular technical solution and microservices architecture, - be adapted to the principle of "mobility as a service", - be compatible and integrated with all the possible types of transport, - be adapted with the data re-use service components it contains and the requirements of the Latvian transport sector's national access point.
Key steps for implementing the measure	1) Procurement 2) IS improvement 3) Integration and e-services improvement 4) Introduction of unified ticketing
Implementation time	2025-2028
Responsible/co-responsible institution	MoT
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure;
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	According to the Ministry of Smart Administration and Regional Development of the Republic of Latvia decision, the Single Public Transport Ticket Information System (hereinafter - the Project) has been included in the list of Round 1 projects and not in the list of emergency priority projects, therefore the development of the Project documentation has been started in 2024 in accordance with the provisions of the Cabinet of Ministers (Drafting of the Project Development Activity Description has been started).
Title of the measure (incl. reforms/ investments)	Greening transport energy
Goal (what should be achieved by the measure?)	Diversification of fossil fuel imports;
Key steps for implementing the measure	1) Development and adoption of the legal framework (Transport Energy Law and subordinate CoM Regulation) - 2024-2025; 2) CoM CoM Regulation No. 896 of 21 December 2021 "Regulations of the Public Call for Proposals Funded by the Emission Allowance Auctioning Tool "Reduction in Greenhouse Gas Emissions in the Transport Sector - Support for the Purchase of Emission-free and Low-emission Vehicles"" - implementation of activities to be supported under the call for proposals until 31 December 2024 or while the funding under the call for proposals is available; 3) Preparation of CoM Regulation "Regulations of the Public Call for Proposals Funded by the Modernisation Fund "Increasing Energy Efficiency in the Transport Sector - Support for the Introduction of Electric Vehicles and Their Charging Infrastructure"", approval of CoM Regulation - Q3 2024, announcement of the selection of project proposals - Q4 2024, time limit for the implementation of the projects approved under the call for proposals - as specified in each concluded project agreement;
Implementation time	2024-2027
Responsible/co-responsible institution	MoCE
RRF/MFF	-
CSR	2019(3); 2020(3); 2022(4); 2023(4)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights; 3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	-
On-track status step	Delayed

A brief description of progress for 2024 (what was done in 2024?)	<p>1) The draft law "Transport Energy Law" was considered at the Cabinet of Ministers' meeting No. 26 of June 25, 2024. The progress of the draft law in the Saeima in 2024 was cautious and was behind schedule.</p> <p>The draft Cabinet of Ministers regulations resulting from the draft law have been developed and coordinated several times on the Legal Acts Portal with the parties involved, but will be forwarded to the Cabinet of Ministers for approval only after the draft law enters into force.</p> <p>2) On December 17, 2024, the Cabinet of Ministers approved "Amendments to the Cabinet of Ministers Regulations No. 896 of December 21, 2021 "Regulations of the open tender for projects financed by the Emission Allowance Auctioning Instrument "Reduction of greenhouse gas emissions in the transport sector - support for the purchase of zero-emission and low-emission vehicles"" in order to increase the available funding and ensure the operation of the program until December 31, 2025.</p> <p>3) The Cabinet of Ministers Regulations No. 701 were adopted on November 5, 2024. Submission of project applications (1st round) from November 14, 2024 to February 7, 2025.</p>
Title of the measure (incl. reforms/ investments)	Purchase of zero-emission vehicles for local government functions and services
Goal (what should be achieved by the measure?)	<p>Investments to reduce inequalities, to improve the delivery of local government functions and services, focusing on the mobility of learners while improving the accessibility of the school network, as well as to green public sector transport in Latvia by investing in zero-emission vehicles.</p> <p>Objectives to be achieved and milestones:</p> <p>1) by 31.12.2022, local governments have adopted a support programme for the purchase of electric buses for the performance of municipal functions and related services;</p> <p>2) by 31.12.2024, civil contracts or agreements on granting the right to implement projects for the purchase of zero-emission vehicles for the performance of local government functions and execution of the administrative tasks worth at least 8,300,000 EUR in total;</p> <p>3) by 31.12.2025, 15 zero-emission electric vehicles have been purchased and delivered to local authorities as beneficiaries of funding for municipal transport for learners.</p>
Key steps for implementing the measure	<p>1) Approval of CoM Regulation (25.10.2022);</p> <p>2) Implementation of the public selection (21.11.2022-28.02.2023) and the additional call (28.03.2023-28.06.2023);</p> <p>3) Conclusion of contracts and implementation of projects.</p>
Implementation time	01.02.2020.-31.12.2025.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	RRF (CID Annex - Investment 3.1.1.6.i under "COMPONENT No. 3 REDUCING INEQUALITIES")
CSR	2019(3); 2020(3); 2022(4); 2023(4)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights; 3 Energy security
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	3.1.1.6.i
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	In 2024, project implementation continued, as well as monitoring of progress and the achievement of investment indicators, in order to achieve the milestones and targets set for the investment - by the end of 2025, at least 15 electric school buses delivered to municipalities as beneficiaries for municipal transport of learners. In total, municipalities plan to purchase 21 electric buses within the projects. In 2024, two projects were completed, resulting in the delivery of three electric buses, while the remaining electric buses are expected to be delivered by the end of 2025.
Title of the measure (incl. reforms/ investments)	Promoting the use of zero-emission vehicles in municipalities (Programme (TPTP) 6.1.1.6 (without flexibility in funding indicators and finances))
Goal (what should be achieved by the measure?)	Investments for local governments for the promotion of purchase of zero-emission vehicles, facilitating the transition to a climate-neutral economy. Achievable results: 1) at least 35 zero-emission vehicles purchased to implement municipal functions and provide services; 2) users of new or upgraded public transport - at least 301,786 annually.
Key steps for implementing the measure	1) Approval of CoM Regulation (23.01.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (16.11.2023); 3) Commencement of public selection (29.02.2024); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2021.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA/local governments
RRF/MFF	MFF (JTF)
CSR	2019(3); 2020(3); 2022(4); 2023(4)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights; 3 Energy security
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	On January 23, 2024, the Cabinet of Ministers adopted Regulations No. 65 "Implementation Regulation for the specific support objective 6.1.1. "Mitigation of the economic, social and environmental impacts of the transition to climate neutrality in the most affected regions" of the EU Cohesion Policy Programme 2021-2027, measure 6.1.1.6. "Promotion of the use of zero emission vehicles in municipalities"". From February 29, 2024 to May 29, 2024, the first round of an open call for project applications was conducted. Following the evaluation of 11 project applications, 10 contracts on project implementation were signed with a total JTF funding of 6 million EUR. On September 26, 2024, an additional call for project applications was announced, with a submission deadline of January 31, 2025. Two project applications have been submitted.
Policy Area - Digital Infrastructure	
Title of the measure (incl. reforms/ investments)	Digital transformation of public administration, including local governments

Goal (what should be achieved by the measure?)	<p>1) Objectives of the reform "Modernisation and digital transformation of government processes and services":</p> <ul style="list-style-type: none"> - modernise public administration services by digitally transforming them and focusing on important public administration functions, processes and services that have not yet been digitally transformed or are being newly developed or substantially strengthened; - provide for qualitative and quantitative service metrics as defined in the conceptual model of the public administration service delivery system. <p>2) Objectives of the reform "Improving the efficiency and interoperability of the use of public ICT resources":</p> <ul style="list-style-type: none"> - transform the approach to ICT provision in public administration by centralising in competence centres the provision of common ICT shared services in support of multiple institutions; - develop centralised public administration platforms, information systems and shared services and consolidate computing infrastructure services by automating and streamlining delivery processes to facilitate cross-border access to public administration services and consolidating public administration computing and data storage infrastructure services. <p>3) Objectives of the reform "Development of the economy's data and digital services economy":</p> <ul style="list-style-type: none"> - ensure the availability and sharing of public and private sector data and services, laying the foundations for the development of a data and platform economy, interoperability with European data spaces and data sharing within the EU; - develop the capacity of the different public sector sectors to manage, share and publish for re-use the datasets they hold.
Key steps for implementing the measure	<p>1 Approval of CoM Regulation - 14.07.2022</p> <p>2) Approval of the Project Passport by the CoM - from 14.07.2022</p> <p>3) Harmonisation of the ICT solution descriptions to be developed under the project from 14.07.2022</p> <p>4) Conclusion of project implementation agreements and implementation of projects.</p>
Implementation time	14.07.2022. - 31.08.2026.
Responsible/co-responsible institution	MoSARD
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2021(1); 2022(1); 2023(1)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 16 Peace, justice, good governance
RRF reform/ investment No.	<p>Reforms:</p> <p>2.1.1.; 2.1.2.; 2.1.3.</p> <p>Investments:</p> <p>2.1.1.1.i.; 2.1.2.1.i.; 2.1.2.2.i; 2.1.3.1.i.</p>
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>Out of the planned investments mentioned above, 39 out of 42 projects have entered into implementation agreements. 3 projects for which no agreement has not been reached yet are 2.2.1.2. "Digital transformation of local government services and modernisation and centralisation of local government support processes, including in co-operation with public administration institutions" purpose projects, the projects have been approved by the Cabinet of Ministers and the further status is as follows:</p> <ol style="list-style-type: none"> 1. The "Register of evidence of education" project has been in the status of contracting; 2. The projects "Single architecture of education information systems and management solution of applications in educational institutions" and "improvement of the functionality of the information system of local elections and referendums" are in the status of harmonisation of the ICT solution. The activities for these three projects have already commenced.
Title of the measure (incl. reforms/ investments)	Investment 2.1.2.1.i "Centralised platforms and systems for administration" of the reform 2.1 and investment axis "Digital transformation of public administration, including local governments" of component 2 "Digital transformation" of the RRF plan
Goal (what should be achieved by the measure?)	Digital transformation of public order and security processes, pre-trial and trial proceedings, ruling enforcement and supervisory processes, and related services, including the development of e-Justice. Improvements of the electronic pre-trial, trial and ruling enforcement process are foreseen, reducing both pre-trial and trial periods and ensuring accessibility and transparency of information. The main aim of the improvements is to make administrative, civil, criminal, administrative offence proceedings and ruling enforcement process faster, cheaper, more efficient, more transparent and safer.
Key steps for implementing the measure	<p>The project aims to improve electronic case pre-trial, trial and ruling enforcement, ensuring information availability in the electronic domain to all the participants involved in the proceedings. Activities:</p> <ol style="list-style-type: none"> 1) improvement of the existing E-file platform sharing solutions; 2) development of new E-file platform sharing solutions; 3) improvement of the Court Information System (CIS); 5) development of the E-file portal; 6) improvement of the State Probation Service Probation Client Accounting System (PLUS) and data exchange on the E-file platform; 7) development of the Prison Administration system (IIS) and data exchange on the E-file platform; 8) development of the Register of State Ensured Legal Aid (RSELA) and the State Compensation Register (SCR) and data exchange on the E-file platform
Implementation time	04.08.2023.-31.05.2026.
Responsible/co-responsible institution	MoJ/MoSARD
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2021(1); 2022(1); 2023(1)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 16 Peace, justice, good governance
RRF reform/ investment No.	2.1.2.1.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The implementation of the e-case program and related projects is proceeding in accordance with the work schedule and planned activities of the institutions. In 2024, key achievements relate to the development of digital services, the improvement of data exchange and the development of systems to ensure more efficient management of justice, probation, prisoner supervision and legal aid processes.
Title of the measure (incl. reforms/ investments)	Action title: "Implementation of the European Maritime Single Window System ESWe".

Goal (what should be achieved by the measure?)	Investments in promotion of digital transition: ensure that all Latvian ports have the same rules harmonised with all the other EU Member State ports for the provision of the information required for a vessel to call at a port, in particular by ensuring that the same data sets can be reported to the maritime single window system of each EU Member State in the same way and to the same extent, as well as facilitating the transfer of information between declarants, controlling authorities and port service providers at the port of call, in addition to information exchange with other Member States.	
Key steps for implementing the measure	1) Pre-selection of the project and CoM approval (Q1 2025)	2) Project implementation (Q1 2025 - Q4 2027)
Implementation time	2024 -2027	
Responsible/co-responsible institution	MoT	
RRF/MFF	MFF	
CSR	2019(3); 2020(3); 2021(1); 2022(1); 2023(1)	
Common EU priorities	1 Just green and digital transition	
European Pillar of Social Rights	-	
UN SDG	9 Manufacturing, innovation and infrastructure	
RRF reform/ investment No.	-	
On-track status step	Delayed	
A brief description of progress for 2024 (what was done in 2024?)	<p>The pre-selection process for the project has been finalised, and it has been decided to implement the project as an exceptional initiative under the EU Cohesion Policy Programme 2021–2027. Specifically, the project falls under specific support objective 1.3.1 "To reap the benefits of digitisation for citizens, businesses, research organisations, and public institutions" and measure 1.3.1.1 "Development of ICT solutions and services and creation of opportunities for the private sector." As part of this decision, the project funding has been reduced to EUR 2.34 million.</p> <p>The description of the SKLOIS information system development activities has been agreed upon. A draft Cabinet of Ministers Decision regarding the approval of the funding has been prepared and is currently undergoing the approval process, with the final Cabinet of Ministers Decision anticipated in the 1st quarter of 2025. Additionally, a cost-benefit analysis of the project has been completed, and the technical specifications for the enhancement of the information system software have been prepared.</p>	
Title of the measure (incl. reforms/ investments)	Investment 2.4.1.2.i "Development of broadband or ultra-high performance "last mile" network infrastructure" of the reform and investment axis "Digital Infrastructure Transformation" of the EU RRF plan 2.4	
Goal (what should be achieved by the measure?)	Promote investments in regional development and reduce regional disparities; provide access to broadband connections with ultra-high capacity networks to 6,200 households, businesses, hospitals, educational institutions, etc., proportionally in all planning regions.	
Key steps for implementing the measure	1) Development of regulatory framework finalised in 2023. 2) 2024 project selection and evaluation. 3) Indicatively in September 2024, CFCA will conclude contracts with the implementers of investment projects.	
Implementation time	2022-30.06.2026.	
Responsible/co-responsible institution	MoT/ CFCA	
RRF/MFF	RRF	

CSR	2019(3); 2020(3); 2021(1); 2022(1); 2023(1)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 10 Reduced inequality; 11 Sustainable cities and communities
RRF reform/ investment No.	2.4.1.2.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	1) In 2024, two 2.4.1.2.i. investment open selection of project submissions ¹ : 11.01.2024. - 10.04.2024. and 09.05.2024. - 25.06.2024, because in the first selection of project submissions, only one project application was recognized as appropriate from the two submitted project submissions; 2) In October 2024, 5 contracts have been concluded with electronic communications merchants, corresponding to each of the 5 planning regions; 3) Project implementation has started.
Policy Area - Transition to Circular Economy	
Title of the measure (incl. reforms/ investments)	Support for the promotion of circular economy
Goal (what should be achieved by the measure?)	Introducing the principles of the circular economy and promoting the recycling of sewage sludge
Key steps for implementing the measure	1) Preparation of CoM regulations for the implementation of measure 2.2.2.3 "Sewage sludge processing" of the European Union cohesion policy for 2021-2027 (1st quarter of 2025), approval of Cabinet regulations (2nd quarter of 2025), implementation of investments (2026-2029).
Implementation time	2026 - 2029
Responsible/co-responsible institution	MoCE
RRF/MFF	MFF
CSR	2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	6 Clean water and sanitation; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	1) Investment progress planned in 2025. 2) Taking into account the need to significantly strengthen energy security at national level amendments have been proposed to the EU funds planning documents for the redistribution of funding intended for the implementation of principles of circular economy to strengthen energy security. In the result the previously planned measure "2) Preparation of Cabinet of Ministers Regulations for the implementation of the Action 2.2.2.4 "Implementation of the Principles of the Circular Economy" of the EU Cohesion Policy Programme 2021-2027 (Q4 2025), approval of the Cabinet of Ministers Regulations (Q4 2025), investment implementation (2026-2029)" - 11,764,706 EUR will be not implemented.

Title of the measure (incl. reforms/ investments)	Support for sustainable agricultural practices in farming
Goal (what should be achieved by the measure?)	Promote sustainable development and efficient management of natural resources such as water, soil and air, including by reducing dependence on chemicals. 75% of the areas applied for support are managed with sustainable practices
Key steps for implementing the measure	1) Development and approval of laws and regulations for the transition period 2020-2021 2) Development of the CAP SP 2023-2027 and harmonisation thereof with the EC 2) Development and approval of laws and regulations (2023 -2024) 3) Implementation of support actions from 2023-2029
Implementation time	2023-2029
Responsible/co-responsible institution	MoA/RSS; SPPS (State Plant Protection Service)
RRF/MFF	MFF
CSR	2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	6 Clean water and sanitation; 13 Climate action; 14 Life in the water; 15 Life on Earth
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	1) On November 11, 2022, the European Commission approved the Latvian Common Agricultural Policy (CAP) strategic plan for 2023-2027. 48% of the CAP budget is intended for the implementation of environmental and climate measures in agriculture. By the end of 2024, two requests for amendments to the CAP strategic plan have been also approved. In the 1st half of 2025, the 3rd amendments to the CAP strategic plan will be approved, which provide for the introduction of a new eco-scheme for the maintenance of landscape elements. 2) On April 18, 2023, the Cabinet of Ministers approved the following regulations: 2.1. No. 197 "Procedure for granting support for the implementation of area-related and animal-related obligations of the European Agricultural Fund for Rural Development", which provides conditions for the implementation of the CAP strategic plan for 2023-2027 in the area of "Environmental, climatic and other management obligations" (hereinafter - agro-environment) payments, incl. for the implementation of sustainable agricultural practices; 2.2. No. 198 "Procedure for granting direct payments to farmers", which provides conditions for the implementation of the CAP strategic plan for 2023-2027 in the field of direct payments, incl. for the implementation of sustainable agricultural practices. 3) For the year 2023, 129.13 million EUR have been allocated for the implementation of sustainable agricultural practices, i.e., within the framework of the eco-scheme and agro-environment. This includes EU funding within the EAGF – 89.79 million EUR, EAFRD – 30.45 million EUR, and state co-financing and additional funding – 8.89 million EUR. According to the data provided by the Rural Support Service, in 2023, 78% of the areas applying for basic support will be managed with sustainable practices. Additionally, the acquisition of funding for 2024 has already started.
<i>See also other measures that promote the transition to a circular economy, such as investments to promote the green transition, etc.</i>	
Policy Area - Public Administration Efficiency	
Title of the measure (incl. reforms/ investments)	Improvement of the efficiency of public administration

Goal (what should be achieved by the measure?)	<p>The first action line "Unified and Efficient Public Administration" of the Modernisation Plan for Public Administration 2023-2027 (approved by the CoM CoM decision No. 240 of 8 May 2023) provides for that the improvement of the efficiency and effectiveness of public administration will be promoted through the implementation of the following actions:</p> <p>1) Established performance monitoring system for public administration authorities, with the aim of further regular assessment of the performance of public administration authorities in areas such as human resources, expenditure, data-driven policy-making and service provision;</p> <p>2) Improved internal control system to carry out priority internal audits on making the institutional processes more efficient and the achievement of nationally important objectives and interdepartmental internal audits;</p> <p>3) A single information portal has been developed to provide the public with accessible information on public administration performance.</p>
Key steps for implementing the measure	<p>1. Information on making the institutional processes more efficient has been integrated into the authorities' strategies and annual reports;</p> <p>2.</p> <p>2.1 Conduct an assessment of the internal control system;</p> <p>2.2 Continue to carry out simultaneous internal audits of similar processes in line with the risk assessment in the relevant line authorities;</p> <p>2.3 Ensure mutual cooperation and, where possible, interdepartmental internal teams;</p> <p>3. A single information portal on government performance and policy results is up and running.</p>
Implementation time	<p>1. 2023-2024</p> <p>2. 2024-2025</p> <p>3. 2024-2025</p>
Responsible/co-responsible institution	<p>1. State Chancellery, MoF</p> <p>2. MoF, State Chancellery</p> <p>3. State Chancellery, MoF</p>
RRF/MFF	3. (MFF)
CSR	2019(4)
Common EU priorities	-
European Pillar of Social Rights	Fair working conditions
UN SDG	8 Decent work and economic growth; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>1 and 3 measure: in 2024, the State Chancellery implemented the European Commission's Structural Reform Technical Support Instrument project "Assessment of Public Administration Institutions in Latvia and Lithuania" by preparing a set of indicators for measuring the effectiveness of the institutions' operations.</p> <p>At the meeting of the Cabinet of Ministers on 20 August 2024, approving the Informative Report "On the base of the state basic budget and the state special budget and the results of the expenditure review for 2025, 2026, 2027 and 2028", the State Chancellery, in cooperation with the Ministry of Economy (Central Statistical Bureau), the Ministry of Smart Administration and Regional Development, the Ministry of Finance and the State Treasury, was instructed to organize the creation of an interoperable information panel by the end of 2026, which would include sectoral policy performance indicators, the most important services of the sector, as well as relevant high-level cost accounting.</p> <p>At the meeting of the Thematic Committee on Digital Modernisation on 16 July 2024 (minutes No. 3, point 4.4), it was decided that the project "Single Information Portal of Public Administration Activities and Policy Results" will receive investments under the specific support objective 1.3.1. "Reaping the benefits of digitalisation for citizens, businesses, research organisations and public institutions" of the EU Cohesion Policy Programme for 2021–2027, measure 1.3.1.1. "Development of ICT solutions and services and creating opportunities for the private sector". The implementation of the 1st round of investments is planned for 2025–2026.</p> <p>Taking into account the task given by the Cabinet of Ministers and the financing of the measure 1.3.1.1. allocated for its implementation, the State Chancellery, in cooperation with the Ministry of Smart Administration and Regional Development and the Central Statistical Bureau, plans the necessary activities for the approval and implementation of the project, taking into account the timeframe for implementing the 1.3.1.1. measure.</p> <p>2.1. In order to improve the internal control system, 150 internal audits carried out by ministries and institutions in 2023 have led to the view that 23% of the internal control system is effective: the controls assessed are adequate, sufficient and effective, allowing sufficient assurance that risks are being managed and that the objective of the institution will be achieved; 67% of the internal control system works, although some improvements are needed: weaknesses in individual, specific controls have been identified, but overall the controls assessed are adequate, sufficient and effective, allowing sufficient assurance that risks are being managed and that the institution's objective will be achieved; 9% of the internal control system works, although significant improvements are needed – several shortcomings in specific controls have been identified, internal controls cannot be relied upon, so there cannot be sufficient assurance that risks are being managed and that the purpose of the institution will be achieved; the 1% internal control system is ineffective: the controls assessed are inadequate, not sufficient and not effective to provide sufficient assurance that risks are being managed and that the institution's target will be met. In accordance with the laws and regulations, data for 2024 will be compiled and submitted to the Cabinet of Ministers by 1 June 2025.</p> <p>2.2. The requirement to perform internal audits of similar processes at the same time in the relevant institutions according to the risk assessment is included in the orders of the Cabinet of Ministers regarding the common priorities to be audited in the public administration and has been implemented as a daily practice in planned audits.</p> <p>As a common priority to be audited in all institutions at the same time, an internal audit was carried out in 2023 on the internal control system for conflict of interest and prevention of corruption (including management of conflict of interest and corruption risks) in ministries and institutions, including the internal control system for implementation of the Recovery and Resilience Mechanism Plan. The results of the audit implemented in mutual co-operation have been compiled and submitted to the Cabinet of Ministers and the Corruption Prevention and Combating Bureau.</p> <p>2.3. In addition to ensuring the targeted development of the internal audit and internal control system of the public administration, the Cabinet of Ministers on 31 January 2025 approved the "Development Plan of the Internal Audit system of the State Administration for 2025-2028", which emphasizes issues of effectiveness (31 January 2025 order No. 59).</p>
Title of the measure (incl. reforms/ investments)	Governance and improvement of the efficiency of state capital companies
Goal (what should be achieved by the measure?)	<ol style="list-style-type: none"> 1. Improve the amount of information available to the public; 2. Reduce conflicts of interest and publish binding information; 3. Improve the oversight and efficiency of state capital companies by implementing OECD guidelines

Key steps for implementing the measure	1. Amendments to the law (2020-2024); 2. Amendments to CoM Regulation (2020, 2022); 3. Guidelines developed (2020-2024)
Implementation time	2019-2024
Responsible/co-responsible institution	State Chancellery
RRF/MFF	-
CSR	2019(4)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>1) On October 17, 2024, the Sustainability Disclosure Law came into force, which requires large companies (small and medium-sized, if their securities are included in the regulated market) to prepare and publish information on the impact of the company's activities on sustainability issues.</p> <p>2) On November 16, 2024, amendments to the Law on the Management of Shares of Public Persons and Capital Companies came into force, which provide for the development and publication of an owner's letter of expectations, as well as determining a group of capital companies according to their funding sources.</p> <p>3) On December 12, 2024, amendments were adopted to the law "On Prevention of Conflict of Interest in the Activities of Public Officials", which provide for stricter restrictions on combining positions (including a ban on heads of public institutions and their deputies from holding a position on the board of a public capital company; combining a board position with more than one other paid position in a public institution is prohibited).</p> <p>4) On November 16, 2024, amendments to the Law on Management of Capital Shares of Public Persons and Capital Companies entered into force, providing that a capital company publishes information on the monthly remuneration for each board and council member and changes in its amount throughout the period, as well as on the remuneration paid, the amount of bonuses and other payments received (for example, compensation for expenses incurred in ensuring the performance of official duties) each year.</p> <p>5) On December 21, 2023, guidelines for the evaluation of alternative instruments for financing investment projects of state-owned capital companies were adopted (published in early 2024), which ensure the further implementation of the active investor principle contained in the OECD Guidelines in practice.</p>
Title of the measure (incl. reforms/ investments)	Management and improvement of the efficiency of municipal capital companies
Goal (what should be achieved by the measure?)	1. Improve the amount of information available to the public; 2. Improve the supervision of municipal capital companies
Key steps for implementing the measure	1. Amendments to the law (2020-2024) 2. Guidelines developed (2020-2024)
Implementation time	2019-2024
Responsible/co-responsible institution	MoSARD, State Chancellery

RRF/MFF	-
CSR	2019(4)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>1) On October 17, 2024, the Sustainability Disclosure Law came into force, which requires large companies (small and medium-sized, if their securities are included in the regulated market) to prepare and publish information on the impact of the company's activities on sustainability issues.</p> <p>2) On November 16, 2024, amendments to the Law on the Management of Shares of Public Persons and Capital Companies came into force, which provide for the development and publication of an owner's letter of expectations, as well as determining a group of capital companies according to their funding sources.</p> <p>3) On December 12, 2024, amendments were adopted to the law "On Prevention of Conflict of Interest in the Activities of Public Officials", which provide for stricter restrictions on combining positions (including a ban on heads of public institutions and their deputies from holding a position on the board of a public capital company; combining a board position with more than one other paid position in a public institution is prohibited).</p> <p>4) On November 16, 2024, amendments to the Law on Management of Capital Shares of Public Persons and Capital Companies entered into force, providing that a capital company publishes information on the monthly remuneration for each board and council member and changes in its amount throughout the period, as well as on the remuneration paid, the amount of bonuses and other payments received (for example, compensation for expenses incurred in ensuring the performance of official duties) each year.</p> <p>5) On December 21, 2023, guidelines for the evaluation of alternative instruments for financing investment projects of state-owned capital companies were adopted (published in early 2024), which ensure the further implementation of the active investor principle contained in the OECD Guidelines in practice. With regard to municipality-owned companies, the guidelines are of a recommendatory nature.</p>
Title of the measure (incl. reforms/ investments)	Improvement of the framework for prevention of the conflict of interest
Goal (what should be achieved by the measure?)	Provide training for judges on corruption issues
Key steps for implementing the measure	<p>1) The 2024 training programme includes also training on the issues identified in the "Current MLTPF risks in the National Risk Assessment. MLTPF risks in real estate transactions". 2) The following potential training topics are included in the Judicial Academy's programme "Professional Development for Experienced Judges":</p> <ul style="list-style-type: none"> - criminal cases concerning property criminal offences, which may constitute a predicate offence for Section 195 of the CC; - current issues on money laundering; - prevention of money laundering in administrative proceedings; - corruption offences.
Implementation time	2024-2028
Responsible/co-responsible institution	JA/"Justice Academy" project
RRF/MFF	RRF

CSR	2019(4)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	16 Peace, justice, good governance
RRF reform/ investment No.	6.2.1.3.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>Two training events were held in 2024. In the seminar "Basic principles of virtual currency operation, problems and its transfer for implementation" organized in cooperation with the State Police, 8 judges, 2 prosecutors and 16 judicial assistants participated. In the seminar "Current ML/TF risks in the National Risk Assessment. ML/TF risks in real estate transactions" organized in cooperation with the Financial Intelligence Unit, 12 judges, 4 prosecutors, 8 judicial assistants and 1 prosecutor's office employee participated. At the same time, it should be noted that judges and court employees were also offered training on the aforementioned topics outside the framework of the project, including the training "Anti-Corruption and Ethics Training for Judicial Assistants (GRECO)" that was provided, in which 36 court employees participated.</p> <p>Training is planned for 2025, which will provide basic knowledge about the types of bribery offenses and their understanding, as well as the issues and current issues of their mutual demarcation and from other criminal offenses. The training plan also includes issues of bribery of foreign officials and an understanding of significant harm within the scope of official misconduct.</p>
Title of the measure (incl. reforms/ investments)	Learning from Iceland's experience as a small state in the fight against corruption
Goal (what should be achieved by the measure?)	To learn about Iceland's experience in preventing corruption, including the legal framework for prevention of the conflict of interest, its application, application problems and possible solutions, the corruption risk prevention/mitigation system, integrity promotion actions, and involvement of private sector in the prevention of corruption. (improve the anti-corruption system in Latvia, including by improving the conflict of interest risk management, corruption risk management system, contribute to reducing the risks of political corruption and increase involvement of private sector in the prevention of corruption.)
Key steps for implementing the measure	In-person visit to Iceland
Implementation time	2025
Responsible/co-responsible institution	Corruption Prevention and Combating Bureau
RRF/MFF	-
CSR	2019(4)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	Planning process of the experience - exchange visit. Year 2025 - implementation of the project.
Title of the measure (incl. reforms/ investments)	Learning from Norway's experience as a country with traditionally high scores on various corruption measurements
Goal (what should be achieved by the measure?)	Learn from Norwegian experience on conflict of interest risk management, corruption risk management system in institutions and state-owned enterprises, problem of political corruption and ways to tackle it, strategic analysis-based planning of anti-corruption activities at national level and involvement of private sector in the prevention of corruption. (improve the anti-corruption system in Latvia, including by improving the conflict of interest risk management, corruption risk management system, contribute to reducing the risks of political corruption and increase involvement of private sector in the prevention of corruption.)
Key steps for implementing the measure	In-person visit to Norway
Implementation time	2025
Responsible/co-responsible institution	Corruption Prevention and Combating Bureau
RRF/MFF	-
CSR	2019(4)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Planning process of the experience - exchange visit. Year 2025 - implementation of the project.
Title of the measure (incl. reforms/ investments)	Expert think tank "How to mitigate corruption risks in the use of military funding"
Goal (what should be achieved by the measure?)	Using the experience of Norwegian and Icelandic experts - develop new and effective solutions to identify and mitigate corruption risks in the use of military funding.
Key steps for implementing the measure	Expert think tank - ideas hackathon: It is planned to develop solutions for identifying and mitigating corruption risks in the use of military funding through the use of the experience of Norway and Iceland. A total of 30 participants from Latvia, Norway and Iceland, divided into teams, will create and present ideas on how to identify and effectively mitigate corruption risks in the use of funds allocated to the military sector within 48 hours.
Implementation time	2025
Responsible/co-responsible institution	Corruption Prevention and Combating Bureau

RRF/MFF	-
CSR	2019(4)
Common EU priorities	4 Building defence capabilities
European Pillar of Social Rights	-
UN SDG	16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2024 (what was done in 2024?)	Implementation has concluded: The hackathon took place on 3 and 4 March in Sigulda. https://www.knab.gov.lv/en/article/experts-hackathon-working-solutions-mitigate-corruption-risks-use-military-funds
Title of the measure (incl. reforms/ investments)	Using artificial intelligence to reduce corruption risks in public procurements
Goal (what should be achieved by the measure?)	Find MI-based solutions to identify and mitigate corruption risks in public procurements, using not only Latvian experience in developing MI solutions, but also donor country approaches and solutions.
Key steps for implementing the measure	Ideas hackathon: It is planned to develop solutions for identifying and mitigating corruption risks in the public procurements through the use of the experience of Norway and Iceland. A total of 30 participants from Latvia, Norway and Iceland, divided into teams, will create and present ideas on how to reduce the human factor in public procurement processes by using AI-based solutions, thus significantly reducing corruption risks.
Implementation time	2025
Responsible/co-responsible institution	Corruption Prevention and Combating Bureau
RRF/MFF	-
CSR	2019(4)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2024 (what was done in 2024?)	Implementation has concluded: The hackathon took place on 6 and 7 February in Sigulda. https://www.knab.gov.lv/en/article/hackathon-experts-offer-proposals-identify-or-mitigate-corruption-risks-public-procurements
Other reforms/investments aimed at implementing common EU priorities as referred to in Article 13 of Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on effective coordination of economic policies and multilateral surveillance of budgetary surveillance and repealing Council Regulation (EC) No. 1466/97	
Just green and digital transition	

Title of the measure (incl. reforms/ investments)	Adaptation of municipalities to climate change (Programme 2.1.3.1 (only Round 1; no flexibility in funding indicators and finances for Round 2))
Goal (what should be achieved by the measure?)	Investments for the promotion of green transition to support infrastructure creation and renovation activities aimed at adaptation of municipalities to climate change and reduction of climate change-caused disaster risk. Achievable results: 1) Actions implemented in 10 national and local strategies focusing on climate change adaptation; 2) 21 ha area of green infrastructure created or upgraded to adapt to climate change; 3) Protection of shoreline and river banks, and lake coasts against the flood newly created or reinforced.
Key steps for implementing the measure	1) Approval of the CoM Regulation (07.05.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (22.11.2023); 3) Launch of the public selection (26.06.2024); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2021.-31.12.2027.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	At the meeting of the Cabinet of Ministers on 07.05.2024, Cabinet of Ministers Regulations No. 284 "Implementation Regulation for the first round of project application selection for the specific support objective 2.1.3. "Promoting adaptation to climate change, risk prevention and resilience to disasters" of the EU Cohesion Policy Programme 2021-2027, measure 2.1.3.1. "Municipal adaption to climate change"" was adopted. From 26.06.2024 to 26.11.2024, an open selection for project applications was implemented, and the evaluation of 23 submitted project applications was ensured (as of 31.12.2024, the evaluation continues). As of 14.02.2025. - taking into account the European Commission's approval of the second amendments in the EU Cohesion Policy Programme 2021-2027, the ERDF funding available for selection is 35 545 666 EUR, national co-financing, consisting of local government and private funding, is no less than 6 272 765 EUR.
Title of the measure (incl. reforms/ investments)	Flood and coastal erosion actions of national importance (Programme 2.1.3.2 (no flexibility funding planned))

Goal (what should be achieved by the measure?)	Investments for the promotion of green transition to renovate, rebuild and construct infrastructure in flood risk areas of national importance which prevents flood risk, reduce flooding and coastal erosion. Achievable results: 1) Protection of shoreline and river banks, and lake coasts against the flood newly created or reinforced in the length of 15 km; 2) 91 ha of green infrastructure created or upgraded to adapt to climate change; 3) number of residents benefiting from flood defence measures - 20,272; 4) number of residents having access to new or improved "green" infrastructure - 20,006.
Key steps for implementing the measure	For Round 1: 1) Approval of the CoM Regulation (27.06.2023); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (30.06.2023); 3) Commencement of the restricted selection (24.07.2023); 4) Conclusion of contract and project implementation. For Round 2: 1) Approval of the CoM Regulation (30.04.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (15.03.2024); 3) Commencement of the restricted selection (13.06.2024); 4) Conclusion of contracts and implementation of projects.
Implementation time	For Round 1: 01.01.2023-31.12.2025 For Round 2: 01.01.2023-31.12.2029
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>1st round: The implementation of the project launched on 12.12.2023. (with ERDF funding of 14.4 million EUR) continued, as well as monitoring the progress and implementation of the indicators to be achieved in the measure, in order to achieve the objectives and results set in the measure.</p> <p>2nd round: The criteria for evaluating project applications were approved by the Supervisory Committee for EU funds on 15.03.2024. On 30.04.2024. Regulations No. 274 "Implementation regulations for the second selection round of project applications under the specific support objective 2.1.3. "Promoting climate change adaptation, risk prevention and resilience to disasters" of the EU Cohesion Policy Programme 2021-2027" 2.1.3. measure "Flood and coastal erosion measures of national importance"" were approved by the Cabinet of Ministers. On 13.06.2024., a limited selection of project applications was announced (the project application must be submitted after receiving an invitation from the cooperation institution, but until 1st of March, 2026). As of 31.01.2025., one project application has been approved.</p>
Title of the measure (incl. reforms/ investments)	Development of a wastewater and sludge management system to reduce pollution (Programme 2.2.1.1. (only for Round 1; without flexibility in funding indicators and finances for Round 2))
Goal (what should be achieved by the measure?)	<p>Investments for the promotion of green transition to support the development and renovation of wastewater and sludge treatment infrastructure in agglomerations subject to stricter requirements in the coming years, including to improve the efficiency of water management services, provide adequate infrastructure capacity, improve operational efficiency and reduce pollution.</p> <p>Achievable results: 1) at least 15 enterprises (including micro, small, medium and large enterprises) supported; 2) number of residents benefiting from improved quality and efficiency of wastewater treatment (having regard to the base value 656,710) - at least 713,510.</p>
Key steps for implementing the measure	<p>1) Approval of the CoM Regulation (07.05.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (29.02.2024; amendments of 22.05.2024); 3) Commencement of the public selection (19.06.2024); 4) Conclusion of contracts and implementation of projects.</p>
Implementation time	01.01.2021.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	6 Clean water and sanitation; 9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>The criteria for evaluating project applications were approved by the Monitoring Committee for EU funds on 29.02.2024 (amendments approved on 22.05.2024).</p> <p>At the meeting of the Cabinet of Ministers on 07.05.2024, Cabinet of Ministers Regulations No. 285 "Implementation Regulation for the first round of project application selection for the specific support objective 2.2.1. "Promoting sustainable water management" of the EU Cohesion Policy Programme 2021–2027, measure 2.2.1.1 "Development of wastewater and sludge management system for pollution reduction"" was approved. At the meeting of the Cabinet of Ministers on 10.12.2024, Cabinet of Ministers Regulations No. 802 on amendments to Cabinet of Ministers Regulations No. 285 were approved, providing for the possibility of organizing an additional call within the 1st round of project application selection.</p> <p>From 19.06.2024. to 21.10.2024. an open selection of project applications (1st call) was implemented, the evaluation of 14 submitted project applications has been ensured (as of 31.12.2024. the evaluation continues). As of 14.02.2025. - 14 project applications on 21.01.2025. were approved with conditions. On 28.12.2024. the 2nd call of the 1st round has been announced with the deadline for submitting project applications on 28.03.2025.</p>
Title of the measure (incl. reforms/ investments)	Waste sorting, recycling and recovery (Programme 2.2.2.1 (all 3 rounds; no flexibility funding planned))
Goal (what should be achieved by the measure?)	<p>Investments for the promotion of green transition to support the establishment of new waste treatment facilities and the development of regional waste management systems in line with the priorities set out in the regional waste management plans, thus contributing to the transition to a circular economy.</p> <p>Achievable results:</p> <ol style="list-style-type: none"> 1) Ensured additional waste treatment capacity of 60,000 t/year: Round 1 - 30,000 t/year; Round 2 - 30,000 t/year; 2) 8 enterprises supported (including micro, small, medium and large enterprises): Round 1 - 3 traders; Rounds 2, 3 - 5 traders; 3) volume of recycled waste 205,000 t/year: Round 1 - 102,500 t/year; Round 2 - 102,500 t/year; 4) Increase in volume of sorted waste: Round 2 - by 500 t/year.
Key steps for implementing the measure	<p>For Round 1:</p> <ol style="list-style-type: none"> 1) Approval of the CoM Regulation (26.03.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (22.11.2023); 3) Commencement of the public selection (02.05.2024); 4) Conclusion of contracts and implementation of projects. <p>For Rounds 2-3:</p> <ol style="list-style-type: none"> 1) Development of CoM Regulation and commencement of harmonisation on TAP (Q3 2024); 2) Approval of CoM Regulation (Q4 2024); 3) Examination of the evaluation criteria of project proposals by the Thematic Sub-Committee (Q3 2024); 4) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (Q4 2024); 5) Commencement of the public or restricted selection for each round separately (Q1-Q2 2025); 6) Conclusion of contracts and implementation of projects.
Implementation time	<p>For Round 1: 01.07.2023-31.12.2029</p> <p>For Rounds 2-3: 01.01.2023-31.12.2029</p>
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF

CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 12 Responsible consumption and production; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>1st round: On 26.03.2024. Cabinet of Ministers regulations No. 198 "Regulations for the implementation of the first round of selection of project submissions of the EU Cohesion Policy Program 2021-2027 specific support objective 2.2.2. "Promoting the transition to a circular economy" 2.2.2.1. measure "Waste sorting, processing and regeneration"" were approved by the Cabinet of Ministers. From 02.05.2024 until 02.09.2024. the open selection of project submissions was carried out, the evaluation of 16 submitted projects and the conclusion of contracts for the implementation of projects were ensured (as of 31.12.2024, two contracts for CF funding in the amount of 3.15 million EUR were concluded, the evaluation of the remaining project submissions continues). As of 31.01.2025. in total, 4 contracts were concluded for the implementation of projects for CF funding in the amount of 4.19 million EUR.</p> <p>2nd and 3rd round: Evaluation criteria for project submissions were approved on 17.12.2024. by the Monitoring Committee of EU funds. The regulation was approved by the Cabinet of Ministers on 17.12.2024. (Regulations No. 892 "Regulations for the implementation of the second and third round of selection of project submissions of the European Union Cohesion Policy Program 2021-2027 specific support objective 2.2.2. "Promoting the transition to a circular economy" 2.2.2.1. measure "Waste sorting, processing and regeneration""). Project application selection regulations was started on 2024. On 29.01.2025 an open selection of project submissions has been announced with a deadline for project submissions until 29.04.2025.</p>
Title of the measure (incl. reforms/ investments)	Separate waste collection (Programme 2.2.2.2 (both rounds; no flexibility funding planned))
Goal (what should be achieved by the measure?)	<p>Investments for the promotion of green transition to develop separate waste collection system, preparation for re-use, recycling and recovery.</p> <p>Achievable results:</p> <ol style="list-style-type: none"> 1) 4 enterprises supported (including micro, small, medium and large enterprises); 2) 9,500 t/year increase in sorted waste: Round 1 - 4,750 t/year; Round 2 - 4,750 t/year.
Key steps for implementing the measure	<p>For Round 1:</p> <ol style="list-style-type: none"> 1) Approval of the CoM Regulation (26.03.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (18.12.2023); 3) Commencement of the public selection (15.05.2024); 4) Conclusion of contracts and implementation of projects. <p>For Round 2:</p> <ol style="list-style-type: none"> 1) Development of CoM Regulation and commencement of harmonisation on TAP (03.04.2024); 2) Approval of the CoM Regulation (Q3 2024); 3) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (04.06.2024); 4) Commencement of the public selection (Q3 2024); 5) Conclusion of contracts and implementation of projects.

Implementation time	For Round 1: 03.04.2024-31.12.2025 For Round 2: 01.01.2023-31.12.2027
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 12 Responsible consumption and production; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>1st round:</p> <p>On 26.03.2024. regulations No. 197 "Regulations for the implementation of the first round of selection of project submissions of the EU Cohesion Policy Program 2021-2027 specific support objective 2.2.2. "Promoting the transition to a circular economy" 2.2.2.2. measure "Separated collection of waste"" were approved by the Cabinet of Ministers.</p> <p>From 15.05.2024 until 15.07.2024. the open selection of project submissions was carried out, the evaluation of 12 submitted projects and the conclusion of contracts for the implementation of projects were ensured (as of 31.12.2024, 2 contracts on the implementation of projects were concluded for CF funding in the amount of 0.31 million EUR, the evaluation of the remaining project submissions is ongoing).</p> <p>As of 31.01.2025. 7 contracts for the implementation of projects for CF funding in the amount of 0.90 million EUR have been concluded, the evaluation of other project submissions and also the process of concluding contracts for approved projects continues.</p> <p>2nd round:</p> <p>Evaluation criteria of project submissions were approved by the Supervisory Committee of EU funds on 04.06.2024.</p> <p>Draft regulations of the implementation rules for the second round of selection of project submissions of 2.2.2.2. measure "Separated collection of waste" have been developed and its coordination in the legislation portal was started on 03.04.2024. Five cycles of coordination were implemented and the draft regulations, coordinated with the participating institutions, were submitted to the State Chancellery for approval by the Cabinet of Ministers on 16.08.2024. On 10.09.2024. regulations No. 602 "Regulations for the implementation of the second round of selection of project submissions of the EU Cohesion Policy Program 2021-2027 specific support objective 2.2.2 "Promoting the transition to a circular economy" 2.2.2.2 measure "Separated collection of waste"" were approved by the Cabinet of Ministers.</p> <p>On 15.10.2024. an open selection of project submissions has been announced with a deadline for project submissions of 31.01.2025.</p>
Title of the measure (incl. reforms/ investments)	Actions to promote environmental education for public awareness and skills development (Programme 2.2.3.2 (without flexibility funding in finances))

Goal (what should be achieved by the measure?)	Investments for the promotion of green transition to promote general public awareness and education on biodiversity and climate issues and general environmental processes, improve public environmental awareness by investing in the improvement and development of the infrastructure of national park nature centres (which are also tourist attractions), providing modern content and methods to raise public awareness on biodiversity, climate issues and general environmental processes. Achievable results: 1) 4 cultural and tourism sites supported; 2) Total number of visitors to cultural and tourism sites supported - 201,000.
Key steps for implementing the measure	1) Approval of CoM Regulation (09.07.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (02.11.2023, amended on 11.06.2024); 3) Commencement of the restricted selection (09.08.2024); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2023.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Project application evaluation criteria were approved by the EU Funds Monitoring Committee on 11.06.2024. At the meeting of the Cabinet of Ministers on 09.07.2024., the Cabinet of Ministers Regulations No. 449 "Implementation regulations for the implementation of the specific support objective 2.2.3. of the EU Cohesion Policy Programme 2021–2027 "Improving nature protection and biodiversity, "green" infrastructure, especially in urban areas, and reducing pollution" of the measure 2.2.3.2 "Measures promoting environmental education for public awareness and skills development" were approved. From 09.08.2024. (deadline for submitting project applications is 30.06.2026; evaluation time is 1 month after submitting the project application) a limited selection of project applications has started, one submitted project- until 31.12.2024- has been evaluated (as of 16.01.2025, an agreement for ERDF funding in the amount of 4.22 million EUR has been concluded). No other additional projects have been submitted as of 17.02.2025.
Title of the measure (incl. reforms/ investments)	Actions to promote and preserve biodiversity (Programme 2.2.3.3 (no flexibility funding planned))

Goal (what should be achieved by the measure?)	Investments for the promotion of green transition to improve nature conservation and biodiversity through the development of nature management plans for specially protected nature areas, as well as the implementation of conservation and management actions for specially protected nature areas in Natura 2000 sites, including habitat restoration and establishment of infrastructure to reduce anthropogenic pressures, implementation of species conservation plans, creation of green infrastructure elements outside Natura 2000 sites. Achievable results: 1) 43,754 ha of Natura 2000 sites covered by protection and restoration actions; 2) 8,515 ha of degraded ecosystems restored.
Key steps for implementing the measure	Rounds 1, 2: 1) Approval of CoM Regulation (26.03.2024, amendments of 04.06.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (05.12.2023); 3) Commencement of the selection (for Round 1 - restricted selection on 26.04.2024; for Round 2 - public selection on 29.04.2024); 4) Conclusion of contracts and implementation of projects. Rounds 3, 4: 1) Development of CoM Regulation and commencement of harmonisation on TAP (Q3 2024); 2) Approval of CoM Regulation (Q4 2024); 3) Examination of the evaluation criteria of project proposals by the Thematic Sub-Committee (Q3 2024); 4) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (Q4 2024); 5) Commencement of the restricted or public selection (for each round separately) (Q1 2025); 6) Conclusion of contracts and implementation of projects.
Implementation time	Rounds 1, 2: 01.01.2023-31.12.2027 Rounds 3, 4: 2025-2029
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action; 15 Life on Earth
RRF reform/ investment No.	-
On-track status step	Delayed

A brief description of progress for 2024 (what was done in 2024?)	<p>1st and 2nd round:</p> <p>On 26.03.2024, Cabinet of Ministers Regulations No. 196 were approved by the Cabinet of Ministers - "Regulations on the implementation of the first and second round of the measure 2.2.3.3. "Measures to promote and preserve biodiversity" of the specific support objective 2.2.3. of the EU Cohesion Policy Programme 2021–2027 "To improve nature protection and biodiversity, "green" infrastructure, especially in urban areas, and to reduce pollution", which were amended by the Cabinet of Ministers Regulations No. 332 of 04.06.2024.</p> <p>From 26.04.2024 to 26.06.2024, a limited selection of project applications was implemented within the 1st round, the evaluation of the submitted project was ensured, and on 03.09.2024, an agreement was concluded for the ERDF financing in the amount of 2.5 million EUR.</p> <p>From 29.04.2024 to 29.07.2024, an open selection of project applications for the first call of the 2nd round was implemented, the evaluation of the submitted four project applications was ensured and four contracts were concluded for the total ERDF financing of 0.78 million EUR.</p> <p>From 16.10.2024 to 18.12.2024, an open selection of project applications for the 2nd call of the 2nd round was implemented, the evaluation of the submitted four project applications was ensured (evaluation will continue as of 31.12.2024).</p> <p>3rd, 4th round:</p> <p>Criteria for evaluating project applications were reviewed by the thematic subcommittee on 28.11.2024, and forwarded for approval by the Monitoring Committee for the EU Funds 2021–2027 planning period on 09.12.2024 (and approved by the Monitoring Committee for the EU Funds on 05.02.2025).</p> <p>In 2024 Cabinet of Ministers regulations on the 2.2.3.3. measure "Implementation regulations for the third and fourth selection rounds of project applications under the measure "Measures for the promotion and conservation of biodiversity" were developed, for which a public consultation was carried out on 05.11.2024– 20.11.2024, and on 05.12.2024 its inter-institutional coordination in the TAP was initiated. <i>(At the meeting of the Cabinet of Ministers on 18.02.2025 the Cabinet of Ministers Regulations No. 107 on the implementation regulations for the third and fourth selection rounds under the 2.2.3.3. measure "Measures for the promotion and conservation of biodiversity" were approved)</i></p>
Title of the measure (incl. reforms/ investments)	Development of environmental monitoring for the provision harmonised environmental and climate data information (Programme 2.2.3.4 (MoSARD has only Round 1; no flexibility funding planned))
Goal (what should be achieved by the measure?)	<p>Investments for the promotion of green transition to provide the public and institutions with timely, high-quality and comprehensive information on changes in the state of the environment by developing the functioning of the national environmental monitoring and control system and implementing systematic, regular and targeted monitoring and measurements of the state of the environment.</p> <p>Achievable results:</p> <ol style="list-style-type: none"> 1) Air pollution monitoring systems installed in 2 air quality zones; 2) Investments made in new or upgraded disaster monitoring, preparedness, warning and response systems for natural disasters in the amount of 10,875,000 EUR; 3) Climate and environmental monitoring provided at 242 sites.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Approval of CoM Regulation (13.07.2023); 2) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (01.06.2023); 3) Launch of the restricted selection (11.08.2023); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2023.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)

Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	On 05.02.2024 two contracts were concluded for the implementation of the project for a total ERDF funding of 9.24 million EUR. The implementation of both initiated projects has continued, as well as monitoring the progress and fulfilment of the indicators to be achieved, in order to achieve the objectives and results set in the measure.
Title of the measure (incl. reforms/ investments)	Actions to reduce air pollution in municipalities (Programme 2.2.3.5 (two rounds; no flexibility funding planned))
Goal (what should be achieved by the measure?)	Investments for the promotion of green transition to reduce the negative impact of air pollution on the environment and human health by implementing actions to reduce air pollution in accordance with the Riga State City, Liepāja State City and Rēzekne State City Air Quality Improvement Action Programmes. Outcome to be achieved: number of residents benefiting from air quality actions - 49,872.
Key steps for implementing the measure	1) Approval of CoM Regulation (16.01.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (06.10.2023); 3) Commencement of the restricted selection (for Round 1 - 18.03.2024; for Round 2 - Q1 2025); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2021.-31.12.2028.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action; 15 Life on Earth
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	At the meeting of the Cabinet of Ministers on 16.01.2024, the Cabinet of Ministers Regulations No. 54 "Implementation regulation for the first and second round of project application selection for the specific support objective 2.2.3. "To improve nature protection and biodiversity, "green" infrastructure, especially in urban areas, and reduce pollution" of the EU Cohesion Policy Programme 2021–2027, measure 2.2.3.5. "Air pollution reduction measures in municipalities"" was approved. From 18.03.2024 to 15.05.2024, a limited selection of project applications for the 1st round was implemented, the evaluation of both submitted projects was ensured, and in July 2024, two contracts were concluded for the implementation of projects for a total ERDF financing of 4.23 million EUR.

Title of the measure (incl. reforms/ investments)	Implementation of actions to reduce air pollution by improving household heat supply systems (Programme 2.2.3.6 (four rounds; no flexibility funding planned))
Goal (what should be achieved by the measure?)	Investments for the promotion of green transition to reduce the negative impact of air pollution on the environment and human health by replacing combustion appliances used for heat supply in the residential houses, improving the efficiency of individual heat supply systems by introducing heat supply equipment and technologies that significantly reduce air pollution, including by connecting residential houses to efficient district heating systems in cities. Achievable results: 1) Number of residents benefiting from air quality actions - 2,795; 2) PM2.5 particle emission reduced by at least 50 t/year.
Key steps for implementing the measure	1) Approval of CoM Regulation (04.04.2023; amendments of 21.05.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (26.01.2023); 3) Commencement of the public selection (for Round 1 - 26.05.2023; for Round 2 - 26.07.2023; for Round 3 - 26.09.2023; for Round 4 - 01.03.2024); 4) Conclusion of contracts and implementation of projects.
Implementation time	07.04.2023.-31.12.2025.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	In accordance with horizontal changes at the EU level (including the <i>de minimis</i> application regulation), amendments (21.05.2024. Cabinet of Ministers Regulations No. 302) have been made in the 04.04.2023. Cabinet of Ministers Regulations No. 169 "Implementation regulations for the implementation of measure 2.2.3.6. "Implementation of measures to reduce air pollution by improving the heating supply system of households" under the specific support objective 2.2.3 "Improve nature protection and biodiversity, "green" infrastructure, especially in urban environments, and reduce pollution" of the EU Cohesion Policy Programme 2021-2027". From 01.03.2024 to 30.04.2024, the open selection of project applications for the 4th call was implemented, the evaluation of project applications submitted in the 1st-4th calls and the conclusion of contracts has been ensured (as of 31.12.2024, a total of 420 contracts were concluded within all four calls for a total ERDF funding of 3.95 million EUR, of which 238 projects were completed). Currently, the evaluation of individual projects for the 4th call is still underway and changes to the regulation are planned for the additional calls for unapplied funding.

Title of the measure (incl. reforms/ investments)	Reducing air pollutant emissions from heat supply (Programme 2.2.3.7. (no flexibility funding planned))
Goal (what should be achieved by the measure?)	Investments to promote the green transition to reduce the negative impacts of air pollution on the environment and human health by improving operation of the combustion appliances used for district heat supply used by public service providers through the introduction of technical solutions that reduce air emissions of dust (particles). Outcome to be achieved: number of residents benefiting from air quality actions - 76,552.
Key steps for implementing the measure	1) Approval of the CoM' regulations (06.02.2024); 2) Approval of the criteria for evaluating project applications by the EU Funds Monitoring Committee (26.09.2023); 3) Launch of open selection (12.03.2024); 4) Conclusion of contracts and implementation of projects.
Implementation time	14.01.2021.-31.12.2027.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	At the meeting of the Cabinet of Ministers on 06.02.2024, Cabinet of Ministers Regulations No. 91 were approved "Implementation Regulations for the implementation of measure 2.2.3.7 "Reducing Emissions of Air Pollutants in Municipal Heating Supply" under the specific support objective 2.2.3. "Improving Nature Protection and Biodiversity, "Green" Infrastructure, Especially in Urban Areas, and Reducing Pollution" of the EU Cohesion Policy Programme 2021–2027." From 12.03.2024 to 24.05.2024, an open selection of project applications was implemented, and the evaluation of 9 submitted project applications was ensured (as of 31.12.2024, the evaluation of project applications continues, six contracts for the implementation of projects for a total ERDF financing of 2.1 million EUR were concluded).
Title of the measure (incl. reforms/ investments)	Abandonment of peat use in energy (Programme (TPTP) 6.1.1.1 (Round 1; other rounds - WITH flexibility funding in indicators and finances))

Goal (what should be achieved by the measure?)	Investments for the promotion of green transition to carry out studies on historical peat extraction sites, identification of peat combustion plants for energy production and exploration of alternatives, and, on the basis of the information obtained, to promote attraction of investments for the rehabilitation of historical peat extraction sites and the replacement of peat combustion plants with other renewable energy technologies. Achievable results: 1) 12 100 ha of land rehabilitated (restored) at the historical peat extraction sites; 2) total estimated greenhouse gas emissions -42, 398 CO ₂ equivalent emissions tonnes/year.
Key steps for implementing the measure	For Round 1: 1) Approval of the CoM Regulation (09.07.2024); 2) Approval of exception of the evaluation criteria of project proposals with relation to application of the unified criteria and unified selection criteria by the EU Funds Supervisory Committee (23.04.2024); 3) Commencement of the restricted selection (08.08.2024); 4) Conclusion of contracts and implementation of projects. For Rounds 2-4: 1) Development of CoM Regulation and commencement of harmonisation on TAP for each round separately (Q3 2024- Q3 2025); 2) Approval of CoM Regulation for each round separately (Q4 2024 - Q4 2025); 3) Examination of the evaluation criteria of project proposals by the thematic sub-committee for each round separately (Q3 2024-Q3 2025); 4) Approval of the evaluation criteria of project proposals by the EU Funds Monitoring Committee for each round separately (Q4 2024 - Q4 2025); 5) Commencement of the public or restricted selection for each round separately (Q1 2025- Q1 2026); 6) Conclusion of contracts and implementation of projects.
Implementation time	For Round 1: 01.01.2024-31.12.2026 For Rounds 2-4: 01.01.2024-31.12.2029
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF (JTF)
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	Delayed

A brief description of progress for 2024 (what was done in 2024?)	<p>Round 1:</p> <p>The project application evaluation criteria for the 1st round of the measure were approved by the EU Funds Monitoring Committee on April 23, 2024. On July 9, 2024 the Cabinet of Ministers approved Regulations No. 450 "Implementation Rules for the first round of the Measure 6.1.1.1. "Phasing out energy peat usage" under the Specific Support Objective 6.1.1. "Mitigate the economic, social and environmental consequences of the transition to climate neutrality in the most affected regions" as part of the EU Cohesion Policy Programme for 2021-2027. From August 8, 2024 to September 23, 2024, a limited selection of project applications for the 1st round was implemented, the evaluation of submitted project was ensured, and on December 2, 2024, contract was concluded for the implementation of project for a total JTF financing of 1.91 million EUR.</p> <p>Round 2:</p> <p>CoM Regulation has been developed "Implementation Rules for the second round of the Measure 6.1.1.1. "Phasing out energy peat usage" under the Specific Support Objective 6.1.1. "Mitigate the economic, social and environmental consequences of the transition to climate neutrality in the most affected regions" as part of the EU Cohesion Policy Programme for 2021-2027 (harmonisation of regulation in TAP portal from January 29, 2025 until February 12, 2025). Second round will be organised as a limited selection of project applicants. The project application evaluation criteria for the 2nd round are entered for evaluation within the PO6 committee on March 27, 2025.</p> <p>It is intended to approve Cabinet of Ministers regulations for rounds 2, 3, and 4 of the Measure 6.1.1.1. consecutively during 2025 (without flexibility funding), and organise rounds 2, 3, and 4 as a limited selection of project applicants. Round 5 is intended to be organised as an open call for project applicant selection using flexibility funding amount for the 6.1.1.1. measure.</p>
Title of the measure (incl. reforms/ investments)	Development of ICT solutions and services and creation of opportunities for the private sector (Programme 1.3.1.1 (without flexibility in funding indicators and finances))
Goal (what should be achieved by the measure?)	<p>Investments in promotion of digital transition to develop public information and communication technology solutions and services and to promote digitisation of the private sector and creation of new services.</p> <p>Achievable results:</p> <ol style="list-style-type: none"> 1) Value of the digital services, products and processes developed for enterprises - 73,591,656 EUR; 2) At least 17 public sector bodies supported for the development of digital services, products and processes; 3) At least 769 users (economic operators, institutions) which have transformed their processes on the basis of the digitised newly created or significantly improved public digital processes, including - users as data users and data providers, users who have developed their digital products on the basis of public administration solutions or by integrating with public platforms and information systems.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Approval of the CoM Regulation (04.06.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (09.02.2024); 3) Commencement of the pre-selection of projects (23.02.2024); 4) Commencement of the restricted selection (after the approval of the first CoM CoM decision on project implementation, Q4 2024); 5) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2024.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2023(1); 2024(3)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-

UN SDG	9 Manufacturing, innovations and infrastructure; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	<p>The project application evaluation criteria for the measure were approved by the EU Funds Monitoring Committee on February 9, 2024.</p> <p>On June 4, 2024, the Cabinet of Ministers approved Regulations No. 338 "Implementation Rules for the Measure 1.3.1.1. "Development of ICT solutions and services and creation of opportunities for private sector" under the Specific Support Objective 1.3.1. "Reaping the advantages of digitalisation for citizens, companies, research organisations and public authorities" as part of the EU Cohesion Policy Programme 2021–2027.</p> <p>Within Measure 1.3.1.1., projects approved by the Cabinet of Ministers will be supported. The harmonization process for six out of seven high-priority projects has begun in the Portal for the Development of Legal Acts (TAP portal). (As of February 12, 2025, the Cabinet of Ministers has approved orders for the implementation of two high-priority projects in the TAP portal, while the harmonization process for four other high-priority project proposals is still ongoing. On January 30, 2025, the Central Finance and Contracting Agency announced limited project selection.</p> <p>In accordance with the decisions adopted at the Digital Modernization Thematic Committee meeting on July 16, 2024, regarding the further progress of planned projects and the implementation timeline for the measure, the development of horizontal development domain architectures and sectoral development domain architectures has commenced.</p>
Title of the measure (incl. reforms/ investments)	Development of public open space (Programme 5.1.1.3 (no flexibility funding planned))
Goal (what should be achieved by the measure?)	<p>Investments for the development of public open space in urban functional territories to improve the quality of the living environment and increase public safety.</p> <p>Achievable result: newly created or renovated open areas (public territories) in the urban environment in the area of at least 132,944 m2.</p>
Key steps for implementing the measure	<p>1) Approval of the CoM Regulation (06.06.2023);</p> <p>2) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (11.04.2023);</p> <p>3) Commencement of the public selection (25.07.2023);</p> <p>4) Conclusion of contracts and implementation of projects.</p>
Implementation time	01.01.2021.-31.12.2026.
Responsible/co-responsible institution	MoSARD/CFCA/local governments
RRF/MFF	MFF
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>The evaluation of the 50 project applications submitted in the open call and the signing of contracts were ensured. On December 31, 2024, 46 agreements on project implementation have been signed with the ERDF funding of 25.4 million EUR (The evaluation of the last two projects was completed in January 2025).</p> <p>The implementation of the project has continued, as well as monitoring the progress and fulfilment of the indicators to be achieved in the measure, in order to achieve the objectives and results set in the measure.</p>
Title of the measure (incl. reforms/ investments)	Smart local governments (Programme 5.1.1.4 (no flexibility funding planned))
Goal (what should be achieved by the measure?)	<p>Investments in promotion of the development of smart local governments by introducing smart solutions for the performance of autonomous functions and the management tasks they entail.</p> <p>Achievable results:</p> <ol style="list-style-type: none"> 1) At least five smart solutions for the implementation of municipal functions and the provision of municipal services have been developed in the planning regions; 2) At least 10 percent decrease in the cost of the beneficiary's service per customer (EUR) or energy consumption (megawatt-hours) or time consumption (hours) in at least five municipalities.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Approval of the CoM Regulation (27.06.2023); 2) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (11.04.2023); 3) Commencement of the restricted selection (08.07.2024); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2021.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA/local governments
RRF/MFF	MFF
CSR	2019(4)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	From July 8, 2024 to December 30, 2024, limited project selection was carried out. A total of 10 projects were submitted for the entire available ERDF funding of 15.5 million EUR (the evaluation process has begun in January 2025).
Title of the measure (incl. reforms/ investments)	Support for the development of public infrastructure necessary for business, promoting the transition to a climate-neutral economy (Programme (TPTP) 6.1.1.3 (without flexibility in funding indicators and finances))

Goal (what should be achieved by the measure?)	Investments in the development of public infrastructure for business, mitigating negative socio-economic impacts in regions most affected by the transition to a climate-neutral economy. Achievable results: 1) 23 traders benefiting from the developed public infrastructure; 2) 394 jobs created by the traders benefiting from the developed public infrastructure; 3) 30,695,395 EUR private non-financial investments in intangible investments and fixed assets.
Key steps for implementing the measure	1) Approval of the CoM Regulation (17.10.2023); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (16.06.2023); 3) Commencement of the open selection (for Round 1 - 27.12.2023); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2021.-31.12.2026.
Responsible/co-responsible institution	MoSARD/CFCA/local governments
RRF/MFF	MFF (JTF)
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	8 Decent work and economic growth; 9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The evaluation of the project applications submitted in the open call has been completed, and contract signing has been ensured. By December 31, 2024, 17 agreements on project implementation have been signed, with a total JTF funding of 34.09 million EUR. On 27 September 2024, an additional call for project applications was announced with a submission deadline set for February 14, 2025.
Title of the measure (incl. reforms/ investments)	Restoration of habitats or wetland ecosystems of EU importance (Programme (TPTP) 6.1.1.7 (no flexibility funding planned))
Goal (what should be achieved by the measure?)	Investments in promotion of restoration of habitats or wetland ecosystems of EU importance or the renaturalisation of historical peat extraction sites in specially protected areas for the promotion of biodiversity and provision of ecosystem services. Achievable results: 1) 1,500 ha of rehabilitated land (i.e., investments made in the restoration of habitats of EU importance or the renaturalisation of historical peat extraction sites); 2) At least 4,046 ha of degraded ecosystem restored.

Key steps for implementing the measure	1) Approval of the CoM Regulation (28.05.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (29.01.2024); 3) Commencement of the restricted selection (05.07.2024); 4) Conclusion of the contract and implementation of the project.
Implementation time	01.01.2024.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF (JTF)
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	13 Climate action; 15 Life on Earth
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The criteria for evaluating project applications were approved by the EU Funds Monitoring Committee on 29.01.2024. The Cabinet of Ministers on 28.05.2024. approved Cabinet of Ministers Regulations No. 320 "Implementation regulations for the specific support objective 6.1.1. "Mitigate the economic, social and environmental consequences of the transition to climate neutrality in the regions most affected by the transition" of the EU Cohesion Policy Programme 2021-2027" 6.1.1.7. measure "Restoration of habitats or mire ecosystems of European Union importance". From 05.07.2024. to 20.09.2024. a limited selection of project applications was carried out; the evaluation of the submitted project application was ensured and on 12.11.2024. an agreement was concluded on the implementation of the project for JTF financing of 6 million EUR (project implementation deadline 31.12.2029).
Title of the measure (incl. reforms/ investments)	Strengthening the capacity of rescue services, in particular modernisation of the infrastructure and material and technical base of the State Fire and Rescue Service
Goal (what should be achieved by the measure?)	Policy Area - Climate Change and Adaptation to Climate Change (RRF) The investment aims to ensure equally efficient, rapid and high quality work of disaster management services throughout Latvia by improving cooperation and coordination of services involved in disaster response and management. Its scope is to build 9 Disaster Management Centres, bringing together all services involved in disaster management under one roof.
Key steps for implementing the measure	On 5 July 2022, the Informative Report was approved and implementation of project was commenced
Implementation time	2022 - 2026
Responsible/co-responsible institution	Mol
RRF/MFF	RRF+G212
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-

UN SDG	9 Manufacturing, innovations and infrastructure; 16 Peace, justice, good governance
RRF reform/ investment No.	1.3.1.1.i.
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>In 2024, 9 construction projects were developed (Disaster Management Center Alsunga, Liepāja, Salacgrīva, Viļāni, Daugavpils, Madona and Līvāni, Alūksne and Talsi), and the Building Board's approval to construction was received. Starting from March/April 2024, construction work has started at the Daugavpils, Madona and Līvāni sites, while construction work has not started at the Disaster Management Centers in Liepāja, Salacgrīva, Viļāni and Alsunga sites, because on June 5, 2024, the contracts dated June 1, 2024 with the construction merchant PS BI_ZENG (No. leM_NVA_2023/22-Buv, No. leM_NVA_2023/24-Buv, No. leM_NVA_2023/23-Buv and No. leM_NVA_2023/25-Buv) were terminated.</p> <p>To ensure the execution of construction works, an open tender "Construction of Disaster Management Centers in Liepāja, Alsunga, Viļāni and Salacgrīva" (identification No. leM NVA 2024/78) was announced in July 2024, as a result of which 4 construction contracts were signed in November 2024: No. leM_NVA_2024/142-Buv (KPC Liepāja - AS UPB), No. leM_NVA_2024/143-Buv (KPC Alsunga- AS UPB), No. leM_NVA_2024/144-Buv (KPC Salacgrīva - SIA SANART) and No. leM_NVA_2024/145-Buv (KPC Viļāni - SIA Pillar Contractor). Construction work has started on these facilities.</p>
Title of the measure (incl. reforms/ investments)	Disaster risk reduction actions
Goal (what should be achieved by the measure?)	<p>Policy objective - A greener and more resilient low-carbon Europe, with a net transition to a carbon-free economy, promoting a just transition to clean energy, green and blue investments, circular economy, climate change mitigation and adaptation thereto, risk prevention and management and sustainable urban mobility (ERDF). The objective of the action is to invest in the development and strengthening of the technical capacity of the SFRS for disaster management, expansion of prevention actions, implementation of ICT solutions and the improvement of the overall responsiveness:</p> <ul style="list-style-type: none"> a) in purchase of specialised fire-fighting and rescue vehicles; b) in construction of a repair base for specialised vehicles; c) in formation and implementation of a disaster loss database; d) in formation and implementation of an early warning system; e) in arrangement of stationary and mobile practical training rooms (Safety Classrooms).
Key steps for implementing the measure	<p>On 17 October 2023, CoM Regulation No. 596 "Regulations On Implementation of the First Round of Selection of the Project Proposals of Action 2.1.3.3 "Actions for Disaster Risk Reduction" of the Specific Aid Objective 2.1.3 "Promoting Climate Change Adaptation, Risk Prevention and Disaster Resilience" of the EU Cohesion Policy Programme 2021-2027" was adopted and entered into effect on 20 October 2023;</p> <p>On 20 February 2024, CoM Regulation No. 118 "Regulations On Implementation of the Third Round of Selection of the Project Proposals of Action 2.1.3.3 "Actions for Disaster Risk Reduction" of the Specific Aid Objective 2.1.3 "Promoting Climate Change Adaptation, Risk Prevention and Disaster Resilience" of the EU Cohesion Policy Programme 2021-2027" was adopted and entered into effect on 27 February 2024;</p> <p>Drafting of the CoM Regulation of the Second Round of Action 2.1.3.3 (to be provisionally approved in 2025), as well as drafting of the CoM Regulation of the Fourth Round (to be provisionally approved in 2027) is currently underway.</p>
Implementation time	2023 -2029
Responsible/co-responsible institution	Mol
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition

European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	To ensure the implementation of the Measure 2.1.3.3, the Cabinet of Ministers Regulation was drafted and approved. The aim of the regulation was to initiate the construction of the Fire Safety and Civil Protection College (UCAK) Phase 1, the Logistics and Repair Base Complex, and the creation of Safety Classes. In 2024, a procurement process was announced for the design of the UCAK building. Additionally, amendments were prepared to the Public Warning System ABS+ Implementation project with the aim to ensure its implementation within the needed time frame and the allocated funding.
Title of the measure (incl. reforms/ investments)	EU Cohesion Policy programmes 2021 -2027 under the Action 2.1.1.5 “Climate-neutral solutions in the educational programmes, environment and infrastructure of vocational educational institutions and colleges” of the Specific Aid Objective 2.1.1 “Promoting energy efficiency and reducing greenhouse gas emissions”
Goal (what should be achieved by the measure?)	Modernisation and improvement of the infrastructure of vocational educational institutions and colleges under the Ministry of Education and Science (hereinafter referred to as - vocational educational institutions), including investments in smart energy management, environmentally friendly long-term management solutions for energy saving or extraction from renewable energy sources, and environmentally friendly educational institution demonstration, benchmarking initiatives, with priority support for activities where primary energy savings of at least 30 per cent are planned to be achieved.
Key steps for implementing the measure	A draft CoM Regulation on the implementation of the action will be submitted to the CoM in August. Drafting and harmonisation of regulations for the selection and commencement of the selection is scheduled for Q4. Commencement of implementation of projects is scheduled for Q4.
Implementation time	2024 -2029
Responsible/co-responsible institution	AI - MoES
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2024 (what was done in 2024?)	According to the planned Regulations of the Cabinet of Ministers No. 611 on the implementation of the Measure 2.1.1.5 approved on 17.09.2024. and the selection of the project application started on 22.10.2024. The implementation of the project has not started in the IV quarter of 2024 as planned, because the project submission for this event is complicated and it was necessary to make clarifications during its evaluation process. At the same time, there is no indication that the implementation of the project will not be completed within the originally planned deadline.

Title of the measure (incl. reforms/ investments)	Action 1.1.1.6 "Digitisation of scientific activities and participation in the European Open Science Cloud (purchase of EOSC market place services)" of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 "Strengthening research and innovation capacities and introducing advanced technologies into the overall R&D system"
Goal (what should be achieved by the measure?)	To provide Latvian researchers with secure, modern and convenient access and sharing of quality-managed research data, access to data processing tools and digital research services, ensure Latvia's inclusion in the European Research Area, interdisciplinary and international cooperation, and the use of the potential of big data and artificial intelligence by establishing and implementing the EOSC national hub and sharing services for data use.
Key steps for implementing the measure	The CoM Regulation is in drafting process. The TAP is expected to be published at the beginning of September. The project will be implemented by the Single Service Centre
Implementation time	2025 - 2029
Responsible/co-responsible institution	MoES/SSC (Single Service Centre)
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2023(1); 2024(3)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>1. On January 10, 2025, the public consultation on the draft of Cabinet of Ministers Regulations was concluded.</p> <p>2. On February 17, 2025, the Draft of Cabinet of Ministers Regulations was submitted to the 2nd round of inter-institutional consultations.</p> <p>3. 3rd inter-institutional consultation completed by 20.03.2024..</p> <p>4. Submitted to the Cabinet of Ministers by 08.04.2025 or 15.04.2025.</p> <p>The implementation of the project started with a delay compared to the originally planned, because clarifications were needed in the project submission during the project evaluation process. During the reporting period, the implementation of the project has started. There is no indication that the implementation of the project will not be completed within the originally planned time frame.</p>
<i>Social and economic resilience, incl. European Pillar of Social Rights</i>	
Title of the measure (incl. reforms/ investments)	Development of infrastructure of pre-school educational institutions (Programme 4.2.1.7 (without flexibility in funding indicators and finances))

Goal (what should be achieved by the measure?)	Investments for the promotion of service efficiency improvement and delivery in the regions to develop the infrastructure of municipal pre-school educational institutions to create new places for pre-school children, to promote access to municipal pre-school education services, including for socially and economically disadvantaged groups, in line with the principle of equal access. Achievable results: 1) Teaching capacity of new or upgraded childcare (pre-school) facilities - at least 1,708 persons; 2) Number of annual users of new or upgraded childcare (pre-school) facilities - 1,623 persons.
Key steps for implementing the measure	1) Approval of CoM Regulation (06.06.2023) and amendments to the CoM Regulation on the allocation of additional funding (Q3 2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (11.04.2023); 3) Commencement of the public selection (19.07.2023); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2021.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2019(2)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Social protection and inclusion
UN SDG	1 Poverty alleviated; 4 Quality education; 9 Manufacturing, innovations and infrastructure; 10 Reduced inequality; 11 Sustainable cities and communities; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The evaluation of the 12 project applications submitted in the open call and the signing of contracts has been ensured. As of December 31, 2024, nine contracts on project implementation have been signed with ERDF funding of 30.9 million EUR. In January 2025, two additional contracts were signed.
Title of the measure (incl. reforms/ investments)	Childcare services (Programme 4.3.6.6 (without flexibility in funding indicators and finances))
Goal (what should be achieved by the measure?)	Investments to support municipalities in the purchase of private pre-school education and childcare services to promote work-life balance and equal opportunities for all families. Achievable results: 1) At least 1,043 children have received support; 2) At least 991 children have received pre-school education services for a period of one to three years.

Key steps for implementing the measure	1) Approval of the CoM Regulation (10.10.2023); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (27.09.2023); 3) Commencement of the public selection (07.11.2023); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2021.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA/local governments
RRF/MFF	MFF
CSR	2019(2)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Fair working conditions; Social protection and inclusion
UN SDG	1 Poverty alleviated; 4 Quality education; 9 Manufacturing, innovations and infrastructure; 10 Reduced inequality; 11 Sustainable cities and communities; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The evaluation of eight project applications submitted in the open call has been carried out, and contracts have been signed. As of December 31, 2024, seven contracts have been signed for project implementation with ESF+ funding 11.34 million EUR).
Title of the measure (incl. reforms/ investments)	Investment 6.2.1.3.i. “Establishment of a single training centre for judges, judicial officers, public prosecutors, assistant public prosecutors and specialised investigators (in interdisciplinary matters) to improve their skills” of reform and investment axis 6.2 “Identification of money laundering, investigation of economic crimes, modernisation of judicial processes and implementation of preventive actions” of component 6 "Rule of Law" of the RRF plan
Goal (what should be achieved by the measure?)	The aim is to establish a unified training centre for the development of the qualifications of judges, judicial officers, public prosecutors, assistant public prosecutors and investigators (in interdisciplinary matters essential for effective administration of justice) (hereinafter referred to as - interdisciplinary investigators) (the Academy of Justice) as the basis for a sustainable and stable system, providing the possibility to plan, develop and implement training programmes (hereinafter referred to as - the Programme) in the long term.
Key steps for implementing the measure	1) Entry into effect of the Law and other legislative acts related to the Justice Training Centre 2) Development of new Programmes 3) Adoption and implementation of the Programmes 4) Established Justice Training Centre. Adaptation of premises and provision of equipment for the Justice Training Centre
Implementation time	21.11.2022.-30.06.2026.
Responsible/co-responsible institution	MoJ
RRF/MFF	RRF
CSR	2019(2); 2019(4); 2024(3)

Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education; 8 Decent work and economic growth; 16 Peace, justice, good governance
RRF reform/ investment No.	6.2.1.3.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>The Law on the Judicial Academy and other legislation related to the establishment of the Judicial Academy has entered into force. The following has entered into force:</p> <ul style="list-style-type: none"> - 01.11.2024. Law on the Judicial Academy; - 14.11.2024. Amendments to the law "On Judicial Power" ; - 01.01.2025. The Law "On the State Budget for 2025 and the Budget Framework for 2025, 2026 and 2027"). <p>At the end of 2024, the 10 new training programmes have been developed and adopted for implementation. Work on the adaptation of the Justice Academy building is intensive. The works are planned to be completed by the end of the 1st half of 2025.</p>
Title of the measure (incl. reforms/ investments)	Action 4.3.5.5 "Access to justice" of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 4.3.5 "Improve equitable and timely access to quality, sustainable and affordable services; improve social protection systems, including promoting access to social protection; improve access to, efficiency and resilience of long-term care services"
Goal (what should be achieved by the measure?)	Establish a developed system of state-provided legal aid, expanding access to the justice system for vulnerable persons, providing for timely and accessible legal aid to prevent the failure to address legal issues from adversely affecting people's social and economic situation and exposing them to the risk of poverty and/or social exclusion.
Key steps for implementing the measure	<p>The Court Administration implements ESF+ project No. 4.3.5.5/1/24/I/001 "Access to Justice". The project includes the following activities:</p> <ol style="list-style-type: none"> 1. Reforming and streamlining the state-provided legal aid system to support vulnerable and victimised persons, ensuring their timely access to justice; 2. Solutions for timely identification and resolution of legal problems; 3. Development of existing and new information technologies and digital solutions to better ensure the rights of socially vulnerable persons, including more effective cooperation between authorities; 4. Actions to inform the target group about the receipt of state-provided legal aid services in order to increase the target group's competence and understanding of the importance of timely resolution of legal disputes, as well as to inform about the training of persons involved in the state-provided legal aid system to improve their competences and skills; 5. Project management and ensuring project implementation; 6. Compliance with the project's communication and visual identity requirements.
Implementation time	03.06.2024.-30.06.2027.
Responsible/co-responsible institution	MoJ
RRF/MFF	MFF
CSR	2019(4); 2020(2)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Social protection and inclusion

UN SDG	10 Reduced inequality; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>In 2024, the interim outcome indicator set out in Section 5.1.1.1 of the Cabinet of Ministers Regulations No. 137 has been exceeded, which required achieving 50 employed persons, including self-employed persons, by December 31, 2024. In fact, 61 unique individuals were trained, by conducting 8-hour training sessions on November 27 and 29, 2024, titled "Training of Personnel Involved in Providing Legal Support Services to Less Protected Groups on Program Development and Implementation," Part 1: "Required Skills and Communication with Vulnerable Groups in Addressing Legal Issues."</p> <p>In addition, the following important activities were carried out in 2024:</p> <ol style="list-style-type: none"> 1. In cooperation with the Ministry of Justice, three video materials were developed under the technical assistance implementation framework of the EU Cohesion Policy Program for 2021-2027: <ul style="list-style-type: none"> • On providing state legal aid; • On state compensation for victims; • On including mediation in state-provided legal aid. 2. On November 28, 2024, in cooperation with the Ministry of Justice, the opening event of the "Access to Justice" project was organized under the EU Cohesion Policy Program for 2021-2027 technical assistance implementation. 3. Two exchange trips took place: one to Finland (Ministry of Justice of Finland, Helsinki Legal Aid Bureau, Helsinki Mediation Center, and Victim Support Centre (RIKU)) and one to Iceland (Icelandic State Compensation Committee and Family Legal Aid Center (Bjarkarhlíð)).
Title of the measure (incl. reforms/ investments)	RRF investment 5.2.1.1.i Research, development and consolidation grants, round 1 "Anti-Money Laundering Grant" (AIZID)
Goal (what should be achieved by the measure?)	Strengthen the anti-money laundering and fintech knowledge capacity in Latvia to promote safe and quality development of the financial sector and related industries.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) 6 specialised study modules created by 31.12.2024; 2) by 30.06.2024 150 students have completed specialised study modules; 3) by 31.12.2024 20 prepared academic staff members; 4) by 30.06.2026 - number of analytical studies on the competitiveness of the Latvian financial sector and development opportunities in the international context; 5) by 30.06.2024 - 6 number of specialised expertise studies 6) by 30.06.2024 - 4 scientific publications.
Implementation time	2023 - 2026
Responsible/co-responsible institution	MoES/RTU
RRF/MFF	RRF
CSR	2019(1); 2020(3); 2020(4); 2023(1); 2024(3)
Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	5.2.1.1.i

On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>Within the framework of the 1st round of investment, all interim national indicators were achieved:</p> <p>1) the number of specialized study modules created in the field of money laundering prevention and financial technologies within the framework of accredited bachelor's and master's study programs - by 31 December 2024 at least 6 (by Q4 2024, 6 study modules were included in the indicator);</p> <p>2) the number of students who have mastered specialized study modules in the field of money laundering prevention and financial technologies - by 31 December 2024 at least 50 (by Q4 2024, only 72 students were included in the indicator);</p> <p>3) the number of academic staff trained in the field of specialized study modules in the field of money laundering prevention and financial technologies - by 31 December 2024 at least 20 (by Q4 2024, 26 participants who have completed specialized study modules are included in the indicator);</p> <p>4) the number of annual complex analytical studies on the competitiveness and development opportunities of the Latvian financial sector in the international context - by 31 December 2024 at least 1 (by Q4 2024, 1 annual complex analytical study is included in the indicator);</p> <p>5) the number of specialized expert studies that promote data analysis and the development of policy or legal regulation based on international comparative practice, - by 31 December 2024 at least 2 (by Q4 2024, 2 specialized expert studies are included in the indicator);</p> <p>6) number of scientific publications - at least 1 by December 31, 2024 (1 scientific publication is included in the indicator until Q4 2024).</p>
Title of the measure (incl. reforms/ investments)	RRF investment 5.2.1.1.i Research, development and consolidation grants, round 2 "Consolidation and Governance Change Implementation Grants" (AIZID)
Goal (what should be achieved by the measure?)	Implement structural changes in higher educational institutions and scientific institutes to promote excellence and efficiency in the quality and resource investments in higher education and science and international competitiveness.
Key steps for implementing the measure	<p>1) 150 Academic Career Agreements and 45 internal R&D grant agreements signed by 30.09.2024;</p> <p>2) 315 Academic Career and 90 internal R&D grant agreements signed by 31.05.2026;</p> <p>3) - at least four consolidation plans introduced by 31.05.2026;</p> <p>4) - 100% of state-founded higher educational institutions have introduced the new governance model by 31.05.2026.</p>
Implementation time	2023 - 2026
Responsible/co-responsible institution	MoES / state-founded universities and research institutes
RRF/MFF	RRF
CSR	2019(2); 2020(3); 2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education; 16 Peace, justice, good governance
RRF reform/ investment No.	5.2.1.1.i
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	<p>Within the framework of the 2nd round of investment, all interim national indicators were achieved:</p> <p>1) 150 academic career grant agreements signed by September 30, 2024 (317 signed academic career grant agreements are included in the indicator by Q4 2024);</p> <p>2) 45 internal research and development grant agreements signed (98 signed internal research and development grant agreements are included in the indicator by Q4 2024);</p> <p>Currently, work is underway on the final rounds of research grant selection, on the implementation of the concluded research grants.</p> <p>3) 5 universities and 2 scientific institutes have been gradually implementing consolidation plans for more than a year, i.e. starting in 2024;</p> <p>4) By Q4 2024, almost all state-founded higher education institutions will have implemented the new governance model.</p>
Title of the measure (incl. reforms/ investments)	Action 1.1.1.9 "Postdoctoral research" of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 "Strengthening research and innovation capacity and transfer of advanced technologies into the overall R&D system"
Goal (what should be achieved by the measure?)	Develop the skills and increase the scientific capacity of young scientists by providing career entry opportunities for young scientists in scientific institutions and companies, as well as the improvement of research competences, renewal of human resources and increase in the number of qualified specialists through research that contributes to the achievement of the objectives of the Latvian Smart Specialisation Strategy or to the development of areas of specialisation. At least 41 new research jobs are planned to be created in the supported entities by 31 December 2029.
Key steps for implementing the measure	CoM Regulation No. 35 of 9 January 2024. The project implementer within the action is the Latvian Council of Science (LCS). Within two months of the conclusion of the project implementation agreement, the LCS shall announce the first call for research proposals.
Implementation time	2024-2029
Responsible/co-responsible institution	MoES/LCS
RRF/MFF	MFF
CSR	2019(2); 2020(3); 2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Fair working conditions
UN SDG	8 Decent work and economic growth; 9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Amendments to the Cabinet of Ministers Regulations were approved on 8 October 2024. The 1st call for research applications not related to economic activity were announced on 8 August 2024 and concluded on 7 October 2024. 185 research applications were received, of which 92 research applications were supported.
Title of the measure (incl. reforms/ investments)	Action 1.1.1.3 "Translational research" of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 "Strengthening research and innovation capacities and transfer of advanced technologies into the overall R&D system"
Goal (what should be achieved by the measure?)	The aim of the action is to support the implementation of translational and collaborative research, including interdisciplinary researches, which drive the development of specialisation areas of the Latvian Smart Specialisation Strategy (hereinafter referred to as - RIS3), with a view to increase the capacity and exportability of the innovation system of the Latvian economy in line with the RIS3 strategy

Key steps for implementing the measure	CoM Regulation No. 407 of 25 June 2024, open call for proposals, implementer - scientific institution or trader. The total eligible public funding planned and available for round 1 of selection of the project proposals shall not exceed 35,000,000 EUR. The total eligible public funding planned for round 2 of selection of the project proposals does not exceed 21,760,000 EUR (including flexibility funding - 6,586,609 EUR).
Implementation time	2024-2029
Responsible/co-responsible institution	MoES/CFCA
RRF/MFF	MFF
CSR	2020(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Amendments to the Cabinet of Ministers Regulations No. 407 of 25 June 2024 were approved on 17 December 2024. Submission of project applications 06.09.2024 - 20.11.2024 and evaluation 21.11.2024 - 21.02.2025.
Title of the measure (incl. reforms/ investments)	Action 1.1.1.2 "RIS3 Research and Innovation Centres" of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 "Strengthening research and innovation capacities and introducing advanced technologies into the overall R&D system"
Goal (what should be achieved by the measure?)	The aim of the action is to support the establishment, improvement or development of research infrastructure that contributes to the development of a centre of excellence in one or more of the areas of Latvia's smart specialisation strategy, in line with the performance and strategic specialisation of the research institution, with a view to increasing the capacity of the Latvian innovation system in line with the RIS3 strategy.
Key steps for implementing the measure	1) CoM Regulation No. 88 approved on 4 February 2025; 2) Announcement of the selection of project applications 2nd quarter of 2025.
Implementation time	2025 - 2029
Responsible/co-responsible institution	MoES/CFCA
RRF/MFF	MFF
CSR	2020(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2024 (what was done in 2024?)	The forms for the submission of infrastructure plans were presented to the scientific institutions at an information event on 8.11.2024. Cabinet of Ministers Regulations No. 88 (4 February 2025) was approved after several inter-institutional agreements and discussions with scientific institutions. Submission of infrastructure plans for scientific institutions from 6 February to 20 March 2025 launched.
Title of the measure (incl. reforms/ investments)	Action 1.1.1.5 “Full participation of Latvia in the Horizon Europe programme, including by ensuring a comprehensive range of support instruments and linking with the development of RIS3 specialisation areas” (Round 1) of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 “Strengthening research and innovation capacities and introducing advanced technologies into the overall R&D system”
Goal (what should be achieved by the measure?)	The aim of the action is to promote international cooperation in research and to link it with the development of specialisation areas of the Latvian Smart Specialisation Strategy (hereinafter referred to as - RIS3), including strengthening the capacity of the National Contact Point to ensure investments for participation in European Partnerships in line with Latvia's strategic priorities (including the implementation of joint research projects), as well as ensuring synergy mechanisms with other EU research programmes, including by refinancing projects above the quality threshold in the "Horizon Europe" programme reserve.
Key steps for implementing the measure	CoM Regulation No. 810 of 19.12.2023. The project is implemented by the MoES. Project implementation in progress (contract 03.06.2024)
Implementation time	2025 - 2029
Responsible/co-responsible institution	MoES/LCS
RRF/MFF	MFF
CSR	2020(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The implementation of the project has been launched. Experts from the National Contact Point have participated in the European Commission's information days, program committees, events organized by the NordForsk, as well as various trainings. In order to ensure further dissemination of information to scientific institutions, the National Contact Point has organized events and provided consultations.
Title of the measure (incl. reforms/ investments)	Action 1.1.1.5 “Full participation of Latvia in the Horizon Europe programme, including by ensuring a comprehensive range of support instruments and linking with the development of RIS3 specialisation areas” (Round 2) of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 “Strengthening research and innovation capacities and introducing advanced technologies into the overall R&D system”

Goal (what should be achieved by the measure?)	The aim of the action is to promote international cooperation in research and to link it with the development of specialisation areas of the Latvian Smart Specialisation Strategy (hereinafter referred to as - RIS3), including strengthening the capacity of the National Contact Point to ensure investments for participation in European Partnerships in line with Latvia's strategic priorities (including the implementation of joint research projects), as well as ensuring synergy mechanisms with other EU research programmes, including by refinancing projects above the quality threshold in the "Horizon Europe" programme reserve.
Key steps for implementing the measure	CoM Regulation No. 810 of 19.12.2023. The project will be implemented by the Latvian Council of Science (LCS). During August 2024, development of the project selection documents and announcement of selection is underway (CFCA).
Implementation time	2025 - 2029
Responsible/co-responsible institution	MoES/CFCA
RRF/MFF	MFF
CSR	2020(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The selection of project applications was announced on 26.08.2024. By the end of 2024, 3 contracts for the implementation of projects have been concluded.
Title of the measure (incl. reforms/ investments)	Action 1.1.1.5 "Full participation of Latvia in the Horizon Europe programme, including by ensuring a comprehensive range of support instruments and linking with the development of RIS3 specialisation areas" (Round 3) of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 "Strengthening research and innovation capacities and introducing advanced technologies into the overall R&D system"
Goal (what should be achieved by the measure?)	Promote international research cooperation and linkages with the specialisation area of the Latvian Smart Specialisation Strategy (hereinafter referred to as - RIS3), as well as the development of interdisciplinary RIS3 specialisation areas, including by increasing the participation of scientific institutions in the Horizon Europe programme.
Key steps for implementing the measure	CoM Regulation No. 502 of 23.07.24 Public project selection. Development of the project selection documents is underway (CFCA).
Implementation time	2025 - 2029
Responsible/co-responsible institution	MoES/CFCA
RRF/MFF	MFF
CSR	2020(3)

Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	On 02.10.2024. the selection of project applications was announced, with the deadline for submitting project applications until 02.01.2025. By the end of 2024, national partnership plans of scientific institutions have been coordinated with the Ministry of Education and Science.
Title of the measure (incl. reforms/ investments)	Action 1.1.1.7 "Innovation grants for students" of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 "Strengthening research and innovation capacities and introducing advanced technologies into the overall R&D system"
Goal (what should be achieved by the measure?)	The aim of the event is to promote student innovation applications that develop students' innovation capacity and initiative, including entrepreneurial skills, address problems of relevance to industry, society or parts of society, and strengthen university-student collaboration with business. By 31 December 2029, the following monitoring indicators shall be achieved: private investment (including grants, financial instruments) complementing public support - 1,650,000 EUR,
Key steps for implementing the measure	Rules for the implementation of the action 1.1.1.7 "Innovation Grants for Students" are under development (TAP - 24-TA-1421)
Implementation time	2025-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	2020(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	Cabinet of Ministers Regulations No. 82 were adopted 04.02.2025. Selection of the project applications is announced in March, 2025.
Title of the measure (incl. reforms/ investments)	Action 1.1.1.8 "Doctoral Grants" of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 "Strengthening research and innovation capacities and transfer of advanced technologies into the overall R&D system"
Goal (what should be achieved by the measure?)	Objective of the action is to strengthen the human capital capacity for research and development in smart specialisation areas needed for economic growth and transformation. The target group is PhD students. The following monitoring indicators are to be achieved by 31 December 2029: output indicator - 66 research jobs created in supported entities (in full-time equivalent terms);

Key steps for implementing the measure	CoM Regulation No. 811 of 19 December 2023. The projects are implemented by Daugavpils University; Latvian Academy of Culture, Latvian University of Biosciences and Technologies; University of Latvia, the Riga Stradiņš University, Riga Technical University, Ventspils University College.
Implementation time	2025-2029
Responsible/co-responsible institution	MoES/CFCA
RRF/MFF	MFF
CSR	2020(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	In August 2024, the selection of project applications was announced. In October 2024, 4 project applications were submitted. The process of evaluating project applications continued until the end of 2024.
Title of the measure (incl. reforms/ investments)	Measure 6.1.1.2 of the European Union Cohesion Policy Programme 2021-2027 "Development of research for the sustainable use of natural resources in the context of environmental and climate objectives"
Goal (what should be achieved by the measure?)	The goal is to establish a research platform and center of excellence, within which the implementation of research and innovation projects will be supported for the development of research capacity and competencies, accelerating the transfer of knowledge and technology, the implementation of pilot and demonstration projects, and the introduction of new research-based ideas to ensure progress towards a climate-neutral economy and mitigate risks related to climate change in the regions most affected.
Key steps for implementing the measure	1) CoM Regulation No. 746 of 26.11.2024; 2) Selection announced, deadline for project submission 10.04.2025.
Implementation time	2025-2029
Responsible/co-responsible institution	MoES/CFCA
RRF/MFF	MFF (JTF)
CSR	-
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure; 13. Climate action
RRF reform/ investment No.	-
On-track status step	Delayed

A brief description of progress for 2024 (what was done in 2024?)	On November 26, 2024, Cabinet of Ministers Regulations No. 746 were approved. Deadline for submission of projects is 10 April 2025. The selection of projects has not been started in the Q3 2024 as planned due to the delay in the process of coordinating the draft Regulations of the Cabinet of Ministers with the involved institutions. At the same time, there is no indication that the implementation of the project will not be completed within the initially planned deadline.
Energy security	
<i>See policy area "9.1.8 Energy and energy efficiency"</i>	
Building defence capabilities	
Title of the measure (incl. reforms/ investments)	Defence Capability Enhancement
Goal (what should be achieved by the measure?)	The Defence Capability Enhancement 2024-2028, required to develop package of actions of the National Armed Forces, primarily aimed at overcoming national threats.
Key steps for implementing the measure	19.03.2021. CoM decision No.179 of 19.03 "On Financing of the Ministry of Defence Long-term Commitment Action "National Armed Forces Long-term Contracts""; CoM decision No. 632 of 23.07.2024 "NAF Development Plan 2025-2036"; CoM decision No. 633 of 23.07.2024 "On Financing of the Ministry of Defence Long-term Commitment Action "National Armed Forces Long-term Contracts"".
Implementation time	2024-2036
Responsible/co-responsible institution	MoD
RRF/MFF	-
CSR	-
Common EU priorities	4 Building defence capabilities
European Pillar of Social Rights	-
UN SDG	16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	In accordance with the Cabinet of Ministers Order No. 179 of 19.03.2021 "On financing for the Ministry of Defence's long-term commitment measure "National Armed Forces Long-Term Contracts"" ("NATO RESTRICTED" – (NR)) and in accordance with the Cabinet of Ministers Order No. 896 of 13.12.2023 "Amendments to the Cabinet of Ministers Order No. 179 of 19 March 2021 "On financing for the Ministry of Defence's long-term commitment measure "National Armed Forces Long-Term Contracts"" (NR) in 2024, funding for the Ministry of Defence's long-term commitment measure "National Armed Forces Long-Term Contracts" was provided to facilitate the accelerated development of the National Armed Force's combat capabilities, which are being developed as a priority, in accordance with the geopolitical situation.

Minister for Finance

A.Ašeradens