



LATVIJAS REPUBLIKAS  
FINANŠU MINISTRIJA

NACIONĀLAIS  
ATTĪSTĪBAS  
PLĀNS 2020



**EIROPAS SAVIENĪBA**

Eiropas Savienības  
struktūrfondi un  
Kohēzijas fonds

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I E G U L D Ī J U M S T A V Ā N Ā K O T N Ē

# Operational programme

## “Growth and Employment”

**Ministry of Finance of the Republic of Latvia  
Riga, 2014**

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## ABBREVIATIONS AND TERMS USED

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RES	Renewable energy resources
HEI	Higher Education Institutions
MoD	Ministry of Defence
UN	United Nations
MFA	Ministry of Foreign Affairs
FDI	Foreign direct investment
ARACHNE	EU risk scoring tool which can increase efficiency of selection of projects, management audits and support fraud detection, discovery, prevention.
HE	Human Equivalent
CEF	Connecting Europe Facility
CFCA	Central Finance and Contracting Agency
CSB	Central Statistical Bureau
OP	Operational programme “Growth and employment”
NRT	Natural resource tax
WB	Work-based
EHEA	European Higher Education Area
EEA	European Economic Area
EMFF	European Maritime and Fisheries Fund
ECom	European Commission
EC position document	European Commission Position Document on Development of partnership agreement and operational programmes 2014-2020 programming period in Latvia (sent to Latvia on October 24, 2012)
EC	European Council
ESG	European Standards and Guidelines
EUSBSR	European Strategy for the Baltic Sea Region
EAFRD	European Agricultural Fund for Rural Development
MoE	Ministry of Economics
ERDF	European Regional Development Fund
ERDF Regulation	Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006
ERASMUS	European Region Action Scheme for the Mobility of University Students
E-government	Information technology solutions for supporting implementation of ESI
EU	European Union
ESCO	
ESF	European Social Fund
ESF Regulation	Regulation (EU) No 1304/2013 of the European Parliament and of

	the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006
ESI funds	ESF; ERDF; CF; EAFRD; EMFF
EU Council Recommendations	European Union Council Recommendations on Latvia's National Reform Programme 2013 and delivering Council Opinion on Latvia's Convergence Programme 2012-2016 and European Union Council Recommendations on Latvia's 2014 national reform programme and delivering a Council opinion on Latvia's 2014 stability programme
EV	Electric vehicles
ETC	European Territorial Cooperation
EUR	Euro of the European Union
EVCA	European Venture Capital Association
EQAR	European Higher Education Quality Assurance Register
EQAVET	European Quality Assurance in Vocational Education and Training
FEAD	Fund for European Aid to the Most Deprived
MoF	Ministry of Finance
HP	Horizontal principles
HPS	Hydroelectric power station
MIA	Ministry of Internal Affairs
GDP	Gross Domestic Product
ICT	Information and Communication Technologies
MES	Ministry of Education and Science
IT	Information Technologies
ITI	Integrated territorial investments
YEI	Youth Employment Initiative
CF	Cohesion Fund
CF Regulation	Regulation (EU) No 1300/2013 of the European Parliament and of the Council of 17 December 2013 on the Cohesion Fund and repealing Council Regulation (EC) No 1084/2006
MoC	Ministry of Culture
CP	Cohesion Policy
CP funds	ESF, ERDF, CF
CCFI	Climate Change Financial Instrument
RDP 2020	Latvian Rural Development Programme 2014-2020 (EAFRD)
FTUCL	Free Trade Union Confederation of Latvia
LFN	Latvian Fund for Nature
LEC	Latvian Confederation of Employers
LICTA	Latvian Information and Communications Technology Association
LRF	Latvian Rural Forum
AMUL	Association of the Major Urban areas of Latvia
LACB	Latvian Association of Commercial Banks
MoW	Ministry of Welfare

LCCI	Latvian Chamber of Commerce and Industry
MoC	Cabinet of Ministers
SMEs	Small and medium sized enterprises
NDP 2020	Latvian National Development plan 2014-2020
WTP	Water treatment plants
NEET	Not in Education, Employment, or Training
NIP	National Industrial Policy
NRP	Latvian National Reforms Programme for Implementation of “EU 2020” Strategy
SEA	State Employment Agency
OECD	Organisation for Economic Co-operation and Development
R&D&I	Research, technological development and innovation
PISA	Programme for International Student Assessment
PA	Partnership Agreement for implementation of EU funds for programming period of 2014-2020
Project data	Information included in project applications, contracts/agreements concluded on project implementation, the information that beneficiaries will submit to the contracting authority with a certain regularity
ISC	Interim Committee for Supervision of CP Funds
RIS3	Research and Innovation Strategy for Smart Specialisation
Cooperation partners	Latvian Confederation of Employers, Latvian Union of Free Trade Unions, associations, foundations, industrial associations, planning regions
SO	Specific objective, “particular objective” is a result, the achievement of which in specific national or regional circumstances will be facilitated by implementing priority investment or EU priority and carrying out activities or measures
GHG	Greenhouse gas
MoT	Ministry of Transport
Social partners	Employers, organisations of employers and their associations
DPCC	Disease Prevention and Control Centre
PUC	Public Utilities Commission
STEM	Science, Technology, Engineering and Mathematics
Strategy “Europe2020”	Europe 2020: strategy for smart, sustainable and inclusive growth
Strategy “Latvia 2030”	Latvian Sustainable Development Strategy up to 2030
SWOT	Strengths, weaknesses, opportunities, and threats
PDL	Community-led local development
TALIS	Teaching and Learning International Survey
TEN-T	Trans-European Transport Network
MoJ	Ministry of Justice
MC	Monitoring Committee for CP funds
VAS	State joint-stock company

EPRDM	Ministry of Environmental Protection and Regional Development
SEDA	State Education Development Agency
Local employment initiatives	Involvement of local structures in the development, management and implementation of employment-related action policies <sup>1</sup>
NCE	National Centre for Education
General Regulation	Regulation (EU) No 1303/2013 Environmental Protection and Regional Development Ministry according to which common rules are set for European Regional Development Fund, European Social Fund, European Agricultural Fund for Rural Development, Cohesion Fund, European Maritime and Fisheries Fund, and general conditions regarding the European Regional Development, European Social Fund and Cohesion Fund and Council Regulation (EC) No 1083/2006 is revoked
SPS	State Probation Service
MoH	Ministry of Health
SACC	State social care centre
SC	State Chancellery
ECC	Environmental Consultative Council
MSS	Meeting of the State Secretaries
MoA	Ministry of Agriculture
RTDIG	Science, Technology Development and Innovation Guidelines 2014-2020

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<sup>1</sup> <http://ec.europa.eu/social/main.jsp?catId=104&langId=lv;>  
[http://europa.eu.int/comm/employment\\_social/local\\_employment/index\\_en.htm](http://europa.eu.int/comm/employment_social/local_employment/index_en.htm)

## CONTRIBUTION TO THE ACHIEVEMENT OF THE OBJECTIVES OF STRATEGY „EUROPE 2020”

### 1.1.Strategy for the operational programme's contribution to the Union strategy for smart, sustainable and inclusive growth

#### Contribution strategy

- (1) Summary of the OP investment strategy is drafted on the basis of the PA investment strategy, based on the analysis of the PA and the proposed solutions. OP provides a more detailed justification and description of the proposed solutions, providing a clearer logical link between the challenges of Latvia and operations financed within the framework of CP funds.
- (2) **On the basis of the factors analysed in the PA hindering the development of competitiveness, the following overall priorities of CP funds development are set in the framework of OP:**
  - 1) improvement of economic productivity, quality of innovation, research and science;
  - 2) sustainable and efficient transportation infrastructure;
  - 3) sustainable use of natural and cultural resources;
  - 4) high employment rate in inclusive society;
  - 5) high quality and efficiency of the education system;
  - 6) balanced and sustainable territorial development.

#### Improvement of economic productivity, added value, quality of innovation, research and science

- (3) Compared to the EU average index, the proportion of innovative entrepreneurs in Latvia is a half of the EU average. This attests that there are significant deficiencies in the existing innovation system.

Deficiencies of the innovation system (RIS3):

  - 1) the current business model is weakly oriented towards innovation (economic advantages are based on cheap labour and natural resources);
  - 2) low productivity and weak innovation performance;
  - 3) a low share of processing manufacturing industries in the economy;
  - 4) insufficient scientific and research capacity (insufficient number of researchers and insufficient renewal, fragmented knowledge base);
  - 5) the existing education system does not match with the labour supply and demand;
  - 6) funding for science and research is too low;
  - 7) poor cooperation between the business sector and research institutions;
  - 8) regionally monocentric development.
- (4) In addition, Innovation Union Scoreboard (2013) report emphasizes that development of Latvian innovation system is hampered by weak innovation performance; that is measured by number of scientific publications out of those 10% of publications that are quoted the most, and Latvia's ratio is only 4%, which is significantly lower than the EU average. International scientific publications from Latvia in 2012 compared with 2010, has increased by 399 and reached 1 247 publications, from which 1 188 are quoted. However, Latvian scientists still have a low number of publications. During the period of 2003 - 2012 7232 publications by Latvia can be found in *Scopus* data base, but in comparison 14 791 publications can be found in *Scopus* database by neighbouring country Estonia, out of which 2 211 publications were made in 2012, and 20 552 publications by Lithuania, out of which 2 708 were published in 2012.
- (5) It is emphasised in the RIS3 that faster development opportunities of Latvia are limited due to lack of broad and deep knowledge base in all the basic fields of science and appropriate and knowledgeable human capital. Without adequate human capital Latvia can not establish and

maintain a modern knowledge-based economy. Lack of human resources in the country not only inhibits formation of new knowledge but also negatively affects effective use of most new knowledge generated elsewhere in the world. Lacking the capacity of knowledge absorption, the country is at risk of an economic downturn spiral, hence there is a need for government intervention.

- (6) Innovation system deficiencies suggest that the Latvian economy is dominated by systemic market challenges. For the growth of the Latvian economy to be rapid, well balanced and resistant against external risks, structural changes in the economy should be implemented in favour of production of goods and services with a higher value added, including increasing of the role of industrial production, modernisation of industry and services and the development of the export complexity. This is an essential prerequisite for convergence of the economy of Latvia with the developed EU countries and the growth of welfare that can be achieved by increasing the competitiveness of the Latvian economy based on innovation.
- (7) For purposes of eliminating systemic challenges of the market, the following directions for transformation of economy are set within the framework of RIS3:
  - 1) changes in the production and export structure in traditional areas of the economy;
  - 2) growth areas where products and services with high added value exist or could be created;
  - 3) areas with significant horizontal influence and contribution to the transformation of the economy.
- (8) In order to implement the economic transformation and priorities set in RIS3, CP fund investments will be targeted to **innovation capacity building, as well as development of the innovation system that facilitates and supports the technological progress in the economy (RIS3 objective)** by developing solutions that are primarily focused on elimination of innovation system deficiencies and challenges, while ensuring investment efficiency and innovation complementarity in the field of R&D, SMEs support, ICT, education and resource sustainability.
- (9) In case of Latvia, **the main focus of development strategy is on support for economic transformation**, while including elements of development strategies that foresees science or technology-driven growth and catching up or move to a knowledge-based capabilities<sup>2</sup>. Thus a conceptually new and complex strategy is developed that includes and provides a balanced and complementary set of support instruments. At the same time, it is necessary to promote not only technological innovation, but also non-technological innovation development.
- (10) Ensuring the ex-ante conditionality Nr.1.1. *„there should be a smart specialization strategy suitable to the National Reforms Programme that would encourage private investment in research and innovation within the framework of efficient research and innovation system”* **RIS3** has been developed. It is a national economic development strategy that provides for targeted focusing of research and innovation resources in areas, where the country has comparative advantages or where assets are available on the basis of which such advantages could be created.
- (11) A precondition for CP fund investments **within 1.thematic objective** is consolidation of scientific institutions and improvement of operating ability of competitive scientific institutions implemented on the basis of results of external assessment of research and MES Report on Structural reforms in Latvian science sector to be carried out until July1, 2015.<sup>3</sup>. Thus further

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<sup>2</sup> Based on the long experience of OECD with regions in innovation capacity evaluation and policy-making, the European Commission recommends that Member States, developing smart specialization strategies for innovation, choose one of the following development strategies:

- Growth, based on existing strengths (science or technology-driven growth);
- Support for economic transformation (new growth area identification and development);
- Catching up or move to a knowledge-based capabilities.

<sup>3</sup> Approved by the Cabinet of Ministers on August 19<sup>th</sup>, 2014 (Minutes fo Cabinet of Ministers No. 44, 47.§)



fragmentation of R&D funding will be prevented and targeted concentration of CP investment ensured **according to RIS3**.

- (12) RIS3 provides for development of vision, identification of competitive advantages, selection of strategic priorities and definition of a policy that would provide the best basis for bringing out the knowledge-based potential of the region, and thus ensure the growth of economy.
- (13) RIS3 objective is to identify and ensure regular review of development priorities in an open, transparent process in which the sector of science, higher education, economic sectors and the government will be involved, and which is based on the principles of entrepreneurial discovery; and to ensure targeted investments, int.al. selection of policy instruments and development of a monitoring system suitable for strategy settings, aimed at strengthening of the competitiveness of Latvia on the regional, European and global level.
- (14) The following indicative priority actions and instruments are set for achievement of RIS3 objectives:
  - 1) integration of education, science, technology development, innovation and business (strengthening the cooperation and transfer system in the field of innovation);
  - 2) strengthening innovation capacity of industries (strengthening demand for innovation);
  - 3) increasing capacity and returns of science, research, technology development and innovation (strengthening the knowledge capacity and innovation supply-side);
  - 4) fostering growth of industries, their export capacity and integration into global value chains;
  - 5) improvement of the education system to reduce labour market disproportions;
  - 6) support for increase in the re-use of public data;
  - 7) promotion of a balanced development of territories, creating preconditions for better use of development potential and resources.
- (15) EC Country-specific recommendations for Latvia 2013 and 2014 determine the necessity to elaborate and implement effective R&I system. Following activities will contribute to implementation of recommendation: 1) strengthening of the research system by consolidating research institutions primarily around knowledge centres, 2) development of the knowledge base and human capital in knowledge areas where Latvia has relative advantages (targeted investment focus on smart specialization areas) in establishing RIS3 and implementing RTDIG, 3) providing investment efficiency and mutual complementarity in the field of R&D&I, SMEs support, ICT, education and resource sustainability, as well as 4) regular review of development priorities set within the framework of RIS3, including selection of policy instruments suitable to strategy settings and development of a monitoring system, aimed at strengthening the competitiveness of Latvia on a regional, European and global level.
- (16) In order to solve the above identified problems, development priority „Increase of economic productivity, quality of innovation, research and science, providing investments within the framework of thematic objective No. 1, 2, 3 and 11 is set in the framework of OP.
- (17) Similarly, CP fund investments will be directed to address other key challenges identified within the innovation system.
- (18) In order to strengthen the existing SME base and create new SMEs, it is planned to create a range of financial instruments in accordance with the *ex-ante* evaluation, where SMEs do not have optimal access to funding.
- (19) CP fund investments are planned for development and accessibility of industrial infrastructure meeting the needs of processing industry entrepreneurs, thus contributing to the development of the processing industry, the growth of productivity of this industry and its share in the GDP of Latvia.
- (20) It is planned to focus CP fund investments on training of persons employed in SMEs to strengthen the competitiveness of SMEs, for example, by providing training on resource

efficiency and implementation of more efficient organizational and production process management practices and business models.

- (21) In order to improve the business environment, specific support is provided for increase in efficiency of public administration for improving the efficiency of courts and reduce the spread of corruption. According to the EU Council recommendation 2013 and 2014, it is planned to raise the efficiency of courts through provision of CP funding for conducting the research in order to provide the definition and further implementation of evidence-based policy development directions; and support is also provided for implementation of specific qualification improvement programs for the personnel of judiciary and law enforcement authorities. CP fund investments will be directed for improving the qualification of appropriate national authorities personnel regarding the prevention of and fight against corruption.
- (22) As ICT has been identified as a sector with significant horizontal impact on the economy within the framework of RIS3, namely, it is an industry that forms the basis for development of new, innovation-based comparative advantages, it is planned to direct CP fund investments for ensuring electronic communications infrastructure in rural areas as well as public administrative data exchange, data publication and maintenance of infrastructure and accessibility of data and providing opportunities of their use, thus ensuring that the new opportunities and solutions of ICT sector contribute more to the development of other industries, significantly increasing their operational efficiency (ICT education and e-skills development, widely available access to the Internet, modern and efficient public administration, development of e-services and digital content, cross-border cooperation for development of the single digital market, as well as promotion of ICT research and innovation, trust and safety).
- (23) Where assistance is granted from the ESI funds to a large enterprise, it should be ensured that the financial contribution from the funds does not result in a substantial loss of jobs in existing locations within the Union.

### **Sustainable and efficient transportation infrastructure**

- (24) The critical condition of the roads infrastructure, which was negatively affected by the country's budget consolidation during the crisis, is among the most significant threats to sustainable development of Latvia, as it restricts people's access to employment, education, social and health services, which further worsens the demographic situation in the regions and limits the growth of transportation and logistics sector.
- (25) Taking into account that transportation and logistics industry contributes 10% of GDP and it employs 9% of all employees, the suboptimal capacity of the railway network and the bad condition of roads in the country hinder further economic development.
- (26) Referring to the Transportation policy guidelines 2014-2020, Latvia has been able to use the advantages of its geographical position and retain its leading position in the Baltic States in the field of transit shipments and ports turnover.
- (27) Moreover, irrespective of improvements in the field of road traffic safety, the rate of casualties of road accidents in Latvia per one million residents is still 1.6 times above the average EU indicator.
- (28) Latvia is characterized by the worst road condition quality in Eastern Europe, which is one of the critical risks to road traffic safety, and also a factor hindering transit development. The poor quality of roads also significantly raises the road transport operating costs.
- (29) An improved transport infrastructure is a necessary condition for balanced economic growth, as it can have a positive impact both on production and accessibility at various distances (levels), and hence the reduction of inequality.
- (30) In order to ensure efficient international-level mobility, improvements are needed in the TEN-T network infrastructure both on roads and rail networks and it is necessary to provide a

connection between cities and the TEN-T network. It is also important to strengthen the accessibility of the big ports of Latvia as well as to reduce negative impact on environment.

- (31) The Latvian railway network is characterised by a low electrification rate and high wear and tear of the existing system, which increases the price of transportation and causes a negative environmental impact.
- (32) The load of transit cargo shipment is high in urban centres and this is a source of pollution of the urban environment.
- (33) As the traffic at Riga International Airport grows, the environmental influence of air traffic increases.
- (34) Taking into account the aforementioned challenges, the development priority „**Sustainable and Efficient Transportation Infrastructure**”, which is planned to be facilitated by investments within the framework of thematic objective No 7 (Priority Axis No 6) is set in the framework of OP.
- (35) CP fund investments in the transportation sector are based on Transportation development guidelines 2014-2020, reflecting the Latvia's vision on a competitive, sustainable, comodal transport system that ensures high-quality mobility through efficient use of resources.
- (36) CP fund investments in the transportation infrastructure will be focused on sustainable transport and prevention of limitations in key infrastructure connections in accordance with the Transportation development guidelines. Most of the investment will be directed to the TEN-T network connection upgrades.
- (37) Electrification and modernization of the main railway lines will reduce the total cost of the railway corridor, increase competitiveness, attract additional freight, reduce external costs and burden to the environment, ensure compliance with the EU transportation policy and long-term goals.
- (38) Investments are also planned in the TEN-T road infrastructure in order to reduce the number of road sections that can be described as of poor or very poor quality, thus improving the Baltic Sea region-level mobility.
- (39) It is planned to direct CP fund investments for connecting urban areas with TEN-T networks in order to prevent infrastructure gaps in cities and create alternative route for transit and cargo transportation by separating it from local traffic flows and minimising pollution in urban areas.
- (40) It is planned to direct a significant part of CP fund financing or reconstruction of regional roads by providing additional CP fund investments at the beginning of the period, which, in the second half of the programming period, will be gradually replaced by central budget funds, thus ensuring the sustainability of CP fund investments. Taking into account limited resources, the investment will be concentrated on the national and regional level development centres (9+21 model)<sup>4</sup> in order to create synergies with other EUI fund investments with a focus on regional development. Accordingly, the sections of the national regional road to be reconstructed are established in accordance with the regional planning 9+21 model and taking into account:
  - 1) the technical condition of the relevant road sections;
  - 2) traffic density records, while modelling an eventual increase in the traffic density by 2020;
  - 3) location of service providers (medical institutions, educational institutions, post offices, sale of consumer goods, etc.);
  - 4) synergy with other SO;
  - 5) business development opportunities
- (41) For development of a multi-modal transportation system within the context of the EU external competition, investments are also needed for improvement of the safety level in the big ports and

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<sup>4</sup> model mentioned in paragraph 348 of NDP 2020.

improvements for linking the transport network with port areas. Similarly, CP fund investments are envisaged for environment protection measures in the international airport „Riga”.

### **Sustainable use of natural and cultural resources**

- (42) According to the strategy and analysis of growth potential of the PA implementation of EU Council recommendations issued in 2013 and 2014 regarding energy sector and energy efficiency is crucial. At the same time it is planned to review planned measures for CP funds in 2016 according PA 101.paragraph.
- (43) RIS3 identifies energy efficiency and use of RES as a sector with a significant horizontal impact on the development of new economic benefits. Low energy efficiency poses risks of energy safety, sustainability and competitiveness, while increasing this level is the fastest and the most cost effective way for reduction of the risks, creating additional jobs and promoting growth at the same time.
- (44) The greatest potential for aid instruments implemented by the state for energy savings exist in the sectors of space heating, transportation and industrial sectors. Latvia has a high level of economic energy intensity (energy consumption vs GDP, defined as a kg of oil equivalent per thousand EUR). In 2011, energy intensity level was 323.3 kg of oil equivalent per thousand EUR, or 2.2 times the EU average index. From 2004 to 2011 energy consumption per production unit decreased by 13.7% (the EU average index is 14%).
- (45) Latvia is characterized by decentralisation of heat supply with obsolete heat supply systems. Similarly, the energy efficiency of available housing is very low. In many occasions, low energy efficiency and environmentally unfriendly heat energy production technologies are used, without sufficient use of RES.
- (46) Additionally, growing end energy consumption in transportation sector, especially in the road transportation, has been identified as a challenge.
- (47) In order to achieve the environmental *acquis* objectives, it is necessary to further develop the sorted waste collection system, as well as expand the options for recycling in Latvia.<sup>5</sup>
- (48) Despite significant preceding investment, full access to centralised waste water management services is not yet provided to residents of some areas in accordance with EU directives, which increases the risk of environmental pollution. Obsolete water supply networks are characterized by significant loss of water due to which water resources are not used sustainably.
- (49) The influence of flood caused by sea surges on the Latvian seaside and major estuaries is increasing due to climate change, affecting the cities located there. Flood poses a threat to human safety and causes losses of arable lands and forests.
- (50) According to report of 2013 on implementation of Biotopes Directive in 2007-2012 it was established that only 13% of biotopes and 28% of species are in beneficial protection state, which indicates to significant anthropogenic load on natural resources. Environmental monitoring is lacking technical equipment required for ensuring environmental monitoring in line with the requirements of the EU directives.
- (51) According to Tourism development guidelines 2014-2020<sup>6</sup> the rich nature and culture heritage of Latvia currently represents a resource insufficiently appreciated for economical activities and regional development. Regional development guidelines distinguish the cleaning up and development of degraded former industrial territories as one of the courses of action for development of development centres. In many places such industrial territories operated during the time of the Soviet Union have been abandoned, cause degradation of the urban environment and are not used efficiently. In the course of making investments in the regional growth, cleaning

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<sup>5</sup> National waste management plan 2013-2020

<sup>6</sup> Available at: <http://www.mk.gov.lv/lv/mk/tap/?pid=40300395&mode=mk&date=2014-07-01>

up of such territories should be prioritised over investments in development of new infrastructure and industrial territories.

- (52) To address the aforementioned challenges, development priority **„Sustainable use of natural and cultural resources, which is planned to be facilitated by investments within the framework of thematic objective No 4, 5 and 6 (Priority Axis No 4 and 5) ”** is set in the framework of OP.
- (53) In order to ensure sustainable approach to economic growth a multidisciplinary approach will be used. CP fund investments are focused on the use of sustainable resources and preservation of existing natural values: recycling, sustainable use of water resources, conservation of biodiversity. It is also planned to direct a part of the CP fund transportation investments to measures with a direct positive impact on the environment, for example, an environmentally friendly public transport and electric vehicles. In addition, development of new, innovative energy-saving technology, as well as measures increasing energy efficiency and share of RES will be supported within the framework of OP.
- (54) It is planned to invest in energy efficiency measures in accordance with the provisions of Latvian Long Term Energy Strategy 2030 and focus investments on areas with the biggest economic and technical potential for reduction of energy consumption, namely, measures for improvement of energy efficiency of residential buildings, public buildings and heating systems, as well as processing industry entrepreneurs. In order to ensure a maximum effect of these measures on the objective of RES strategy „Europe 2020”, the transition to the use of RES in buildings and district heating will also be supported. Additional support is planned for the centres of national and regional importance for energy efficiency measures at buildings based on integrated development programmes of municipalities.
- (55) As the transportation sector is one of the largest energy end-users, it is planned to direct investments for promotion of development of the market of electric vehicles and modernization of environmentally-friendly public transport, based on the principles of Transportation development guidelines 2014-2020.
- (56) In order to strengthen the waste management hierarchy, it is planned to focus the investments on the implementation of the environmental *acquis* in relation to development of a separate waste collection system, the preparation of waste for reuse or recycling, in relation to regeneration and recycling of packaging, used packaging and used vehicles, as well as reduction of volume of disposed biodegradable waste to be buried.
- (57) In order to reduce the environmental risks of non-collected waste water and improve the drinking water supply system, it is planned to make the CP fund investments in agglomerations with p.e. above 2000, where centralized water supply services are not available to everyone, as well as in populated areas with p.e. below 2000, where waste water is drained into sensitive water bodies. The emphasis will be made on the actual connection and on ensuring of its accessibility.
- (58) As the flood risks are increasing due to climate change, it is planned to direct CP fund investments for measures that will reduce sea coast erosion and flood threat. In places where new hydraulic structures have to be built or existing hydraulic structures have to be expanded, priority will be given to green infrastructure solutions, thus providing a sustainable solution. Support will also be provided for renovation of land reclamation systems and hydro-technical structures in rural areas to ensure efficient use of land resources in agriculture and forestry.
- (59) Latvia is situated in a damp climatic zone and considering specificities of the terrain, hydrological regime and meteorological conditions, an indirect impact on zones is possible that can affect Natura 2000, that's why reconstruction or renovation won't be supported in zones with regimes of nature reserves and nature parks of special areas of conservation (excluding the case when the reconstruction or renovation is envisaged by special nature protection plan for Natura 200 territory or for special areas of conservation) and in micro-reserves.

- (60) To promote preservation of biodiversity and to mitigate anthropogenic load, it is planned to direct CP fund investments to activities that promote the population of specially protected species and / or restoration of specially protected habitats and ecosystems, improving the anthropogenic load-reducing infrastructure at „Natura 2000” sites. Support is also planned for ensuring environmental monitoring and control functions.
- (61) When CP fund investments are made based on the integrated development strategies of respective areas, it is planned to develop new features of natural and cultural attractions of international importance currently insufficiently used, which will serve as the basis for activation of economic activity and diversification of services in specific areas that would contribute to employment. Investments are planned for activities of regeneration and redevelopment of degraded territories, investing in development of infrastructure of national importance. Thus, in synergy with complementary activities prescribed in the city's development plan for measures on economic activity and social inclusion in adjacent areas it is planned to revitalize these areas.

### **High employment rate in inclusive society**

- (62) Although the unemployment rate in Latvia has approached the EU average index, the unemployment among young people and the long-term unemployment is still high.
- (63) Disparity of income, poverty and social exclusion, which has been a persisting problem for many years, is an obstacle to the development of the nation and economic development, including productivity increase. Namely, due to poverty, an individual is unable to access the necessary resources and services, like education and health care services, which in turn are restricting and hindering factors for successful integration in the labour market. One of the highest children poverty rate of the EU has been registered in Latvia and child poverty correlates with the low level of their parents' education.
- (64) Registered unemployment at the end of 2012 was characterised by several indicators<sup>7</sup>, which point to the need for a targeted support to long-term unemployed, persons with low or inappropriate set of skills and qualification, elderly job seekers as well as other risk groups subject to social exclusion. In 2012, the youth unemployment rate was above the EU average index, especially in the 15-19 year age group (58.8%).
- (65) Based upon the analysis of poverty causes, it was concluded that people are also exposed to the poverty risk because of weak physical and mental health, which leads to people of working age joining the economically inactive persons and premature deaths. According to statistical data, 70% of newly registered disabled persons in Latvia are not working, but premature mortality is among highest in the EU.
- (66) To address the aforementioned challenges, development priority **„High employment rate in inclusive society”, which is planned to be facilitated by investments within the framework of thematic objective No 8 and 9 (Priority axis No 7 and 9)** is set.
- (67) It is planned to concentrate CP fund support on active labour market policy measures, to institutions for provision of alternative social care measures and accessibility of health services, thereby contributing to implementation of the EU Council recommendations of 2013 and 2014 on active labour market measures and decrease of the youth unemployment, including implementation of Youth guarantee and usage of Youth employment initiative.
- (68) It is planned to use CP funds to support active labour market policy measures, including addressing of the problem of youth unemployment, training and measures to increase the competitiveness of the unemployed persons and job seekers, job quality improvement and introduction of a system for anticipation and management of labour market restructuring. At the same time, CP fund financing will be used for support measures that will encourage the inclusion

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<sup>7</sup> SEA data

of the elderly, inactive and other risk groups subject to social exclusion (including people with disabilities) into the labour market. Support will also be provided for availability of social care and social rehabilitation services at home, improvement of the quality of child care services and implementation of health promotion measures, development of health network and implementation of de-institutionalization, prevention of violence, improvement of social work, integration of various ethnic groups, including the Roma people, as well as anti-discrimination measures. In addition to the aforementioned, it is planned to use the CP funding for implementation of measures aimed at re-socialization of prisoners and ex-prisoners, as well as development of a support (mentoring) system for this risk group subject to social exclusion.

- (69) It is planned to direct significant investment to the health care system with the aim of ensuring accessibility of health care services, particularly for risk groups subject to poverty and social exclusion, as well as for improvement of the equipment of medical institutions to improve territorially balanced availability of health care services<sup>8</sup>.

### **High quality and efficiency of education system**

- (70) According to RIS3, in order to develop innovation capacity in Latvia, there must be a modern education system, including research-based higher education, meeting the future labour market needs that promotes economic transformation and development of competencies, entrepreneurial skills and creativity necessary for implementation of RIS3 at all levels of education, as well as the knowledge base and human capital has to be developed according to priorities in knowledge areas, where Latvia has comparative advantages and which are important for the economic transformation process.
- (71) The proportion of graduates in mathematics, science and technology in Latvia is among lowest in Europe (15.7% in 2011, Eurostat). In order to develop the innovation capacity and human capital meeting the needs of economic development, student motivation and interest in science must be increased, while increasing the level of achievement by providing complex and mutually complementing support at all levels of education, including developing the educational content and its organization.
- (72) The network of HEIs is too expanded for the current demographic situation. Thus, there is a strong institutional competition, low requirements for admission to HEIs and insufficient allocation of academic resources.
- (73) The higher education system of Latvia is fragmented, and duplication and fragmentation of study programs are observed. Higher education postgraduate programs, i.e. master's and doctoral, do not present a sufficiently productive environment for research, the number of prepared Doctors is low, especially in the natural and engineering sciences, as well as the number of students in these fields is still not sufficient for the needs of growth of Latvia. Latvian higher education study and research environment is not sufficiently open to international cooperation. Laboratory and research equipment and ICT solutions for providing high quality HEI highest level study programmes is still incompatible with European standards.
- (74) The network of general educational establishments is fragmented, not providing with access to appropriate high-quality public education for all students. Making the network of institutions more efficient it is possible to optimize the use of teaching and infrastructure resources, and provide access to education of higher quality.
- (75) Due to globalisation, development of information technologies and value pluralism, students need competencies to orient themselves in the modern world characterized by constant change. In order to promote the development of an individual's comprehension and skills, which includes

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<sup>8</sup> Veselības aprūpes reformas īstenošanas gadījumā Latvija nodrošinās diskusijas ar EK, lai vienotos par nepieciešamību veikt attiecīgus grozījumus Darbības programmā.

the ability to act independently outside the boundaries of the subject, solving problems in different life situations and contexts, competency-based curriculum must be implemented in the study process.

- (76) Labour qualification mismatch with the demand of the labour market is among the main causes of structural labour shortage and formation of unemployment. Entrepreneur survey results show that shortage of appropriately skilled labour increasingly affects the production development opportunities. More pronounced discrepancies are observed in secondary qualification occupations, primarily due to a decrease in labour supply.
- (77) Number of population involved in the lifelong learning, just like the number of populations improving their professional competencies in continuing education still remains low. According to the employer survey skills acquired by young people in vocational training do not meet the labour market needs. Appeal of vocational education is negatively affected by the fact that study environment in some of vocational educational establishments is still incompatible for contemporary requirements and prestige of vocational education is relatively low, therefore majority of elementary school programmes graduates choose to continue studies in general secondary educational establishments, rather than in vocational educational establishments.
- (78) In order to solve the aforementioned problems, overall development priority - **high quality and efficiency of education system, which is planned to be facilitated by investments within the framework of thematic objective No 10 (Priority axis 8)**, is set within the framework of OP.
- (79) CP fund investments will be implemented in accordance with Education Development Guidelines 2014-2020 and are focused on the improvement of higher, general, vocational and lifelong education under the goals and objectives defined in RIS3.
- (80) Taking into account the provisions of the EU Council recommendations of 2013 and 2014 on higher education reforms and Education Development Guidelines 2014-2020, MES will continue the implementation of the reforms started in higher education in order to achieve the main goal - to provide high-quality, internationally competitive and research-based higher education that is implemented by efficiently managed institutions with consolidated resources.
- (81) CP fund investments will be directed to strengthen the strategic specialization of higher education institutions. Support is planned for development of spatially concentrated STEM, including medical and creative industry fields, study and scientific work infrastructure, including infrastructure of first level professional higher education programs in STEM, including medical and creative industry fields, at colleges. To strengthen strategic specialization of higher education institutions in synergy with the mentioned ERDF investments CP fund investments are planned for 1) development of study programs, while ensuring that the total number of study programs is reduced un fostering international competitiveness, 2) institutional and academic capacity building of higher education institutions, including colleges. For better governance and international competitiveness of higher education institutions support is planned for start-up costs (capacity building and quality measures) of national quality assurance agency for higher education to build its capacity for registering in EQAR.
- (82) CP fund investments are planned to ensure complex support for development of network of general education institutions at municipalities by improving the learning environment, including support for equipping of natural sciences classrooms and implementation of innovative ICT solutions in the learning process and improving the e-skills accordingly.
- (83) CP fund support is envisaged for elaboration, approbation and introduction of competence-based curriculum and methodology in general education, career education and career support measures, for development of inclusive education helping students to develop their individual competences and skills, as well as for development of professional competencies of teaching and support personnel to achieve mentioned targets.
- (84) To decrease risk of early school leaving, especially for the deprived ones, and increase involvement of non-registered in SEA NEET children and youth into education, training or



employment, CP fund support is planned for preventive, intervention and compensating measures, int.al. contributing to the implementation of the EC Recommendation of 2013 on Child Poverty.

- (85) In the field of vocational education, it is planned to direct CP fund investments to modernization of vocational education institutions, ensuring compliance of learning environment with the development of economic sectors and improving accessibility of vocational education, as well as development of work and practice-based learning in vocational education, strengthening the cooperation of vocational education institutions and enterprises, improving the competencies of vocational education teaching staff and improving the curriculum and study resources.
- (86) In the field of adult education support is provided for the improvement of professional competencies of employed persons and obtaining professional qualification according to the changing labour market conditions in order to decrease labour market disproportions, incl. support for the employed people with low education level.

### **Balanced and sustainable territorial development**

- (87) Major differences in indicators of area developments are observed in the regions of Latvia, especially negative economic development indicators may be observed in the Latgale region. Low economic activity and incomplete preconditions for its increasing in the regions, especially along the Eastern border and in municipalities, is a significant reason for regional development differences. The significant differences in economic activity, availability and accessibility of services creates different life quality standards and development opportunities for the area residents and encourages the migration of population from less developed areas to more developed ones, thus even further reducing the growth opportunities of less developed areas. Since 2007 the population has grown only in certain municipalities close to Riga. It is concluded in the Regional policy guidelines 2013–2019 that the previous regional policy measures have not been successful enough in addressing those challenges. Balanced territorial development has been set as one of the development priorities of RIS3, thereby making it clear that regional policy is not considered a resource redistribution policy, but as a significant element of sustainable and smart national economic development.
- (88) Investments in territories planned in OP are based on the Latvian Regional Development Strategy set out in the strategy “Latvia 2030”, NDP 2020 and Regional Policy Guidelines 2013-2019. Regional policy of Latvia till 2020 is directed towards activating the ability of a local government itself to affect the development of its territory, based on local specialization strategies and the potential of the local territory resources. Target audiences or territorial focus, broader use of territorial approach in investments, thematic concentration in facilitation of regional development with emphasis on stimulation of economic activity in the areas, as well as the emphasis on extensive involvement of various parties in reaching the regional policy objectives is provided for in the regional policy. Development opportunities within the framework of regional policy will be provided to each territory of Latvia, simultaneously setting specific territorial focus, for the provided support to be purposeful and give maximum return. The most significant role in this context will be played by international, national and regional importance development centres. The investments in the 2014-2020 programming period therefore will be based on development opportunities and priorities identified on local and regional level, which are justified in territorial development planning documents.
- (89) In order to ensure adjustment of support to specific needs of each territory and get a higher return on investments for territorial development, as well as to provide an opportunity for the territories to bring forward their own development strategies and ensure their implementation, support for development of infrastructure in the development centres of national and regional importance and their functional areas will be provided, using bottom-up approach in the investment planning. The planning and implementation of the aforementioned investments is based on the

integrated development programmes of the municipalities, wherein the assessment of the potential of the territorial development is provided and the projects purposefully directed towards the development of municipality are defined, which include integrated activities for solution of problems related to urban economy, environment, climate, demography and social matters, while taking into consideration necessity to develop functional links between the urban and rural areas.

- (90) Taking into account the population structure, economic development trends and national spatial development model (9 +21) prescribed in the regional development planning documents, it is necessary to plan local potential-based, sustainable and inclusive support measures for development of nine development centres of national importance and 21 development centres of regional importance and their functional areas.
- (91) For the purpose of Article 7 of the ERDF Regulation, it is planned to implement urban support measures in nine development centres of national importance in Latvia: Riga, Daugavpils, Jekabpils, Jelgava, Jurmala, Liepaja, Rezekne, Valmiera and Ventspils. Urban areas together represent 1.1% of country's territory and 51.1% of the Latvian population live there. 69.7% of individual entrepreneurs and companies are working in the cities, 39.6% of the total number of the unemployed are registered in these cities. In the local government budget, revenues of personal income tax of urban dwellers account for 59.6%, while the demographical burden indicator on average is higher than in the country as a whole, as there are 553.8 people above and below the working age on average per 1,000 persons of working age (539.8 in the country in total). Urban development issues in Latvia cannot be dealt with in isolation from the regional development challenges in general. Urban support instruments should focus not only on addressing local and specific problems, but also make a significant contribution to the balanced development of the country as a whole.
- (92) In Latvia, city or development centre development issues are not separated from the regional policy, because Latvia is a small country and Latvia's cities play an important role in the development of the whole country, especially in promotion of a more balanced development of territories. Provision of services and jobs for people throughout the country plays an important role in the partnership of cities and rural areas.
- (93) Planned measures will strengthen the ability of cities to be the drivers of growth of the nearby territories, making better use of their development potential, and the need for people to move from other municipalities to Riga or other countries due to higher welfare and greater employment opportunities will be reduced, since they will be available in the nearby development centre. This will result in further disproportionate concentration of the population and economic activity in Riga and its surrounding areas, ensuring that the development of Riga is not happening at the expense of depopulation and low economic activity of other regions, but rather through using resources available in its territory. Thus the envisaged measures will contribute both to the development of development centres and the whole country.
- (94) Active employment and social service measures, vocational and lifelong education measures, as well as general education measures and health care measures financed by CP funds are adapted to the situation in particular regions and the needs of labour market. Similarly, investments in improvement of regional roads are aimed at balanced development of national and regional development centres.
- (95) CP fund support within the framework of priority axis is envisaged for development centres of national and regional importance (9+21); municipal building energy efficiency measures, revitalization of polluted and degraded territories and adaptation of these territories for economic activity, support for promotion of social services, as well as support for development of general educational establishments.
- (96) In order to increase the contribution of Latvian cities to the development of the whole country, to reduce the number of people leaving other regions to move to Riga and its surrounding

municipalities, as well as the population emigration to other countries, to contribute to the growth of the cities and solve the problems hindering the development of the cities, it is necessary to implement a coordinated set of measures that would address the challenges posed by spatial development, overall development priority of **balanced and sustainable territorial development, indicatively providing investments within the framework of thematic objective No. 3, 4, 6, 9 and 10 (Priority Axis No 3, 4, 5, 8, and 9)** is set respectively in the framework of OP.

- (97) Investments in OP are mainly planned, taking into account the territorial dimension and in link to integrated development programmes of municipalities to ensure greater participation and co-responsibility of municipalities and other local stakeholders, as well as to encourage mutual synergy of investments and the most efficient use in addressing the identified challenges.
- (98) Particular emphasis is put on the role of nine big cities, development centres of national importance, and the special challenges of urban development, particularly with respect to provision of economic growth and sustainable employment, sustainable management of environment and natural resources, as well as economically efficient and sustainable network of general and vocational educational establishments corresponding to the needs of local economy and development perspectives.
- (99) The main common courses of action for development of national development centres set in the Regional policy guidelines 2013-2019 are the attraction of investment and forward-looking improvement of business environment, management of transport infrastructure, territorial concentration of investments and efficient use of territories, development of a service „basket” (culture, health, social services, education, science, youth and sports), strengthening the role of municipalities and freedom of action in ensuring local development and services. Taking into account these tasks, it is planned to create an integrated approach to urban development that would allow supporting projects within the framework of SO prescribed in OP with a clearly demonstrable impact on business development and attraction of investment, prioritizing solutions that include elements of environmental sustainability or resource efficiency and provides for influence on achieving more than one result of thematic objective. It is highlighted in RIS3 strategy that one of the key elements of a smart and sustainable growth is an efficient integration of instruments for planning and developing skills and knowledge necessary for effective education policy, labour market and development in the overall development strategy at national and local level, therefore it is planned to provide the support for development of the network of educational establishments, while ensuring quality education for the smallest pupils as close to their homes as possible, within the framework of local integrated development strategies. RIS3 strategy puts a specific emphasis on the horizontal role of energy and energy efficiency in sustainable growth of economy, raising competitiveness and job creation, therefore the „basket” of instruments available for integrated development of municipalities should include energy efficiency solutions that will have a positive impact on the environment and contribute to economic capacity of municipalities. At the same time it is planned to provide support for local solutions to issues of social inclusion and de-institutionalization. It is planned that the measures will not only directly contribute to achieving objectives of OP and municipal development strategies, but will also help to improve the efficiency of municipal budgets, in order to address the local needs outside the framework of the objectives of the OP.
- (100) At the same time, these are not the only SO's that will be important for implementation of municipal development programmes. All SO's cannot be included in the ITI framework for various reasons, and because in most cases they will be implemented as thematic or sectoral policy support measures that will ensure the implementation of strategic objectives of respective national policy, introduction of uniform service standards, stronger support coordination on the national level.

Table No. 1.1. (1)

**Justification for the selection of thematic objectives and investment priorities**

(101) The table contains focused information on justification for the selection of thematic objectives and investment priorities. More detailed justification for the investment priorities can be found in Table 1.3.2. „Summary of justification for thematic objectives and investment priorities selected within framework of ERDF, ESF and CF OP”.

Thematic objective	Investment priority	Justification
1.Strengthening research, technological development and innovation	Improve research and innovation (R&I) infrastructure and ability to develop R&I excellence, as well as promoting creation of competency centres, especially the European level centres	<p><b>Recommendation of the EU Council:</b> development and implementation of efficient research and innovation policy, which would provide for facilitation of innovation in businesses, i.a. by applying tax reliefs, modernisation of infrastructure and rationalisation of research institutions (2012); take further steps to modernise research institutions based on the on-going independent assessment (2013). Take steps for a more integrated and comprehensive research system also by concentrating financing towards internationally competitive research institutions (2014).</p> <p>To ensure the achievement of NDP objective on investment in R&amp;D in the amount of 1.5% of GDP in 2020, investments in R&amp;D will be made in accordance with the RTDIG and RIS3- a national economic development strategy that provides for targeted focusing of research and innovation resources in areas, where the country has comparative advantages or where assets are available on the basis of which such advantages could be created.</p>
	Promoting business investments in R&D and creating links and synergies between businesses, research and development centres and the higher education sector, in particular by promoting investments in product and service (including creative product) development, technology transfer, social innovation, eco-innovation, public service applications, demand	<p><b>Recommendation of the EU Council:</b> see the above paragraph.</p> <p><b>NRP challenges for increasing R&amp;D investments:</b> small amount of personnel employed in science and research (ageing of scientists, insufficient number of doctoral students), under-developed R&amp;D infrastructure, insufficient number of modern laboratories for the realization of technological development projects, weak potential of commercialization of research results, weak collaboration among science sector and industry sectors, Latvian business structure consists mainly of SMEs which don't have the capacity to invest into R&amp;D and which have small high-tech sector, insufficient state budget and private sector funding, mismatch of the knowledge and skill of persons employed by SMEs with the labour market needs.</p>

Thematic objective	Investment priority	Justification
	stimulation, networking, cluster creation and open innovation with the help of smart specialization and supporting technological and applied research, pilot projects, approval of production in the early design phase, increasing the production capacity and the first production, especially in relation to key enabling technologies and diffusion of general purpose technologies.	To ensure the achievement of NRP objective on investment in R&D in the amount of 1.5% of GDP in 2020, investments in R&D&I will be made in accordance with the RTDIG, NIP, Education Development Guidelines 2004-2020 and RIS3.
2. Enhancing access to and use and quality of ICT	Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy	<b>NRP challenges:</b> ensuring a balanced economy development, by promoting equal access to electronic communications throughout Latvia. According to objective set in the <b>EU 2020</b> flagmanship initiative „Digital Programme for Europe”, by 2020 downburden speed of 30 Mbps will have to be provided to all EU citizens, ensuring that at least 50% of households subscribe to internet connections downburden speed $\geq 100$ Mbit/s.
	Strengthen ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health	<b>NRP challenges:</b> ensuring a balanced economy development, raising the contribution of ICT to growth and innovation of all sectors of the economy. The <b>EU 2020</b> flagmanship initiative „Digital Programme for Europe” provides that EU Member States shall promote expansion and use of fully interoperable e-cooperation services. The aim of Guidelines for the Development of the Information Society 2014-2020 is to provide everyone with an opportunity to use the options of ICT, to build a knowledge-based economy and to improve the overall quality of life, contributing to the efficiency of public administration, improvement of national competitiveness and economic growth, as well as job creation.
3.To improve competitiveness of small and medium-sized enterprises	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business	<b>NRP challenges:</b> improving the business environment, ensuring access to finance for entrepreneurs to support productive investment. Access to financing will be provided according to the results of SME access to Finance Market Gap analysis, as well as the NIP.

Thematic objective	Investment priority	Justification
	incubators	
	supporting the capacity of SMEs to engage in regional, national and international markets, and innovation processes.	<b>NRP challenges:</b> small share of SMEs in the export structure; complicated implementation of marketing activities abroad, mismatch of the knowledge and skill of persons employed by SMEs with the labour market needs. Will be implemented in accordance with RIS3, NIP, Guidelines for Promotion of Export of Latvian Goods and Services and Attraction of Foreign Investment for 2013-2019.
	Supporting the creation and the extension of advanced capacities for product and service development.	<b>NRP challenges:</b> improvement of the business environment. One of the main factors limiting the business development capacity and ability is the limited offer of industrial zones and facilities, as well as the lack of adequate infrastructure: access roads, electricity, gas, communications and other services. Will be implemented according to NIP and Regional Development Guidelines for 2013-2019.
4.Supporting the shift towards a low-carbon economy in all sectors	Promoting energy efficiency and use of RES in businesses (CF).	<b>NRP objective:</b> total savings of primary energy in 2020 - 0.670 Mtoe and increase of share of renewable energy in the gross final energy consumption to 40%. <b>EU Council recommendation</b> calls for further promotion of energy efficiency and provision of incentives to reduce costs of energy and to shift the consumption to energy-efficient products (2013) and [...]to pursue efforts to further increase energy efficiency in transport, buildings and heating systems (2014). <b>NRP challenges:</b> low energy efficiency in the final consumption sectors of the energy. It is important both to decrease industrial energy consumption and promote the use of RES for energy production for needs of entrepreneurs.
	Support energy efficiency, smart energy management and use of renewable energy resources in public infrastructure, including in the public buildings and housing sector (ERDF).	<b>NRP objective:</b> see the previous investment priority <b>EU Council recommendation</b> calls for further promotion of energy efficiency, especially in relation to residential buildings (2013) and [...] to pursue efforts to further increase energy efficiency in transport, buildings and heating systems (2014). <b>NRP challenges:</b> low energy efficiency in the energy consumption end sectors, further promotion of energy efficiency in housing, including the buildings of municipalities.

Thematic objective	Investment priority	Justification
		The necessity to renovate public buildings is set in <b>Directive 2012/27/EU</b> . In the residential sector, energy efficiency measures have a significant impact on household spending on energy.
	Promoting the production and distribution of energy derived from renewable sources (CF).	<b>NRP challenges and objectives:</b> exploiting the energy efficiency potential and increase the share of RES in the district heating systems and decreasing losses of thermal energy; increase of share of renewable energy in the gross final energy consumption to 40% in 2020. <b>EU Council recommendation</b> calls for further improvement of energy efficiency, including in the district heating networks, and provision of incentives to reduce costs of energy and to shift the consumption to energy-efficient products (2013) and [...] to pursue efforts to further increase energy efficiency in transport, buildings and heating systems (2014). District heating supply is the most energy efficient method for heat supply which is widely used for heating of public and residential buildings.
	Promoting of low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures (ERDF).	<b>NRP objectives and challenges:</b> growing end energy consumption in transportation sector, especially in the road transportation. Investments in the area are also important for transition to economy with low CO2 emission level by increased proportion of use of renewable sources of energy and by promoting energy efficiency.
	Promoting of low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable intermodal urban mobility and mitigation-relevant adaptation measures (CF).	<b>NRP objectives and challenges:</b> see the previous investment priority. Improvement of public transportation in urban areas, for example, creation of new environmentally friendly routes or reconstruction of existing routes, will also significantly contribute to decrease of CO2 emissions and promotion of energy efficiency consumption.
5.Promoting climate change adaptation, risk prevention and	Support investment for adaptation to climate changes, including application of eco-systems based approaches (ERDF)	<b>The flagship initiative of EU 2020 strategy „Resource effective Europe”</b> and sub-objective of the BSRS strategic objective „Increase well being” „Adjustment to climate changes, elimination and management of risk” defines need for measures for decreasing and elimination of flooding risk. The impact of climate

Thematic objective	Investment priority	Justification
management		change and the spring floods, including rainfall floods, that threaten the people, civil engineering structures and infrastructure, as well as using agricultural land for food production, will be reduced.
6. Protecting the environment and promoting resource efficiency	Invest in waste management area in order to adhere to EU <i>acquis</i> requirements in the environmental area and to support identified needs of Member States for investments exceeding the above requirements. (CF)	<p><b>NRP challenges:</b> improving the business environment by improving the waste management infrastructure, ensuring an increase in the recycling/recovery and decrease in the quantity of biodegradable waste buried.</p> <p><b>In the study of EC<sup>9</sup></b> Latvia has received negative assessment in several criteria. The <b>flagmanship initiative of EU 2020 strategy „Resource effective Europe”</b> prescribes that by increasing the recycling rate, there will be a drop in demand for primary raw materials and valuable materials will be reused. Investments will be focused on meeting the requirements of Directive 2008/98/EC, Directive 1999/31/EC, Directive 94/62/EC, Directive 2012/19/EC and Directive 2000/53/EC.</p>
	Invest in water supply area in order to adhere to EU <i>acquis</i> requirements in the environmental area and to support the identified needs of Member States for investments exceeding the above requirements. (CF)	<p>The priority of water resource policy of the <b>flagmanship initiative of EU 2020 strategy „Resource effective Europe”</b> is water conservation and efficient use, availability in sufficient quantity and of appropriate quality, as well as returning water of acceptable quality to the environment.</p> <p><b>NRP challenges:</b> improving the business environment by improving the waste management infrastructure, at the same time ensuring compliance with the requirements of EU directives. Investments will be focused on implementation of provisions of Directive 91/271/EEC and Directive 98/83/EC.</p>
	To protect and reinstate biodiversity and soil, and promotion of ecosystem services, including by use of „Natura 2000” network and green infrastructure. (CF)	Latvia has to fulfil the requirements of at least 18 EU directives and 6 conventions on environmental monitoring, for example, requirements of Directive 91/676/EEC, Directive 2008/50/EC, Directive 2004/107/EC, Directive 2000/60/EC and Directive 92/43/EEC. In order to ensure the above, environmental monitoring network will be improved, number of areas, where the anthropogenic burden on specially protected species/habitats will be increased, the existing infrastructure will be improved and society and public institutions will be provided with objective information about the quality of the environment. Investments will also be focused on implementation of provisions of Directive 2009/147/EC and Directive 92/43/EEC on protection of species and habitats of EU importance.

<sup>9</sup> EC study "Study of waste management operations in EU Member States"



Thematic objective	Investment priority	Justification
	Preserve, protect, promote and develop natural and culture heritage (ERDF)	According to Tourism development guidelines 2014-2020 the nature and culture heritage currently represents a resource insufficiently appreciated and used for entrepreneurial activities and regional development. These investments shall be made on the basis of integrated development strategies of respective territories, thus ensuring sustainable protection and conservation of culture and nature heritage, as well as its use for development of social capital and environmental quality. NRP emphasizes the role of use of cultural and socio-economic potential in the economic development of municipalities.
	To act in order to improve city environment, revitalise urban areas, renovate and recover derelict industrial territories (including areas where reconstruction is planned), decrease air pollution and promote noise decrease measures (ERDF)	<b>NRP challenges:</b> improving the business environment, ensuring availability and accessibility of public services. <b>Regional policy guidelines for 2013-2019</b> prescribe the necessity of revitalisation of urban areas, through improvement of environmental quality and attraction of investments. NRP emphasizes the role of use of cultural and socio-economic potential in the economic development of municipalities.
7.To facilitate sustainable transportation and eliminate deficiencies in the main network infrastructures	Supporting a multimodal Single European Transport Area by investing in TEN-T (CF)	<b>White paper</b> <sup>10</sup> proposes to create a fully functional EU multimodal TEN-T „core network” by 2030, which shall ensure multimodal connections between capital urban areas of the EU and other large urban areas, ports, airports and inland border crossing points. <b>Objective of the transport policy referred to in the NRP and Transportation development guidelines:</b> the main objective of the development of transportation policy is a competitive, sustainable, comodal transportation system ensuring mobility of high quality. To achieve this objective, two main activity directions have to be followed: increasing the competitiveness of transit and logistics services of Latvia and ensure internal and external accessibility and opportunities for high-quality mobility throughout the country.
	Developing and rehabilitating comprehensive, quality and	<b>NRP objective:</b> see the preceding investment priority. NRP Progress Report 2013 highlights the lack of railway handling capacity in

<sup>10</sup> Roadmap to a Single European Transport Area: Towards a competitive and resource efficient transport system <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0144:FIN:LV:PDF>

Thematic objective	Investment priority	Justification
	interoperable railway systems, and promoting noise reduction measures (CF)	individual line sections, therefore significant upgrade projects for track reconstruction, communication and alarm system modernization, etc. are needed to increase the cargo handling capacity in order to reach 85 million tons per year by 2015. Total length of Latvian railway tracks is 1896.9 km and only 257.4 km of these are electrified <sup>11</sup> . Railway electrification will reduce the environmental burden and the total cost of the railway corridor, increase competitiveness, and ensure compliance with the <b>EU transportation policy and long-term objectives</b> .
	Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes (ERDF)	<b>NRP objective:</b> see the previous investment priority. It is concluded in the NRP Progress Report 2013 that the network of transport infrastructure in the country is sufficient and it can provide domestic mobility and international accessibility. However, the main priority is the quality and sustainable development of this network, at the same time emphasising the need to repair the regional roads. Repairs of regional motor roads, preferring motor roads connecting national and regional level development centres and contributing to the development of TEN-T network, are envisaged within framework of investment priority.
8.Promoting sustainable and high-quality employment and supporting voluntary labour mobility	Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility (ESF)	<b>NRP objectives:</b> employment rate 73% (in the age group 20-64) and 21% share of people subject to risk of poverty; risk of poverty or exclusion has been eliminated for 121 000 people <sup>12</sup> . <b>Recommendation of the EU Council:</b> Tackle long-term and youth unemployment by increasing coverage and effectiveness of active labour market policies and targeted social services (2013); Increase coverage of active labour market policies (2014). <b>NRP challenges:</b> decrease of structural and cyclic unemployment risk, compatibility of qualification and skills with labour market requirements.
	Sustainable integration into the labour market of young people, in	<b>NRP objective:</b> employment rate 73% (in the age group 20-64). <b>Recommendation of the EU Council:</b> To improve employment of youth, e.g., by

<sup>12</sup> The objective includes two indicators: poverty risk index and / or share of persons in low labour intensity households. According to Eurostat (EU-SILC), in 2012 this indicator in Latvia was 22.1% or 448.5 thousand residents were exposed to risks of poverty and/ or residing in households of low labour intensity

Thematic objective	Investment priority	Justification
	<p>particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee (ESF)</p>	<p>using guarantees to youth, creation of comprehensible carrier advice system, executing reforms in area of vocational education and training, improve quality and access of apprenticeship (2013); make progress in employability of young people including by putting in place outreach measures for non-registered youth not in employment education or training (2014). Youth shall be involved in labour market through initiative „<i>Youth Guarantee</i>”.</p>
	<p>Adaptation of employees, enterprises and entrepreneurs to change (ESF)</p>	<p><b>NRP objectives:</b> employment rate 73%; 21% share of people subject to risk of poverty; risk of poverty or exclusion has been eliminated for 121 000 people. <b>Recommendation of the EU Council:</b> Tackle long-term and youth unemployment by increasing coverage and effectiveness of active labour market policies and targeted social services (2013); Increase coverage of active labour market policies (2014). Improvement of quality of work places is a policy area set for implementation of the EU 2020 Strategy by the employment policy guidelines of the Member States approved by the Council’s decision.</p>
<p>9. Promoting social inclusion and the fight against poverty and discrimination</p>	<p>Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability (ESF)</p>	<p><b>NRP objectives:</b> employment rate 73%; 21% share of people subject to risk of poverty; risk of poverty or exclusion has been eliminated for 121 000 people. <b>Recommendation of the EU Council:</b> to tackle long-term and youth unemployment by increasing coverage and effectiveness of active labour market policies and targeted social services (2013); Reform social assistance and its financing further to ensure better coverage, adequacy of benefits, strengthened activation and targeted social services (2014). <b>NRP challenges:</b> high unemployment level, insufficient/ incompatible skills; existing prejudices and discrimination; inadequate availability of services.</p>
	<p>Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest (ESF)</p>	<p><b>NRP objective:</b> the share of persons at risk of poverty to 21% or to prevent poverty or exclusion risk for 121,000 people. <b>Recommendation of the EU Council:</b> to tackle a situation concerning high poverty indicators by reforming social assistance so that it would apply to a wider number of population, by improving adequacy of benefits and enforcing measures for</p>

Thematic objective	Investment priority	Justification
		<p>activation of recipients of benefits. Strengthen implementation mechanisms in order to effectively prevent poverty of children<sup>13</sup> (2013); Reform social assistance and its financing further to ensure better coverage, adequacy of benefits, strengthened activation and targeted social services. Increase coverage of active labour market policies. Improve the cost-effectiveness, quality and accessibility of the health care system (2014).</p> <p><b>NRP challenges:</b> insufficient availability of health care and social protection services.</p>
	<p>Investing in health care and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services<sup>14</sup> (ERDF)</p>	<p><b>NRP objective:</b> to reduce the share of persons at risk of poverty to 21% or to prevent poverty or exclusion risk for 121,000 people.</p> <p><b>Recommendation of the EU Council:</b> to tackle the situation concerning high poverty indicators by reforming social assistance so that it would apply to wider number of population, by improving adequacy of benefits and enforcing measures for activation of recipients of benefits. Strengthen the implementation mechanisms in order to effectively prevent poverty of children (2013); Reform social assistance and its financing further to ensure better coverage, adequacy of benefits, strengthened activation and targeted social services. Increase coverage of active labour market policies. Improve the cost-effectiveness, quality and accessibility of the health care system (2014).</p> <p><b>NRP challenges:</b> insufficient availability and quality of services.</p>
<p>10. Investing in education, training and vocational education to ensure skills, as well as</p>	<p>Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education, including formal, non-formal and informal learning pathways for reintegrating into</p>	<p><b>NRP objective:</b> to achieve the share of early leavers from education and training in the age group from 18 to 24 years being below 13.4%.</p> <p><b>Recommendation of the EU Council:</b> to tackle long-term and youth unemployment by increasing coverage and effectiveness of active labour market policies and targeted social services. Improve the employability of young people, for example through the Youth Guarantee, establish comprehensive career guidance, implement reforms in the field of vocational education and training, and</p>

<sup>13</sup> The part of Recommendation relating to reforms of social assistance through improving the adequacy of benefits is carried out in the framework of state budget

<sup>14</sup> "Municipal services" - community-based services. Title of the investment priority corresponds to the Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006.

Thematic objective	Investment priority	Justification
in lifelong learning	education and training. (ESF)	improve the quality and accessibility of apprenticeships (2013); Provide career guidance at all education levels, improve the quality of vocational education and training, including by strengthening apprenticeship, and make progress in employability of young people including by putting in place outreach measures for non-registered youth not in employment education or training. (2014)
	Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups. (ESF)	<b>NRP objective:</b> to increase a share of population in the higher education with completed higher education aged 30-34 to 34-36 %. <b>Recommendation of the EU Council:</b> to implement the planned reforms of higher education concerning, in particular, the establishment of a quality-rewarding financing model, reform of the accreditation system, consolidation of the institutions and promotion of internationalization (2013). Step up implementation of the higher education reform, in particular through the establishment of an independent accreditation agency and a financing model that rewards quality (2014). <b>NRP challenges:</b> the crisis has led to decreased paying capacity of people, reducing the number of students in paid study programmes; underdeveloped material technical base of higher education institutions; insufficient number of lecturers and research specialists; study programmes are fragmented; quality of studies is endangered.
	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences. (ESF)	<b>NRP objectives:</b> 15% of the population (aged 25-64) are involved in a learning process on a regular basis; reduction of structural unemployment risk by ensuring better compatibility of qualification and skills with labour market demands. <b>Recommendation of the EU Council:</b> Provide career guidance at all education levels, improve the quality of vocational education and training, including by strengthening apprenticeship, and make progress in employability of young people (2014) <b>NRP challenge:</b> recognition of knowledge and skills obtained outside of formal education is not ensured; restricted opportunities for adults to obtain formal education at the primary and secondary education level; restrictions for elder people to maintain qualification, acquire new knowledge.
	Improving the labour market	<b>NRP objectives:</b> 15% of the population (aged 25-64) are involved in learning

Thematic objective	Investment priority	Justification
	<p>relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training (VET) systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes. (ESF)</p>	<p>process on a regular basis; reduction of structural unemployment by ensuring better compatibility of qualification and skills with labour market demands  <b>Recommendation of the EU Council:</b> to tackle long-term and youth unemployment by increasing coverage and effectiveness of active labour market policies and targeted social services. Improve the employability of young people, for example through the Youth Guarantee, establish comprehensive career guidance, implement reforms in the field of vocational education and training, and improve the quality and accessibility of apprenticeships (2013). Provide career guidance at all education levels, improve the quality of vocational education and training, including by strengthening apprenticeship, and make progress in employability of young people (2014).</p>
	<p>Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure. (ERDF)</p>	<p><b>NRP objective:</b> 15% of the population (aged 25-64) are involved in a learning process on regular basis; reduction of structural unemployment risk by ensuring better compatibility of qualification and skills with labour market demands. Upgrading and modernisation of education infrastructure shall be continued in order to ensure conformity of all levels of education with demands of the labour market, as well as to promote motivation and interest of students to learn new skills and obtain qualification.</p>
<p>11.Promoting institutional capacity of public institutions and stakeholders and an efficient public administration</p>	<p>Investment in institutional capacity and in the efficiency of public administrations and public services on the national, regional and local levels with a view to reforms, better regulation and good governance (ESF)</p>	<p><b>Recommendation of the EU Council:</b> to complete the reforms in order to improve efficiency and quality of judicial authorities, to reduce number of backlog cases and length of procedure, including the case concerning insolvency. To introduce common human resources policy and measures for execution of mediation rights and rationalisation of arbitration system (2013); Complete judicial reforms including the pending reforms of insolvency, arbitration and mediation frameworks to ensure a more business- and consumer- friendly legal environment. Step up public administration reforms, including by implementing state-owned enterprise management reform and increasing institutional and financial independence of the Competition Council (2014).  <b>NRP challenges:</b> to decrease administrative load on companies, to improve quality of legislative acts concerning business and to promote creation of business friendly environment.</p>



## 1.2. Justification for the financial allocation

- (102) In order to achieve the objective set in strategy „Europe 2020”, increasing R&D investment to 1.5% of GDP in 2020, it is necessary to invest in the framework of **thematic objective No. 1** according to RIS3, thus promoting **structural changes in the economy, encouraging R&D and technology-led growth and moving towards development of knowledge-based capabilities**, while ensuring the investment efficiency and complementarity in the field of innovations, R&D, SMEs support, ICT, education and resource sustainability.
- (103) It is planned to allocate 19.47% of the total ERDF funding to **R&D&I**, focusing it on two investment priorities in accordance with the priority axis set in Article 5(1) of the ERDF Regulation.
- (104) In order to achieve the objective of flagmanship initiative „Digital Programme for Europe” in relation to availability of broadband Internet, to enhance and develop services and ICT opportunities in various areas important to the economy, it is necessary to invest in the framework of **thematic objective No. 2**, which will allow to improve the efficiency of public administration, data availability, content of electronic services, the business environment, security of transactions in electronic environment, making public information readily available, reducing the administrative load. It is planned to allocate 7.2% of the total ERDF funding to ICT.
- (105) According to the needs identified and priorities set in NIP and RIS3, as well as to contribute to the achievement of the objective of „Europe 2020”, which is to improve the environment of business activities, especially for SMEs, and to support the creation of a strong and sustainable industrial base, it is necessary to invest in the framework of **thematic objective No. 3** in relation to financial support for development of business in its various stages of development, for development of infrastructure of processing industry and development of new, innovative products. It is planned to allocate 13.21% of the total ERDF funding to strengthening the competitiveness of SMEs.
- (106) In the framework of **thematic objective No. 4**, 11.92% of the ERDF funding shall be allocated under the investment priorities of ERDF Regulation, Article 5 (4) c), e) and 14.40% of CF funding according to investment priorities of Article 4 (a) i), ii), v), contributing to primary energy savings of 0.670 Mtoe and ensuring a 40% share of renewable energy sources in gross final energy consumption, taking into account that in 2012 the share of RES in gross final consumption of energy was 35.8%.
- (107) Ensuring the achievement of objectives of the strategy „Europe 2020” objectives and BSRS within the framework of **thematic objective No. 5**, allocating 2.74% of the total ERDF funding in accordance with the investment priority of Article 5 a) of the ERDF Regulation, investments are planned for reduction of number of people at risk of erosion and flood caused by climate change by around 30% of the identified number of people at risk of erosion and flood, as well as for reduction of flood threat in areas protected by hydro-technical structures.
- (108) Ensuring the achievement of objectives of the strategy „Europe 2020”, as well as implementation of requirements of directives in relation to environmental monitoring, protection of species and habitats of EU importance, EU environmental *acquis* on waste water management, water resources, environmental quality and groundwater protection, within the framework of **thematic objective No. 6** it is planned to allocate 14.09% of total funding of CF in accordance with investment priorities of Article 4(c) i), ii), iii) of the CF Regulation. In accordance with the investment priorities of Article 5 (6) c), e) of the ERDF Regulation, 13.12% of the total ERDF funding will be invested in revitalisation of development centres of national and regional importance, improvement of environmental quality and development of sustainable tourism products in areas with adequate potential on the basis of natural and cultural capital.
- (109) To ensure the achievement of objectives of the strategy „Europe 2020”, BSRS, NRP and Transport Development Guidelines, within the framework of **thematic objective No. 7** it is planned to allocate 68.5% of CF funding according to investment priorities of Article 4,



Paragraph (d) i), iii) of the CF Regulation and 9.81% of the ERDF funding according to the investment priority of Article 5 (7) b) of the ERDF Regulation for development of a resource-efficient transport system that would help to address issues related to climate change and environment and to promote territorial cohesion.

- (110) In order to achieve the objective of EU 2020, employment rate of 73% in the age group 20-64 (68.2% in 2012), it is necessary to invest within the framework of **thematic objective No. 8**. It is planned to use the CP fund investments to address the necessity stated in the assessment of NRP and the Convergence programme to increase funding for activating the unemployed and improving the efficiency of active labour market policy, to tackle youth unemployment.
- (111) 21.21% of the total ESF funding will be allocated to tackling unemployment, focusing it on three investment priorities (Article 3 a) i); ii) and v) of the ESF Regulation).
- (112) In order to meet the EU Council recommendations of 2013 and 2014 for reducing long-term unemployment, ensuring availability of social and health care services and reducing poverty, ESF investments are planned within the framework of **thematic objective No. 9** in two investment priorities (Article 3, b) i) and iv) of the ESF Regulation), representing 35.26% of the ESF, meeting the requirement of ESF Regulation on allocation of at least 20% for thematic objective No. 9. The planned support measures will be supplemented with the ERDF investment in amount of 8.05% for social and health infrastructure (Article 5 9) a) of the ERDF Regulation).
- (113) In order to address the EU Council recommendation of 2013 and 2014 on the continuation implementation of the reform of higher education, career support, improve quality of VET, incl., strengthening practice and promoting a change in the proportion of the number of students among the people receiving vocational and general education, to achieve progress in youth employability, incl. youth who are not involved in studies or work or are not registered as unemployed, it is necessary to make investments in **thematic objective No. 10**.
- (114) In order to ensure the implementation of the planned education reforms, ESF funding in the amount of 37.35% of the ESF will be allocated to four investment priorities (Article 3 c) i) ii) iii) and iv) of the ESF Regulation) and the ESF investments will be supplemented by the planned ERDF funding in the amount of 11.55% of the ERDF in one investment priority (Article 5 10) of ERDF Regulation).
- (115) In order to meet the EU Council recommendation of 2013 and 2014 on the improvement of management and efficiency of the judicial system and to increase the capacity of public administration employees, investments are planned for **thematic objective No. 11**, allocating ESF funding in the amount of 2.83% of the ESF.
- (116) In order to ensure the achievement of objectives of EU 2020 strategy, the EC recommendations of 2013 and 2014 and NAP with the support of EU CP funds, investments are planned for the administration of the EU CP funds, contributing to each of the funds for the overall system management process: 3.35% of the ESF, 1.63% of the ERDF and 3.02% of the CF will be allocated to the TA.
- (117) In order to comply with Article 4(3)a) of the ESF Regulation in regard to the condition that 60% of the ESF funding is concentrated in at least five investment priorities, ESF funding in the amount of 76% is concentrated in the five largest investment priorities of the ESF (Article 3 a) i) b) i) and iv), and c) i) and ii) of the ESF Regulation).

Table No. 1.2. (2) Overview of the investment strategy of the operational programme

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
1. Development and innovation of research, technology	ERDF	467,519,706	10.58 %	1.Strengthening research, technological development and innovation	1.1. Improvement of research and innovation capacity and the ability of Latvian research institutions to attract external funding, by investing in human capital and infrastructure	1.1.1. Improve research and innovation capacity and the ability of Latvian scientific institutions to attract external funding, by investing in human capital and infrastructure	External funding attracted by by state and higher education sector for research work
					1.2. Promoting business investment in R&I, developing links and synergy between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service (including creative	1.2.1. To increase investments of private sector in R&D	The average number of scientific publications per one full time equivalent of research personnel (per year)
						1.2.2. To faacilitate implementation of innovations in enterprises	Private investment in R&D
							Share of innovative enterprises

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
					product) development, technology transfer, social innovations, eco-innovation, public service applications, demand stimulation, creation of networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular as regards enabling technologies and diffusion of general purpose technologies		
2. ICT availability, e-government and services	ERDF	172,783,829	3.91%	2.To improve the availability, use and quality of information and communication technology	2.1. To improve the availability of broadband services, promoting the development of high-speed networks and supporting the implementation of new technologies and networks for the needs of digital economy	2.1.1. To improve the availability of infrastructure of electronic communications in rural areas	Households in rural areas with broadband access with a minimum of 30 Mbps data transfer rate
					2.2. Strengthen ICT applications for e-	2.2.1. To ensure increase in the re-use	The share of population using e-services <sup>15</sup>

<sup>15</sup> The share of population that submit forms electronically for cooperation with state and local authorities

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
					government, e-learning, e-inclusion, e-culture and e-health	of public data and efficient interaction of public administration and private sector	The share of enterprises using e-services <sup>16</sup> The average index of re-use of public sector information
3. Competitiveness of small and medium enterprises	ERDF	296,191,300	6.70%	3.To improve competitiveness of small and medium-sized enterprises	3.1. Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	3.1.1.: Facilitate formation and development of SME's in particular in manufacturing and RIS3 priority industries	SME density per 1000 inhabitants  SME productivity per employee, EUR (in comparable prices of 2010)
						3.1.2. to increase number of high growth enterprises	Number of high growth enterprises by increase of turnover

<sup>16</sup> The share of enterprises that submit forms electronically for cooperation with state and local authorities

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
					3.2. supporting the capacity of SMEs to engage in regional, national and international markets, and innovation processes	3.2.1. To increase export proportion of high value added products and services.	Volume of export of SMEs
					3.3. Supporting the creation and the extension of advanced capacities for product and service development.	3.3.1. To increase private investments in regions, by making investments for entrepreneurship development according to economic specialization of territories stated in development programmes of municipalities and based on needs of local entrepreneurs	Non-financial investments in intangible assets and fixed assets according to their activity type <sup>17</sup> outside Riga (in current prices, euro)

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<sup>17</sup> (C) Manufacturing industry  
(F) Construction  
(H) Transport and storage  
(I) Accommodation and catering services  
(M) Professional, scientific and technical services

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
	ESF	18,063,357	0.441%	11. Promoting institutional capacity of public institutions and stakeholders and an efficient public administration	3.4. Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance	3.4.1. To improve the competence of the staff of courts and law enforcement authorities promote improvement of business environment	Number of people from courts, law enforcement institutions and persons belonging to the court system,, who have improved their professional competence for business environment improvements
						3.4.2. Professional development of public administration for development of better legal regulation in the fields of support to small and medium-sized enterprises, anti-corruption and mitigation of the shadow economy	Number of people that have improved their professional competence in the development of better regulation in the areas of SME support, prevention of corruption and reduction of shadow economy
4. Transition to a low-carbon economy in all sectors	ERDF	286 344 229	6.48%	4.To support the shift towards a low-carbon dioxide economy in all sectors	4.2. To support energy efficiency, smart energy management and use of renewable energy resources in public infrastructure, including in the public buildings and housing sector	4.2.1. To increase energy efficiency in public and residential buildings.	Average heat consumption for heating
						4.2.2. To promote increase in energy efficiency in municipal buildings in accordance with the integrated development programmes of municipalities	Average heat consumption for heating

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
					4.4.Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	4.4.1. To develop EV charging infrastructure in Latvia	The number of registered EVs in Latvia
	CF	194,266,292	4.440%		4.1. To promote energy efficiency and use of RES in enterprises.	4.1.1. To promote efficient use of energy sources and reduction in energy consumption in the manufacturing industry	Energy intensity in manufacturing industry RES proportion in energy consumption of manufacturing industry
					4.3. To promote production and distribution of energy produced from RES	4.3.1. To promote energy efficiency and use of local RES in the district heating supply	Renewable energy share in centralized heating systems Total heating capacity of RES in centralized heating capacity
					4.5. To promote low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	4.5.1. To develop the infrastructure of environmentally friendly public transport	The number of people using environmentally friendly public transportation
5. Protection of environment and effective use of the resources	ERDF	432,917,039	9.80%	5.To promote adaptation to climate change, risk prevention and management	5.1.Promotion of adaptation to climate change, risk prevention and management	5.1.1. To prevent the threat of flood and coastal erosion risks in urban areas	The number of polluted areas and objects emitting pollution, where the risk of environment and socioeconomic losses potentially caused by flood should be reduced

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
						5.1.2. To reduce flood risk in rural areas	Number of people in Latvian rural areas endangered by flood  Flood threat in areas protected by hydro-technical structures
				6.To protect environment and facilitate efficiency of resources	5.5.To preserve, protect, promote and develop natural and culture heritage	5.5.1. To preserve, protect and develop important cultural and natural heritage, as well as to develop related services	Nights spent by tourists in accommodation establishments Latvian territory during one year
					5.4. To protect and reinstate biodiversity and soil, and promotion of ecosystem services, including by use of “Natura 2000” network and green infrastructure	5.4.1. To preserve and and reinstate biodiversity and protect ecosystems	Favourable protection status ensured to EU-level habitats  Favourable protection status ensured to EU-level species
					5.6. To act in order to improve city environment, revitalise urban areas, renovate and recover derelict industrial territories (including areas where reconstruction is planned), decrease air pollution and promote noise decrease measures	5.6.1. Promotion of revitalisation of urban areas in Riga, ensuring efficient socioeconomic use of the area	Attracted private investments in assisted areas 3 years after project completion



Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
						5.6.2. Revitalization of areas through regeneration of degraded areas in accordance with the integrated development programmes of municipalities	Number of employees (in the private sector) in enterprises, which location of provision of goods or services is the development centres of national and regional importance and their functional areas
	CF	190,138,398	4.30%	6.To protect environment and facilitate efficiency of resources	5.2. Invest in waste management area in order to adhere to EU <i>acquis</i> requirements in the environmental area and to support identified needs of Member States for investments exceeding the above requirements, conservation and protection of the environment and promotion of efficient use of resources	5.2.1. To increase the amount of use, recycling and recovery of various sorts of waste	Amount of waste transferred for recycling and regeneration in relation to the amount of waste produced in relevant year
					5.3. To invest in water management in order to adhere to EU <i>acquis</i> requirements in the environmental area and to support identified needs of Member States for investments exceeding the above requirements	5.3.1. To develop and improve the quality of services of water supply and sewerage systems and to ensure connection options	Share of inhabitants, for whom the connections of centralised waste water management connections compliant with the requirements of legislative acts have been ensured  Amount of inhabitants, for whom the connections of centralised waste water management connections have been actually ensured

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
					5.4. To protect and reinstate biodiversity and soil, and promotion of ecosystem services, including by use of “Natura 2000” network and green infrastructure	5.4.2. To ensure development of a control system for environmental monitoring and timely prevention of environmental risks, and to promote green awareness	Number of places in compliance with the requirements of directives, where environment is monitored
6. Sustainable transportation system	ERDF	235,477,563	5.33%	7.To facilitate sustainable transportation and eliminate deficiencies in the main network infrastructures	6.3. To enhance regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes	6.3.1. To increase regional mobility through improvement of the quality of state regional roads	The share of motor roads in bad and very bad shape in the country
							Average time savings per kilometre reconstructing national regional roads with asphalt pavement
	CF	924,294,295	20.92%		6.1. To support a multimodal Single European Transport Area by investing in TEN-T	6.1.1. To increase security level in ports and improve the mobility of the transport network	Average idle time while in raid due to bad weather per year
						6.1.2. To promote security and compliance with environmental requirements at Riga International Airport	The share of access roads in a bad and very bad condition
						The average amount of CO2 produced by the aircraft engines of arriving flights with the course RWY18 during the manoeuvres (taxi-in)	
						Value of wastewater chemical oxygen consumption	

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
						6.1.3. To ensure necessary infrastructure on main flyovers of Riga and to prevent fragmentary nature of main streets	The average time of transport delay
						6.1.4. To connect infrastructure of major cities with the TEN-T network	The number of big cities where alternative routes have been created for TEN-T transit and cargo transportation
						6.1.5. To reconstruct the pavement of state main roads, increasing bearing capacity	The share of country's main motor roads in a bad and very bad condition
					6.2. To develop and restore comprehensive, quality and interoperable railway system and promote noise reduction measures	6.2.1. To ensure a competitive and environmentally friendly TEN-T network promoting its safety, quality and capacity	CO2 emissions from rail freight
							Infrastructure throughput capacity
7. Employment and labour mobility	ESF	106,400,149	2,41%	8. Promoting sustainable and quality employment and supporting labour mobility	7.1. Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility		
						7.1.1. To raise the qualification of the unemployed and improve their skills according to the demand of labour market	Participants gaining a qualification after leaving
							Participants in employment 6 months after leaving
						7.1.2. To create a system of anticipation and management	Created system for anticipation and management of labour market

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
						restructuring in labour market, ensuring its connection to the Employment barometer	restructuring
					7.2. Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee	7.2.1. To increase the employment of young people not in employment, education or training and to facilitate their participation in education within the framework of Youth Guarantee	Participants in employment six months after leaving
					7.3. Adaptation of workers, enterprises and entrepreneurs to change	7.3.1. To improve labour safety, especially in enterprises of hazardous industries	Number of enterprises supported in hazardous industries that have implemented labour protection requirements
						7.3.2. To prolong preservation of capacity for labour and employment of elderly employees	Number of supported elderly employees with an improved labour market situation six months after leaving
	YEI	58,021,278	1.31%	8.To facilitate employment and support labour mobility	7.2. Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from	7.2.1. To increase the employment of young people not in employment, education or training and to facilitate their participation in education within the	Participants gaining a qualification after participation in training
							Unemployed participants who complete the YEI supported intervention

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
					marginalised communities, including through the implementation of the Youth Guarantee	framework of Youth Guarantee	<p>Unemployed participants who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving</p> <p>Unemployed participants who are in education/training, gain a qualification, or are in employment, including self-employment, upon leaving</p> <p>Long-term unemployed participants who complete the YEI supported intervention</p> <p>Long-term unemployed participants who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving</p> <p>Inactive participants not in education or training and complete the YEI supported intervention</p>

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
							<p>Long-term unemployed participants who are in education/training, gain a qualification, or are in employment, including self-employment, upon leaving</p> <p>Inactive participants not in education or training, who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving</p> <p>Inactive participants not in education or training who are in education/training, gain a qualification, or are in employment, including self-employment, upon leaving</p> <p>Participants in continued education, training programmes leading to a qualification, an apprenticeship or a traineeship six months after leaving</p> <p>Participants in employment six months after leaving</p> <p>Participants in self-employment six months after leaving</p>

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
8. Education, skills and lifelong learning	ERDF	277,460,786	6.28 %	10. To invest in education, training and vocational education for acquisition of skills and lifelong learning	8.1. Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure	8.1.1. Increase number of modernized study programs of STEM, including medicine and creative industries	Share of modernized STEM study programs, including medicine and creative industries, out of total
						8.1.2. To improve study environment of general education institutions	Number of fully modernized general education institutions
							Proportion of students who have access to fully modernized general education environment (from total)
						8.1.3. To increase number of modernised vocational education institutions	Proportion of fully modernised vocational education institutions (from total)
	8.1.4. To improve the learning environment of the first level professional higher education STEM, incl. medical and creative industries, learning environment in colleges	The proportion of colleges with fully modernized study environment for first-level professional higher education STEM, including medical and creative industries, study programs of the total number of colleges, that implement mentioned priority programs					
	ESF	238,500,493	5.40%	10. Investing in education, skills and lifelong learning	8.2. Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and	8.2.1. Reduce fragmentation of study programs and strengthen resource sharing	Number of closed study programs, which are basis of newly created study programs supported by ESF
							Number of supported new

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
					attainment levels, especially for disadvantaged groups.		joint doctoral study programs that have received EQAR accreditation
							Number of supported new study programmes in EU languages (except Latvian) that have received EQAR accreditation
						8.2.2. To strengthen academic personnel of HEEs in strategic specialisation areas.	Number of supported doctoral students who have obtained the doctoral degree and during 6 months after getting degree work as academic staff in a higher education institution
							Number of foreign lecturers that during 6 months after receiving support continue academic work in higher education institution of Latvia (as a person elected to an academic position or as a foreign/visiting lecturer)
							Number of academic personnel having improved their competence
						8.2.3. To ensure better governance in HEI	The number of HEI that have introduced their development strategies and implemented results oriented governance
					8.2.4. To provide support for implementation of requirements of EQAR	The number of institutions in Latvia that meet EQAR agency requirements	



Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
						agency	
					8.3. Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education, including formal, non-formal and informal learning pathways for reintegrating into education and training.	8.3.1. To develop competency- based general education curriculum	Number of approved guidelines and standards in general education that ensure implementation of competency-based curriculum
				8.3.2. To increase support for general education institutions to develop students' individual competences		Number of general education institutions that have introduced individual approach for development of students' competencies	
				8.3.3. To increase inclusion of SEA non-registered NEETs and foster their inclusion in education, supported measures within the framework of Youth Guarantee, and NGOs or youth centres		Number of non-registered in SEA NEETs who have successfully completed their individual support program within the framework of ESF support	
				8.3.4. To reduce early school leaving by implementing preventive and intervention measures		<i>Will be defined when the findings of reasons for early school leaving will be available</i>	

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
						8.3.5. To improve access to career support for students in general and vocational education institutions	Number of general and vocational education institutions that ensure career support for students
						8.3.6. To introduce education quality monitoring system	Number of introduced education quality monitoring systems
					8.4. Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences.	8.4.1. To develop professional competencies of employees	Number of employed people at age 25 + who have improved competencies after participation in ESF supported training (excluding employees with low education level)
							Number of employed people with low level of education at age 25 + who have improved competencies after participation in ESF supported training
					8.5. Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training (VET) systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and	8.5.1. To increase number of qualified VET students through participation in work-based learning and practice in enterprise	Number of ESF supported students who have received qualification certificate or certificate confirming professional training after participation in work based learning or apprenticeship and within 6 months after gaining qualification are employed (from total)

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
					the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes.		qualification certificate or certificate confirming professional training after gaining participation in practice in enterprises and within 6 months after qualification are employed (from total)
						8.5.2. To ensure conformity of vocational education to European qualifications framework	Number of supported and approved vocational standards and basic vocational qualifications requirements
						8.5.3. To ensure efficient management of VET institutions and improve professional competencies of the involved personnel	Number of persons who have obtained qualification after participation in the ESF training for improvement of professional competencies (teachers, administrators, practice teachers and craftsmen, who have raised their professional competencies)
9. social inclusion	ERDF	193,377,447	4.38%	9.To promote social inclusion and combat poverty and any discrimination	9.3. Investing in health care and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social,	9.3.1. Developing the infrastructure of services for family like care of children and persons with disability for independent life and integration into the community	Increase the share of people with mental disorders who live outside institutions and for whom community based services are available

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
					cultural and recreational services and the transition from institutional to community-based services	9.3.2. Improve access to quality health care, especially to population subject to the social and territorial exclusion and poverty risk, developing the health care infrastructure	<p>The relative difference of outpatient visits in regional areas and big cities</p> <hr/> <p>Number of improved health care institutions with improved infrastructure for provision of health care services</p>
	ESF	225 160 750	5,10%	9. Promoting social inclusion, combating poverty and any discrimination	9.1. Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	9.1.1. To facilitate inclusion of disadvantaged unemployed people in the labour market	<p>Participants in employment, including self-employment, upon leaving</p> <hr/> <p>Participants of the activity in education/training, gaining of qualification, or in employment, including self-employment 6 months after their participation in the activity</p>
						9.1.2. To increase the integration of former prisoners into society and labour market	Former prisoners engaged in job searching after release from prison and receiving support

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
						9.1.3. To increase the efficiency of the re-socialization system	Number of improved instruments of risk and need assesment (RNA), which are introduced in practice
							Number of specialists of penal institutions and probation increasing professional competency, who are working with prisoners and former prisoners
						9.1.4. To facilitate integration of people at risk of discrimination in the society and labour market.	Disadvantaged participants engaged in job searching; education/ training, gaining a cfalification, in employment, including self-employment, upon leaving
					9.2. Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest	9.2.1. To increase the efficiency of social services and the professional skills of staff working with persons in risk situations	The number of social workers, who have improved their professional competence (per year)
							Number of specialists who raised their qualification in the field of children protection rights
						9.2.2. To increase the availability of social services at home equivalent to the high-quality services of institutional care and availability of services close to family	Number of people with mental disorders starting independent life outside of a long-term social care and social rehabilitation institution

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
						environment for children and people with disabilities.	Decrease in the number of children in institutional care
							Number of closed long-term social care and social rehabilitation institutions/affiliates
						9.2.3. To support the development and implementation of prior (cardiovascular, oncology, perinatal and neonatal period care and mental health care) health network development guidelines and quality assurance system, especially for improvement of health of people at risk of social exclusion and poverty	Number of developed and implemented health network development guidelines
							Number of developed and implemented quality assurance systems
						9.2.4. To improve accessibility to health promotion and disease prevention services, especially to persons who are subject to the	Number of inhabitants in the 6 target groups (including Paragraph 966 of the OP) that were subject to preventive examination at the GP

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
						poverty and social exclusion risk	Number of inhabitants in the 6 target groups (including Paragraph 966 of the OP) that have changed their eating habits or other lifestyle habits due to health problems as a result of ESF health promotion activities in the last year
						9.2.5. To improve accessibility to health care and health care support persons who provide services in priority sectors outside Riga	The number of supported health care persons who work in the territorial units outside Riga a year after support
						9.2.6. To improve accessibility to qualified health care and health care support personnel	Number of persons providing health care, health care support and pharmaceutical care with improved professional qualification in the frames of life-long learning activities
10. Technical assistance “ESF	ESF	21,420,040	0.48%	NA	NA	10.1.1. to increase CP funds evaluation capacity.	Proportion of fully implemented recommendations Number of persons involved

Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
support for implementation and management of CP Funds”							in implementation, evaluation or monitoring of CP funds that have raised capacity in evaluation during the calendar year
						10.1.2. to raise awareness of the cohesion funds, providing support for information and communication activities	The public assessment shows that the EU funds has positive impact on Latvian economic and social development
							Proportion of population believing that available information on EU funds is sufficient
11. Technical assistance “ERDF support for implementation and management of CP Funds”	ERDF	39,180,554	0.89%	NA	NA	11.1.1. to support and improve the preparation, implementation, monitoring and control of the CP Funds.	Employee turnover
							Number of staff of CP funds management, implementation and monitoring, which increased their competences after receiving support
12. Technical assistance “CF support for implementation	CF	40,715,710	0.92%	NA	NA	12.1.1. to improve the preparation, implementation, monitoring control, audit and to support e-cohesion of the CP	Employee`s turnover
							Projects in which electronic data exchange system is used, share from the overall projects submitted in the exact calendar year



Priority axis	Fund	EU co-funding (EUR)	Share of the EU co-financing for the operational programme (broken down by funds and priority axis)	Thematic objective	Investment priority	Specific objective corresponding to the investment priority	The total and specific result indicator
ion and management of CP Funds”						Funds.	The number of audit days devoted average to one project auditing <sup>18</sup>
							The number of staff of CP funds management, implementation and monitoring who have increased their competence after receiving final payment

<sup>18</sup> Working days, which one auditor spends only for audit measures (not.incl. time for other tasks, training, incapacity for work, vocation, holidays)

## 2. DESCRIPTION OF THE PRIORITY AXES

(118) This section provides information on the specific objectives of the support that will be used to implement the activities set in the selected investment priorities within the framework of the priority axis. A more detailed analysis of the need for investment in selected areas and the priority axes can be found in chapter 1.1. of the PA „Analysis of differences, development needs and growth potential”.

### 2.1. Research, technological development and innovation

(119) **1.1.investment priority:** improve the R&I infrastructure and ability to develop R&I excellence, as well as promote creation of competence centres, especially centres of European importance.

(120) **SO No. 1.1.1.: Improve research and innovation capacity and the ability of Latvian research institutions to attract external funding, by investing in human capital and infrastructure.**

(121) The ability of Latvian research institutions to attract external funding will be increased and research capacity will be strengthened within the framework of the specific objective, investing in human capital, co-operation between research institutions and higher education institutions and development of R&D infrastructure according to RIS3, the results of international assessment of Latvian research, report of MES on Latvian structural reforms. As a result of SO implementation science and innovation capacity of Latvia will be developed, scientific and technological excellence, human capital renewal will be promoted, international competitiveness and cooperation of research institutes of Latvia will be strengthened, as well as cooperation with enterprises that create and launch new knowledge-intensive and competitive products according to RIS3.

Table No.2.1.1. (3)

### ERDF specific result indicators

ID	Indicator	Measurement unit	Baseline value (in 2012)	Target value (in 2023)	Source of data	Frequency of reporting
r.1.1.1.a	External funding attracted by state and higher education sector for research work	Million, EUR	63,4 (in 2013)	160,6	CSB data	Once a year
r.1.1.1.b	The average number of scientific publications per one full time equivalent of research personnel (per year)	Number of publications	0.32 (2012)	0.48	CSB data, SCI mago data	One a year

### Description of the investment priority and Indicative actions to be supported

(122) CP fund investments of programming period 2007-2013 made a significant contribution to the base capacity building of science sector, providing support for research groups, implementation of practical research, including in collaboration with industry, for promotion of international cooperation of Latvian research institutions and modernization of research infrastructure, providing the improvement of the material-technical base for research activities at the leading

research centres of national importance. Institutional reforms of HE and research institutions in Latvia concentrate on functional resource consolidation improving their management. The autonomy of HE and research institutions is taken into account in the implementation of reforms, at the same time support is given to develop institutions and form normative environment that motivate HE and research institutions to consolidate their structures, develop management ability and improve work excellence as well as implement targets defined in RTDIG guidelines, taking into account RIS3. Reforms of HE and research institutions are separated in SOs though they are complementary because they both focus on development of research-based HE and building of human capital in the science, technology development and innovation sector, as well as increase knowledge absorption capacity of Latvian economy. Strengthening of research institutions' management are planned in two rounds. By the closure of 2007 – 2013 structural and/ or territorial consolidation of research institutions will be carried out, as well as measures for the strengthening of their administrative capacity will be launched. Consolidation will be carried out around research institutions and universities as knowledge centres which were well assessed in international assessment of research. The pilot projects are foreseen as support for “reform champions” – research institutions that show initiative and have accomplished necessary preconditions for the implementation of reforms. Support in the next programming period will be given for the institutions that will have reached respective level at the 1<sup>st</sup> selection round. To motivate institutions to take steps towards meeting the preconditions, MES have launched number of changes in normative regulation that prescribes procedure of state funding allocation to research institutions.

- (123) Although the current investment is significant for development of the research sector, targeted research capacity building is necessary, considering numerous innovation system challenges in achieving the objectives and development priorities set in the NRP, RIS3 and RTDIG guidelines.
- (124) In order to solve the current problems in R&D&I and to eliminate the shortages of innovation system, RIS3 sets two priority axes for the achievement of objectives of RIS3: (1) innovation capacity building (development of the knowledge base and scientific and technological human capital, especially in science, engineering, medicine, agricultural sciences and ICT), which would contribute to addressing future challenges and using future opportunities, and (2) development of an innovation system that would help to identify these challenges in the entrepreneurial discovery process and focus resources to develop solutions. In addition, RTDIG sets the efficient management of science, technology development and innovation, reducing the fragmentation and duplication of research system and increasing its efficiency, as a fundamental objective for 2014-2020.
- (125) According to RIS3 it is necessary to develop knowledge base and human capital in the knowledge areas in which Latvia has comparative advantage and which are important for the economic transformation – for the development needs of knowledge-intensive bio-economy, biomedical, medical technology, bio-pharmaceutics and biotechnology, smart materials, technology and engineering systems, smart energy and ICT sectors and in the key technology areas identified by the EC.
- (126) Not only human resource capacity building and their international competitiveness, but also appropriate research infrastructure is essential for innovation capacity building, while ensuring that investments in infrastructure are balanced with investments in the development and maintenance of human resources. Further improvement of R&D infrastructure (that int.al. would be available for students and enterprises) has to be carried out, through targeted development of national level research centres according to RIS3 settings and recommendations of the international scientific assessment of Latvia to integrate and strengthen the research system, to facilitate their transition to a higher level of performance and prevent fragmentation of R&D funding.

- (127) International assessment of Latvian science shows that the Latvian scientific institutions are more focused on solving national-level problems and issues, participation in local conferences and local scientific community communication channels, which do not contribute to international cooperation and competitiveness of Latvian scientists.
- (128) It is highlighted in this assessment that the overall level of Latvian research quality, management and infrastructure cannot be assessed as satisfactory including necessity to improve the management of research institutions, to improve usage and planning of resources of scientific institutions. At the same time, there are individual high-level institutions that can serve as centres for system consolidation and future investment, developing a smaller number of research institutions with strong critical mass and significant international profile that would ensure better involvement of Latvia in the international scientific movement.
- (129) Effective management of research institutions, a critical mass of human resources in science and technology and concentrated R&D infrastructure, is a precondition for investment in R&D&I to be effective, to promote international cooperation and to establish the connection of research with the industry.
- (130) Investment priority has to be implemented in close connection with the investment priority No. 1.2. as well as thematic objective No. 2 and thematic objective No. 3 under the provisions of RIS3.
- (131) Synergy and demarcation with SO 8.1.1. will be provided as SO 8.1.1. foresees modernization of material technical base in HE institutions that is necessary for the implementation of study programmes and carrying out research activities necessary to obtain doctoral degree. Primary users of infrastructure will be students and academic personnel. SO 1.1.1. plans to develop R&D infrastructure for implementation of practical research and technology transfer in research institutions according to RIS3, and primary users of this infrastructure will be research staff. Within the framework of SO 1.1.1 synergy and demarcation with EU Framework programme for research and innovation “Horizon 2020” support for research will be ensured in order to promote closer co-operation between scientific institutions and businesses and enhance international co-operation in accordance with Latvian RTDI Guidelines for 2014-2020<sup>19</sup>, in particular the complementarity with spreading excellence and widening participation activities of “Horizon 2020” (teaming, networking, twinning and initiative of “European Research Area (ERA-chairs)).
- (132) Indicative actions to be supported: support will be provided for implementation of research projects (including post doctoral research and scientific group research) that facilitate the transfer of knowledge in economy according to the strategic priorities set in RIS3; innovation grants to students, particularly in STEM, incl. medicine and creative industry, areas for development of new products and technologies, collaborative projects with enterprises for elaboration of innovative solutions to solve practical problems of industries; elaboration of bilateral and multilateral cooperation projects of European Research Area and participation in international research, networking and fellowship activities and in infrastructure facilities of **European Strategy Forum on Research Infrastructures** (ESFRI), int.al. support for capacity building of “Horizon 2020” National Contact Point; development of R&D infrastructure in accordance with the priorities set in RIS3; institutional capacity building of research institutions through the introduction of external assessment recommendations on operating quality of research institutions to increase the competitiveness at the international level and targeted activities for merger of research institutions.

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<sup>19</sup> Section 7.1.4. “To support internationalization of science and international co-operation” of RTDIG; (<http://polsis.mk.gov.lv/view.do?id=4608>)

(133) Indicative beneficiaries: research institutions.

(134) Project **selection**: see the annex „Project selection”.

Table No. 2.1.2. (5)

**ERDF common and specific output indicators**

ID	Indicator	Measurement unit	Funding source	Target value (in 2023)	Source of data	Frequency of reporting
i.1.1.1.ak (CO25)	Number of researchers working in improved research infrastructure facilities	Number of people	ERDF	2 163	Project implementation reports	Once a year
i.1.1.1.bk (CO24)	Number of new researchers in supported entities	Number of job places	ERDF	700	Project implementation reports	Once a year
i.1.1.1.ck (CO26)	Number of enterprises cooperating with research institutions	Number	ERDF	450	Project implementation reports	Once a year
i.1.1.1.d	The number of supported Horizon2020 project applications being evaluated over quality threshold, including within the framework of BalticBonus initiative	Number of project applications	ERDF	1 029	Project implementation reports	Once a year
i.1.1.1.e	The number of scientific articles that are elaborated and published with ERDF support	Number of scientific articles	ERDF	1 472	Project implementation reports	Once a year
i.1.1.1.f	Private investments, which complements state aid for innovation or research and development projects	Mil. EUR	ERDF	15 953 000	Project implementation reports	Once a year

ID	Indicator	Measurement unit	Funding source	Target value (in 2023)	Source of data	Frequency of reporting
i.1.1.1.g	The number of new products and technologies that are to be commercialized and that are elaborated with ERDF support	Number	ERDF	530	Project implementation reports	Once a year

(135) **1.2. Investment priority:** Promoting business investments in R&D and creating links and synergies between businesses, research and development centres and the higher education sector, in particular by promoting investments in product and service (including creative product) development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, cluster creation and open innovation with the help of smart specialization and supporting technological and applied research, pilot projects, approval of production in the early design phase, increasing the production capacity and the first production, especially in relation to key enabling technologies and diffusion of general purpose technologies.

(136) SO No. 1.2.1.: To increase investments of private sector in R&D.

(137) Within the framework of SO in line with the priorities of RIS3 investments of private sector in R&D will be increased, management of intellectual property in research institutions will be improved, commercialization of research results, as well as the transfer of creativity and development of non-technological innovation, protection of intellectual property and development and production of new products and technology will be facilitated.

Table No. 2.1.3.. (3)

#### ERDF specific result indicators

ID	Indicator	Measurement unit	Baseline value (in 2012)	Target value (in 2023)	Source of data	Frequency of reporting
r.1.2.1.a	Private investment in R&D	EUR, million	32,86 (2012)	265,68	CSB data	Once a year

(138) **SO No. 1.2.2.: to facilitate implementation of innovations in enterprises.**

(139) Within the framework of SO, proportion of innovative enterprises will be increased by providing training to the persons employed and seminars to increase awareness of innovations and to motivate to start entrepreneurship according to the RIS3.

Table No. 2.1.4. (3)

#### ERDF specific output indicators

ID	Indicator	Measurement unit	Baseline value (in 2012)	Planned value (in 2023)	Source of data	Frequency of reporting
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ID	Indicator	Measurement unit	Baseline value (in 2012)	Planned value (in 2023)	Source of data	Frequency of reporting
r.1.2.2.a	The share of innovative entrepreneurs	%	29.9% (2010)	40	Results of CSB Innovation survey	Every 3 years

### **Description of the investment priority and Indicative actions to be supported**

- (140) CP fund investments of programming period 2007-2013 made substantial contributions to strengthen and promote cooperation with research institutions. Support was provided for the implementation of practical research, in particular studies conducted in collaboration with research institutions to promote development of research-intensive products and products with high added value and research with high potential of commercialization.
- (141) Similarly, to encourage private sector investment in R&D&I, to improve the research sector awareness of the needs of industry and to promote labour mobility between industry and research sectors, a series of platforms for cooperation between scientists and entrepreneurs to carry out joint industrial research and develop new products and technologies - six competence centres - have been established in CP programming period 2007-2013. Although the investments of related foreign enterprises in R&D&I have decreased there is significant potential for research cooperation of public and private sectors.
- (142) Development of new products and technologies is necessary to increase the competitiveness and exports of Latvia. This can be achieved through promotion of strong commercial cooperation between entrepreneurs and science and thus encouraging private sector interest to invest in R&D&I.
- (143) One of the challenges identified in the NIP is low productivity, which affects the international competitiveness of Latvian entrepreneurs, as well as weak innovation performance. The productivity level of Latvian industries is considerably below the EU average level. The current low absorption of innovation reduces chances of a swift improvement, private sector investment in R&D activities in 2012 accounted only for 24% of the total investment in R&D. In order to increase productivity, the innovation process has to be associated with formation of comparative advantages especially in perspective product markets identified for Latvia. Therefore it is particularly important to increase the state support for development of new or significantly improved products, services and technologies, their implementation in production, as well as for promotion of motivation of entrepreneurs, thus increasing private sector investments in R&D%I. High technological risk, lack of professional skills, insufficient own resources, limited ability to attract financial resources, lack of security, unsteady (or negative) cash flow and high risk limits the development of innovative and technology-intensive enterprises with potential for rapid growth<sup>20</sup>. Thus, the support tools should focus on cost and risk reduction, promotion of cooperation and development of skills. The provision of funding for the development of such enterprises will contribute to increased investments of private sector in R&D activities and implementation of innovative ideas and technology transfer in the economy of Latvia, helping to create products and technologies with higher added value and export potential.
- (144) Latvia is also characterized by low level of commercialization of R&D results and a lack of cooperation of scientific and private sector. Entrepreneurs have limited experience and skills to identify the needs of development of research products in long term and engage in research at an early stage. Most research carried out by entrepreneurs are at the experimental research phase,

<sup>20</sup> According to the CSB innovation survey results, in 2010 only 29.9% of enterprises had taken innovative measures.

which has a low risk and is very close to the introduction in the market, so the interest in cooperation with research institutions is poor. Thus it is necessary to establish a common platform for technology transfer, which is not tied to a specific research institution, while developing the management of industrial property in research institutions, promoting the commercialization of research results, protection of intellectual property and development of new products and technologies, as well as increasing the revenue of research institutions from the commercialized of newly created knowledge through licensing this knowledge or through newly established enterprises.

- (145) It is emphasized in the EU Innovation Union Scoreboard that Latvia has to improve the quality of the higher education system and to respond to the need to better coordinate research activities with industry needs, while strengthening the capacity of industry to implement R&D&I activities.
- (146) Conclusions made as a result of the study carried out within the framework of RIS3 confirm the aforementioned that there is insufficient cooperation and coordination between science, technology development and innovation institutions, higher education and industry, as well as the fact that the current education system does not ensure a match between supply and demand of labour, hence the need for a solution that would link research institutions to higher education institutions and the industry.
- (147) In order to strengthen co-operation between scientists and entrepreneurs and promote the spreading of cooperation in the innovation system, it is important to continue the work started a few years ago and to provide support to competence centres, reviewing and assessing the previous conditions for implementation of support programme, ensuring better coordination of research activities with the needs of local industry sectors.
- (148) Investments in human resources are important to ensure enterprises with suitable labor to facilitate knowledge transfer and development and implementation in production of new or improved products and technologies.
- (149) Improvements in professional skills are crucial to foster productivity by facilitating optimization of production processes, transferring towards resource efficiency, more effective management of organizing and production processes and introduction of business models, and development and transfer of innovations.
- (150) High productivity and in-depth knowledge will facilitate further specialization in specific areas and will ensure conformity to RIS3, thus enhancing Latvia's participation in specific global niches.
- (151) Within the framework of SO, support is envisaged for promotion of resource efficiency and green innovations, thus strengthening one of the priority area axes of BSRS „Small and medium-sized enterprises – promote entrepreneurship and strengthen the growth of small and medium-sized enterprises”.
- (152) Support for development of newly established entrepreneurs is a mutually complementary set of measures that includes both the accessibility of financing and preferential conditions for establishment of micro-businesses and an advisory support system, among other things, providing information and advisory support and training to the authors of ideas, including new doctoral students and potential entrepreneurs to raise awareness of innovation, motivation to take up economic activities and improve the skills needed to start a business. Measures within the framework of this investment priority will be mutually complementary to the support that will be provided within the framework of the 3<sup>rd</sup> priority axis “Competitiveness of Small and Medium-sized Enterprises”.
- (153) Planned support measures include all the steps of development of products and technologies: research -> economic and technical feasibility study of the project -> technology validation in a laboratory -> technology validation in an appropriate environment -> technology demonstration -> development of prototype -> putting the product into production.



- (154) Investment priority will be implemented in close connection with the investment priority No. 1.1. as well as priority axis No. 2 „Availability of the ICT, e-government and services” and priority axis No. 3 „Competitiveness of Small and Medium Enterprises” according to the provisions of RIS3.
- (155) **SO No. 1.2.1. Indicative actions to be supported:** support for necessary infrastructure to conduct research according to the needs of the private sector, for development and implementation in production of new products, services, technologies and processes, including innovation vouchers for SME, ensuring technology transfer services within the framework of a single technology transfer system, including protection of newly created intellectual property, preparation and submission of licenses and certificates, preparing research results with commercial potential for licensing, creating opportunities for networking of education and research institutions, students and entrepreneurs for development, testing and implementation in the market of innovative interdisciplinary products and services.
- (156) **SO No. 1.2.1. Indicative target groups:** entrepreneurs, self-employed persons, research institutions, a variety of economic and scientific cooperation platforms.
- (157) **SO No.1.2.1. Project selection:** see the annex „Project selection”. Support measures will be implemented according to the state aid rules, and particular attention will be given to support for large enterprises.
- (158) **SO No. 1.2.2. Indicative actions to be supported:** support for the training of persons employed to provide enterprises with suitable labor and support for the motivation of innovation with informative, educating and consultative events about innovations and start of entrepreneurship; instruments and more detailed actions to be supported including mutual synergy and demarcation will be envisaged considering results of RIS3 monitoring process.
- (159) **SO No. 1.2.2. Indicative target group:** entrepreneurs, business start-ups, self-employed persons, individuals (authors of ideas).
- (160) **SO No. 1.2.2. Project selection:** operators will be selected for technology incubators. Support measures will be implemented according to the state aid rules, and particular attention will be given to support for large enterprises.

Table No. 2.1.5. (3)

### ERDF common and specific output indicators

ID	Indicator	Measurement unit	Funding source	Target value (in 2023)	Source of data	Regularity of reporting
i.1.2.1.ak (CO01)	Number of enterprises receiving support	Entrepreneurs	ERDF	450	Project implementation reports	Once a year
i.1.2.1.bk (CO02)	Number of enterprises receiving grants	Entrepreneurs	ERDF	450	Project implementation reports	Once a year
i.1.2.1.ck (CO28)	Number of enterprises supported to introduce new to the market products	Entrepreneurs	ERDF	450	Project implementation reports	Once a year
i.1.2.1.d	The number of	number	ERDF	100	Project	Once a year

ID	Indicator	Measurement unit	Funding source	Target value (in 2023)	Source of data	Regularity of reporting
	projects for commercialization of results of supported research				implementation reports	
i.1.2.2.ak (CO01)	Number of enterprises receiving support	Entrepreneurs	ERDF	1300	Project implementation reports	Once a year
i.1.2.2.bk (CO02)	Number of enterprises receiving grants	Entrepreneurs	ERDF	1300	Project implementation reports	Once a year
i.1.2.2.c	The number of people receiving receive non-financial support	People	ERDF	10 000	Project implementation reports	Once a year

Table No. 2.1.6. (6)

**Performance framework of the priority axis**

Indicator type	ID Name of the indicator	Definition	Measurement unit	Fund	Category of region	Milestone for 2018	Target value			Source of data	Explanation of relevance of indicator
							W	M	Total		
Financial indicator	(F01) Financial indicator PA 1 (ERAF)		EUR	ERDF	<i>Less developed regions</i>	83 094 259			550 023 185	record system of the certification authority	
Output indicator	i.1.1.1.ak Number of researchers working in improved research infrastructure facilities (CO25)	<b>Common indicator</b>	full time equivalent	ERDF	<i>Less developed regions</i>	0			2 163	Project data	The indicator includes activities related to the modernization of scientific infrastructure and corresponds to 20.95% of the funding of priority axis
Key implementation step	i.1.1.1.ak Tenders announced, % of the total amount of the planned work (S111)	Tenders announced on the activities planned within the framework of SO as percentage of target value of output indicator- number of researchers working in improved research infrastructure facilities	%	ERDF	<i>Less developed regions</i>	30				Project data	

Indicator type	ID Name of the indicator	Definition	Measurement unit	Fund	Category of region	Milestone for 2018	Target value			Source of data	Explanation of relevance of indicator
							W	M	Total		
Output indicator	i.1.2.1.a i.1.2.2.a Number of enterprises receiving support (CO01)	<b>Common indicator</b>	enterprises	ERDF	<i>Less developed regions</i>	0			1 750	Project data	The indicator includes activities from SO 1.2.1. and 1.2.2. and 29,9% of the funding of priority axis
Key implementation step	i.1.2.1.a i.1.2.2.a Agreement concluded with the beneficiary on implementation of the project (S121)	The number of agreements concluded with the beneficiaries on implementation of projects (including long-term projects) of the specific objective.	agreements	ERDF	<i>Less developed regions</i>	55				Project data	

Table No. 2.1.7. (7-12)

<i>ERDF: Less developed regions</i>											
Categories of intervention		Form of finance		Territory		Territorial delivery mechanisms		ESF secondary themes (ESF only)		Thematic objectives	
Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR
56	25 000 000	1	467 519 706	1	260 295 610	7	467 519 706	N/A	N/A	1	467 519 706
57	25 000 000			2	13 699 770						
58	97 964 724			7	193 524 326						

60	228 345 548										
62	54 301 192										
64	36 908 242										

## 2.2. Availability of the ICT, e-government and services

- (161) **2.1.investment priority:** To extend the deployment of broadband services and the roll-out of high-speed networks and support the adoption of emerging technologies and networks for the digital economy.
- (162) **SO No.2.1.1.: To improve accessibility of the electronic communication infrastructure in rural areas.**
- (163) Availability of electronic communications networks for users in rural areas will be improved within the framework of SO, ensuring construction of the respective infrastructure, where it is not available.
- (164) It is planned within the framework of investment priority to double the number of households in rural areas, where broadband service with at least 30 Mbit/s speed is available, greatly expanding the opportunities for people to use the benefits of the Internet and e-services.
- (165) Development of transportation network in territories of low economic interest will promote the interest of entrepreneurs in development of the „last mile”<sup>21</sup>, providing end users with stable and high-speed broadband services. Taking into account that cooperation with the private sector entrepreneurs in providing services to end users was started in 2007-2013 programming period, within the framework of the ERDF-funded project „Development of broadband communication infrastructure in rural areas”. In 2014-2020 programming period balanced development of the territory of Latvia will be facilitated and the gap between the territories of low and high economic interest will be reduced. This will facilitate not only the interest of electronic communications operators to expand their business in these areas, but also the economic activity of local entrepreneurs, using the benefits of high-quality broadband services (access to e-services, high-volume data transfer, development of e-commerce, etc.). As a result, increased mobility for residents and entrepreneurs of rural areas will be ensured, promoting the well-being and commercial potential of the territory.

Table No. 2.2.1. (3)

### ERDF specific result indicator

ID	Indicator	Measurement unit	Baseline value (in 2012)	Target value (in 2023)	Source of data	Frequency of reporting
R.2.1.1.a	Households in rural areas with broadband access with a minimum of 30 Mbps data transfer rate	Number of households	59 000	206 000	The Public Utilities Commission , the Central Statistical Bureau	Once a year
R.2.1.1.b	Share of subscriptions with at least 30Mbps	% from total share	51	75 <sup>22</sup>	The Public Utilities Commission , the Central Statistical Bureau	Once a year

<sup>21</sup> Subscriber lines

<sup>22</sup> The indicator is forecasted from investments made for SAM implementation, as well as from private investments

## Description of the investment priority and Indicative actions to be supported

- (166) ICT and their use has led to the development of business and socio-economic environment, which is based directly on the quality and security of electronic communication networks. A perfect business environment includes well organized legal base, foreseeable work of state support and supervision, state services focused on needs of entrepreneurs and streamlining of administrative procedures. The use of ICT in economic activity, as well as new electronic communication services, equipment and types of use create a considerable increase in the volume of information transmitted over electronic communication networks. Thus, the next generation of broadband communication networks will be developed because only such networks can provide users with the appropriate quality, convenience and safety of electronic communication services<sup>23</sup>.
- (167) It was concluded during the study<sup>24</sup> that in 363 territorial units of Latvia (parishes and districts consisting of one parish) or 71.2% of territorial units of Latvia, no electronic communications operators provide Internet access services with enhanced characteristics of data transmission through the use of broadband access networks consisting of optical fibre network elements and providing a data rate of at least 30 Mbit/s or plan to do it in the next three years.
- (168) In the light of the aforementioned, there is a need of upgrade of broadband network and development of a platform of digital service infrastructure, enabling a coherent and digital use of the public services of Europe, thus improving the competitiveness of European economy, including the competitiveness of SMEs, promoting the national network interconnection and interoperability across borders.
- (169) Investment priority has to be implemented in close connection with priority axis No. 1 „Research, technological development and innovation” and priority direction No. 3 „Competitiveness of small and medium enterprises” according to the provisions of RIS3, as well as in interaction with the provisions of the integrated development programmes of the municipalities.
- (170) **Indicative actions to be supported:** development of an electronic communication infrastructure to ensure availability of electronic communication network for users in rural areas.
- (171) **Indicative target territories:** The territory of Latvia, where no electronic communications operator provide Internet access services at data rates of at least 30 Mbit/s or plan to do it in the next three years („white areas”).
- (172) **Indicative target group:** users of information systems and e-services: entrepreneurs, institutions and households.
- (173) **Project selection** (see the annex „Project selection”).

Table No. 2.2.2.. (5)

### ERDF common output indicator

ID	Indicator (name of the indicator)	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
I.2.1.1.ak (CO10)	Increase in the number of households with access to	households	ERDF	83,800	PUC, CSB	Once a year

<sup>23</sup> The national level strategy document "Development concept of next generation broadband electric communication networks 2013-2020"

<sup>24</sup> Upon the request of the MoT in the summer of 2011, LLC "Corporate Solutions" conducted research on availability and development of next-generation networks

	broadband services with data rate of at least 30 Mb/s					
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- (174) **2.2.investment priority:** To strengthen ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health.
- (175) **SO No.2.2.1.: to ensure increase in the re-use of public data and efficient interaction of the public administration and the private sector.**
- (176) Society and the public administration is unable to fully access the information that is available to the state. The public interest in an open, democratic transfer is not ensured.
- (177) Infrastructure of public administration data exchange, data publication and maintenance, data availability and data usage possibilities will be improved and developed, and public administration processes will be improved (including measures to reduce the administrative burden and increase the efficiency of organizational of public administration) within the framework of SO. Data available to the administration will be opened for commercial use, including development of new, innovative business ideas and products, business automation products that will contribute to the economic transformation processes described in RIS3. In addition to the existing services, availability of new electronic services necessary to residents and entrepreneurs will be provided.
- (178) In order to ensure integration of Latvia into the single market of Europe and to ensure cross-border cooperation, it is planned to provide the interoperability of national e-solutions with the EU solutions, including the creation of the technological base of machine translation.
- (179) The investment will result in increased efficiency of public administration, improving the availability of data and content of electronic services, improved business environment, improving the security of transactions in the electronic environment, making public information readily available, reducing the administrative burden, improving the e-skills of residents, developing available and user-friendly electronic services, as well as investing in development of health, education, law, culture sector and availability of services.

Table No. 2.2.3. (3)

### ERDF specific result indicators

ID	Indicator	Measurement unit	Baseline value	Target value (in 2023)	Source of data	Frequency of reporting
R.2.2.1.a	The share of people using e-services <sup>25</sup>	%	12.6 (2013)	35%	Eurostat	Once a year
R.2.2.1.b	The share of entrepreneurs using e-services <sup>26</sup>	%	85.4 (2012)	92	Eurostat	Once a year
R.2.2.1.c	The average index of re-use of public sector information	Points (from max. amount of 700)	285 (2012)	475	European PSI Scoreboard <sup>27</sup>	Once a year

<sup>25</sup> The share of population that submit forms electronically for cooperation with state and local authorities

<sup>26</sup> The share of enterprises that submit forms electronically for cooperation with state and local authorities

<sup>27</sup> European PSI Scoreboard <http://epsiplatform.eu/content/european-psi-scoreboard>



## Description of the investment priority and indicative actions to be supported

- (180) The areas of investments within the framework of the investment priority are determined and will be implemented pursuant to the Guidelines for Development of Information Society 2014-2020. Investments will be made in order to help to achieve RIS3 objective – to develop innovation capacity, as well as to create innovation system promoting and supporting technological progress in the economy.
- (181) In Latvia there is no appropriate infrastructure available that could support comprehensive **opening and publishing of data** contained in public sector, including in a machine-readable format. In Latvia the public data infrastructure is based on information systems which were built in various periods, and their development has been carried out in a decentralised way without the application of unified IT standards and methods. In order to make public administration data technically, legally and publicly available, the infrastructure of common use of ICT will be created and implemented for the transfer of data available in state registers and municipalities for further use, thus ensuring mutual availability of municipal and state administration data, and a unified and centralized data catalogue, as well as a centralized solution for the distribution of data will be created. Support is also envisaged to be provided for the activities promoting open use of data for the creation of new and innovative products.
- (182) Investments planned for the digitalisation of public administration include development of the areas of e-health, e-education, e-inclusion, e-welfare, e-justice and e-skills, as well as introduce necessary preconditions for development of e-commerce.
- (183) Within the previous period of development in Latvia, the digitalisation of processes was performed fragmentarily, as a result entrepreneurs and people were forced to contact several authorities in order to receive content-identical service. The review and improvement of operational processes, the digitalisation of which has not been performed or has been performed insufficiently within the previous programming period, will be supported not only on the scale of a department, but also on the scale of inter-branch cooperation, as well as their transformation into „digital by default”, where possible, will be supported.
- (184) Cost-effective digitalisation of services (in the areas of health, justice, commercial activity, environment protection, etc.), which will be implemented only simultaneously with the reorganization and improvement of basic operational processes from the cross-sectoral point of view, will be supported. The services, which will provide the most significant summary impact on end users or the increasing of process efficiency, will be digitalised primarily (assessment of clients' base, intensity of receipt of services and current administrative burden will be taken into account). It is planned to perform, for instance, digitalisation of criminal proceedings and digitalisation of administrative proceedings.
- (185) Information and data services, which may be used in the creation of other services, including in the private sector in development of e-business and e-commerce solutions, will be developed. The use of e-invoices can be considered as one of the ICT investment aspects promoting e-business development.
- (186) It is planned to establish an appropriate national infrastructure, in order to ensure the readiness of registers for cross-border data transfer, as well as to ensure cross-border integration of processes including this infrastructure's interaction with the centralized European open data solutions.. The creation of cross-border services is also planned, in order to secure cooperation with the EU-scale infrastructure elements. By using these elements the cooperation will be intensively developed in e-procurement, e-health, e-justice and in the areas of economic activity.
- (187) In order to ensure operation of state public data infrastructure, it is planned to develop a unified, centralized public administration ICT platform complex, organized in accordance with the principles of cloud computing, that will appear as a logical continuation for the investments

already made within the period from 2007 to 2013, within the framework of which the creation or modernization of 70 information systems (including in the areas of interior affairs, education, justice, health, civil engineering, welfare, agriculture, environment protection, foreign affairs, transport, and finance) will be ensured. Respectively, within the programming period of 2014 – 2020 the interoperability platforms of information systems, in which full-fledged electronic exchange of public data will be ensured will be developed, ensuring that any of 172<sup>28</sup> systems may receive the information required for its activity from other information systems in a centralized way, including, ensuring the modernisation of systems and interfaces, if required. It is important to increase the possibilities of transferring the data of municipal information systems to the state information systems and the possibilities for the municipal information systems to retrieve data from the state information systems, ensuring interoperability between state administration's centralized ICT platforms and municipal information systems, organizing rational and convenient exchange processes, as well to implement the necessary municipal information systems improvements by providing development of state registers.

- (188) Each **centralized ICT platform** will be created as a centralized set of ICT for the purpose of ensuring the centralized provision of one or several functionally-linked ICT services, including, ensuring the activity of information systems. The examples of such centralized platforms will be: logically connected public administration data centre platform, centralized catalogue of open data with a centralized data dissemination functionality of distribution of data; interoperability platform of information systems, ensuring data exchange within Latvia, as well as cross-border data exchange; management platforms of industry-level business processes, including information resources; e-address platform, e-inclusion platform, etc. Unified WEB platform of public administration will ensure the inclusion of society in the development of policy and the adoption of decisions, thus, developing e-inclusion applications.
- (189) **In the area of e-health**, within the framework of the 2007 – 2013 programming period the e-health integration platform (the foundation for further successful and safe integration of health field information systems), as well as systems significantly modifying the existing processes of information circulation in the health sector (visits reservation IS, e-referral IS, electronic health cards IS, e-prescription IS, as well as health statistics and data analysis IS) were developed.
- (190) The Single E-health Portal has been developed. It will provide the general public easy access to their health data and medical personnel – a virtual workplace. During this period, the emphasis was put on the transformation of processes, development and integration of solutions in order to start centralized, comprehensive work with the health sector (hospitals, medical personnel, etc.) in 2014, offering unified, secure and mutually integrated solutions. In order to ensure the legal framework for operations of the developed information systems, the Regulations of the CoM on the Single Electronic Health Information System were drafted<sup>29</sup>. The Regulations require that medical institutions and pharmacies begin electronic processing of the patient data in the health information system no later than until December 31, 2015.
- (191) Within the framework of the 2014 – 2020 programming period, it is planned to continue the development and creation of e-health solutions in order to improve health care quality and efficiency, as well as to solve the problems associated with aging. Due to the the planned activities, e-health solutions, which aim to increase the efficiency of health care and involvement of patients in health care, will become more accessible and usable for the general public and health care industry. E-health solutions are planned, designed and developed taking into account both the current public health challenges (e.g. aging, chronic illnesses) and the set public health goals (e.g. to extent the number years lived healthy, reduce death rate, etc.).

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<sup>28</sup> Systems registered in the State Information System <https://www.visr.eps.gov.lv/visr/>

<sup>29</sup> Regulations of 11th of March 2014 of Minister of cabinets No 134 “Terms of single electronic health information systems”

- (192) In order to successfully ensure health care within the framework of EU, it is planned to promote the introduction of a unified solution for the identification of health care persons and data exchange between EU member states. Attention will be paid to the interoperability and standardization of e-health solutions, including by application of the standards established within the framework of EU projects and the best practice obtained as a result of the introduction of these standards, use of open and user-generated data. In order to ensure effective health care, it is planned to develop an individual care and healthy lifestyle plan in the Single E-health portal, with possibilities for the patient to monitor the fulfilment of his/her plan and achievement of goals.
- (193) Further development of e-health is planned in the following areas: ICT standardization for medical documents used in medicine and integration thereof for the promotion of data availability and development of telemedicine; ICT solutions for the planning and analysis of health policy, improvement of health care quality; solutions developed for certain groups of diseases for health care persons and patients; preparation of quality indices within the system; improvement of efficiency of the activity of in-patient health care institutions – improvement of service payment system of health care system; development of contraindication, warning modules; development of cross-border cooperation for the exchange of patient's information with other EU member states; increase of e-health services range and possibilities for the general public and further development of security solutions for the unified e-health information system.
- (194) Within the period of 2007 – 2013, the work on the creation of monolingual and parallel language corpus and its integration into e-health environment has been started. In order to promote **multilinguality in the digital environment**, it is planned to create a technological basis and computer-linguistics research basis. Latvian language national corpus required for the development of Latvian language computer technologies, development of dictionaries, research and development will be created for this purpose. Further **machine translation technologies** will be developed and adjusted as well, their integration into the common e-government technological infrastructure and their convenient use will be ensured, including interoperability of the machine translation technology with the machine translation technology infrastructure developed within the framework of the CEF program (Digital Service Infrastructure on Automated Translation). The quality of machine translation, the areas of specialized field overlays and translation (for instance, in the area of culture) will be developed.
- (195) It is planned to continue investments for the **development of e-education solutions** as well. In future it is planned to develop the education information system by extending its functionality (for instance, modelling of salaries of teachers, register of students and record-keeping of employment of students for the needs of labour market analysis and forecasting) and establishing integration with other information systems in order to provide data and information for the effective system of education policy planning and monitoring. Investments in the area of ICT supplement the planned investments in the area of education, training and vocational education for mastering of skills and in lifelong learning (Priority Axis 8), within the framework of which the investments are planned in education infrastructure and equipment, including for the introduction of ICT processes in the studying process and for the strengthening of functions of the methodological centre of education institutions in the area of ICT, for the development of digital study materials.
- (196) In the area of **e-justice**, in order to deal with problems related to court loads and case processing duration, in the e-justice field it is necessary to develop a wide range of modern ICT-based solutions for use in the legal proceedings, which would allow to use the available legal resources with maximum efficiency resulting in significant state budget savings.
- (197) It is planned to ensure effective e-services' and other e-solutions' development and implementation in the institutions, whose processes are important for strengthening the justice and legal certainty of business environment and reduction of the administrative burden.

- (198) Implementation of investigation and legal process e-file solution is an important prerequisite for provision of accessibility of legal information for the society in general – entrepreneurs, individuals and state administration institutions. In order to improve cooperation between the institutions and individuals involved in the process, to reduce the administrative burden and solve problems related to the case processing duration it is necessary to implement an electronic process (e-proceedings), to provide the opportunity to obtain full information about one's case online, to provide automated processing of the court judgments and their publication in the court's internet homepage, to implement quality monitoring of legal processing, to establish a centralized electronic archive for information systems data.
- (199) **In order to develop e-culture**, it is important to ensure that the culture heritage of Latvia is as widely and freely available in the world-wide web as possible. Digitalisation of cultural resources is one of the most significant aspects in the creation and development of information society and knowledge-based economy, therefore, it is essential to use the opportunities of ICT for the promotion of culture availability, presence of culture on the global web both by promoting the preservation of culture heritage and distribution thereof to a wider society, and by promoting the creation of new products and services. Within the period of 2007 – 2013, an investment has been made in the preservation of cultural heritage, including by creating e-services of a digital library, creating a common catalogue of the National Museum collection. In future, the work on the digitalisation of culture heritage will be continued and publicly-available digital collections will be created, as well as related e-services, which would ensure the availability of digital culture heritage and cultural content resources to the society as widely as possible, will be developed. It is planned to include the content of the digital culture heritage of Latvia in the European digital library European and other international cultural resources. More detailed actions in the area of digitalisation of culture heritage are envisaged in the culture policy guidelines „Creative Latvia” 2014–2020 (draft)<sup>30</sup>.
- (200) Within the period of 2007–2013, in Latvia the measures aimed at the education and training of population and public administration participants in relation to the e-services created within the framework of ERDF, have been taken in minimum amount. In order for the opportunities of ICT to be used in the most efficient way and to achieve the maximum effect of the investment made, **the users informed about e-opportunities** are required. According to the EU E-government Assessment Report of 2012, in Latvia 58% of population do not use the services available in the electronic environment, as well as there is a low trust to their security and privacy protection.<sup>31</sup> In order to promote achieving of the SO objective, purposeful investments are planned in education and formation of awareness of the opportunities provided by the ICT in different real-life situations, by organizing educational campaigns and ICT training activities, including investments are planned in the educational activities of the performers of economic activity regarding the advantages of e-commerce solutions and their use in economic activity.
- (201) Investment priority must be implemented in close connection with the 1st priority axis and 3rd priority axis according to the RIS3.
- (202) The planned investments within the framework of SO will continue and supplement the contribution of EU funds within previous programming periods, as well as will supplement the investments of EU funds supporting SMEs the administration and effectiveness of judicial system. All enterprises, regardless of their location, will be able to interact with state authorities without going to the closest city for the settlement of administrative procedures, thus, ensuring the same benefits to the enterprises carrying out economic activity in the territories of cities. The

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<sup>30</sup> [http://www.km.gov.lv/lv/ministrija/radosa\\_latvija.html](http://www.km.gov.lv/lv/ministrija/radosa_latvija.html)

<sup>31</sup> Inspection performed by the Ministry of Environmental Protection and Regional Development, 2013.  
[http://www.varam.gov.lv/lat/publ/petijumi/pet\\_Eparv/?doc=14321](http://www.varam.gov.lv/lat/publ/petijumi/pet_Eparv/?doc=14321)

opportunities of ICT will enhance the access to affordable, sustainable and high-quality services, including health care and social services of general interest.

- (203) **Indicative actions to be supported:** creation of centralized ICT platforms of public administration and modernization of systems required thereto (including industries); including modification and modernization of the existing interfaces, as well as development of new interfaces; semantic and technological matching of information systems of public administration; analysis, transformation, optimisation and digitalisation of operational processes and service delivery processes by selecting cost-effective solutions for the ensuring of one-stop agency principle, ensuring of commonly integrated operational processes or provision of services: including creation of a functionality for provision of users' support for the providers and receivers of public data; increase of the use of ICT opportunities; adjustment of services (including e-commerce) to the cooperation in the common market of Europe; digitalisation.
- (204) **Indicative beneficiaries**<sup>32</sup>: public administration authorities, municipalities, planning regions, state and municipal capital companies (delegated for the fulfilment of administration tasks), judicial authorities.
- (205) **Selection of projects** (see annex „Selection of projects”).
- (206) Within the period of 2014–2020, the following projects will be supported:
- 1) the projects that conform to the state unified ICT architecture<sup>33</sup>, primarily supporting the projects that provide for the implementation of essential elements of the unified architecture;
  - 2) the projects that provide for the digitalisation of services, which will ensure the most significant summary impact on end users (in the form of reduction of administrative load, stimulation of growth) or increase of effectiveness of public administration processes, taking into account the assessment of clients' base, intensity of receipt of services and current administrative load (the improvement of provision of services and cooperation of institutions will have to be planned and implemented for the services with summarily greater impact on the society and summarily greater load by applying the opportunities of ICT), as well as taking into account the groups of services, the provision of which, from the point of view of the service provider, should be organized within the framework of a unified process, with the cooperation of several departments (in such a case, the involved authorities will have to develop an improved processes of provision of services, which include cooperation of authorities and multi-channel availability of a service), as well as the digitalisation of services, which may be used in the creation of other services, including in private sector.

*Table No. 2.2.4. (5)*

### **ERDF specific output indicators**

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<sup>32</sup> When identifying ineffective processes, in which municipal or state capital companies are involved in certain stages of a process as performers of delegated administration functions, within the framework of the improvement of these processes it is possible to plan the improvement of IT solutions of municipal or state capital companies, improvement of interoperability of IT solutions of municipal and state capital companies and state IT solutions, etc. Support of municipal and state capital companies as performers of delegated administration functions may be implemented via the principle of open data and open interfaces.

Involvement of planning regions is possible by involving them as partners in the implementation of projects on the promotion of e-opportunities, delegating them the implementation of particular project activities. The said approach would improve the coordinated and comprehensive spread of information in the society in the informing of different target groups about e-opportunities.

<sup>33</sup> Will be determined in informative report of MEPRD which is now in development processes, where united information and communication technologies (ICT) architecture requirements and concepts of its implementation will be included

ID	Indicator (indicator title)	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
I.2.2.1.a	Improved operational processes <sup>34</sup>	Operational processes	ERDF	205	Project data	Once a year
I.2.2.1.b	Centralized open platforms of information systems <sup>35</sup>	Platforms of information systems	ERDF	18	Project data	Once a year

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34 Improved operational process is the stages of one or several operational processes optimized with the help of ICT and improved quality of public services and their availability to the society.

35 Centralized platform of information systems is a centralized set of ICT for ensuring the centralized provision of one or several ICT services, including, ensuring the activity of information systems.

Table No. 2.2.5. (6)

**Performance framework of priority axis**

Indicator type	ID. Indicator title	Definition	Measurement unit	Fund	Category of region	Interim value 2018	Target value			Source of data	Indicator importance description
							W	M	Total		
Financial indicator	(F02) Financial indicator PA 2 (ERDF)		EUR	ERDF	Less developed regions	23 975 988			203 275 093	Accounting system of the certification authority	

Indicator type	ID. Indicator title	Definition	Measurement unit	Fund	Category of region	Interim value 2018	Target value			Source of data	Indicator importance description
							W	M	Total		
Output indicator	I.2.2.1.a Improved operational processes	<p>Number of basic operational processes of public administration that are improved within the framework of projects.</p> <p>Basic operational process of public administration is a sequence of definite logical actions/events, which provides certain result (e.g., service, communication, exchange of information etc.). Within the framework of project's performance, the process, which will be improved, will be defined and it will be indicated how the respective process and its fulfilment indicators will improve by implementing certain solution (for instance, inhabitant service costs, reduction of maintenance costs, etc.). Improvement of basic operational processes of public administration means that the stages of one or several operational processes are optimized with the help of ICT, including public services.</p>	operational processes	ERDF	<i>Less developed regions</i>	0			205	Project data	Indicator includes main actions, which will be performed within the framework of the priority axis, in order to improve the availability of e-services and it correspond to 49.82% of financing of priority axis.



Indicator type	ID. Indicator title	Definition	Measurement unit	Fund	Category of region	Interim value 2018	Target value			Source of data	Indicator importance description
							W	M	Total		
Key implementation step	i.2.2.1.a Concluded contracts on the development/ supply of information systems/ e-services % of number of processes to be improved (S221)	% of contracts that have been concluded with the supplier on the development/supply of IS for the improvement of ICT operational processes from total number of processes to be improved.  Improved operational process is the stages of one or several operational processes optimized with the help of ICT and improved quality of public services and their availability to the society.  One contract may relate to more than one business process.	%	ERDF	<i>Less developed regions</i>	30				Project data	Main implementation step
Output indicator	I.2.2.1.b Centralized open platforms of information systems	Number of centralized platforms of information systems number set up within projects. Centralized information system platform is a centralized ICT set of one or more centralized ICT services, including information systems activities. The project will define a particular centralized information system platform, its features and content.	Information system platforms	ERDF	<i>Less developed regions</i>	4			18	Project data	Indicator includes main actions, which will be performed within the framework of the priority axis, in order to improve the connectivity of different systems and it correspond to 24.73% of financing of priority axis.

### Categories of intervention

Table No. 2.2.6.. (7-12)

<i>ERDF: Less developed regions</i>											
Categories of intervention		Type of funding		Territory		Territorial delivery mechanisms		ESF secondary theme (only ESF)		Thematic objectives	
Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR
46	43 974 115	1	172 783 829	7	128 809 714	7	172 783 829	N/A	N/A	2	172 783 829
48	7 000 000										
78	42 423 858			3	43 974 115						
79	54 585 880										
80	5 154 593										
81	7 000 000										
82	12 645 383										

### 2.3. Competitiveness of small and medium-sized enterprises

- (207) For the promotion of competitiveness of SMEs, investments are planned, in order to encourage economic activity, development of enterprises and growth of productivity, cooperation and competitiveness in international market, by ensuring factors promoting competitiveness that are aimed at direct support for economic activity (ERDF funding) and indirect support by contributing to the development of infrastructure promoting economic activity (ERDF funding), as well as arrangement of economic activity environment (ESF funding), by integrating the investments of CP funds in thematic objectives „Improving competitiveness of the SMEs” and „Improving institutional capacity and efficient public administration”.
- (208) Thus, ESF and ERDF support planned within the framework of the priority axis facilitates the fulfilment of Recommendations of the EU Council, as well as the achievement of the Strategy „Europe 2020” and objectives set by the NRP in the improvement of competitiveness of SMEs, establishing synergy and solving set problems that are mentioned in Chapter 1.3 of the PA (*see „Improving competitiveness of the SMEs” and „Improving institutional capacity and efficient public administration”*).
- (209) **3.1.investment priority:** promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.
- (210) **SO No. 3.1.1.: Facilitate formation and development of SME’s in particular in manufacturing and RIS3 priority industries.**
- (211) Within the framework of SO, formation of new enterprises, growth of existing enterprises and increase of manufacturing proportion in economy will be facilitated that will have positive influence on job creation, productivity and demand for innovation services. For successful functioning of entrepreneurship support system not only necessary financial support will be provided, but also advisory services and infrastructure corresponding to the needs of manufacturing industry enterprises, including appropriate premises, thus overall efficiency of support measures will be increased – reduced number of enterprises with terminated entrepreneurial activity and ensured financing to implement viable business plans of enterprises. Support will facilitate the attraction of external funding, thus solving the problems identified in the SME access to Finance Market Gap Analysis and increasing the competitiveness of SMEs.

Table No. 2.3.1. (1)

#### ERDF specific result indicators

ID	Indicator	Measurement unit	Baseline value	Target value (in 2023)	Source of data	Frequency of reporting
r.3.1.1.a	SME density per 1000 inhabitants	Entrepreneurs	36,9 (2013)	40	Annual Report on European SMEs	Annually
r.3.1.1.b	SME productivity per employee, EUR (in comparable prices of 2010)	EUR	12 196 (2013)	16 757	Annual Report on European SMEs	Annually

- (212) **SO No. 3.1.2.:** to increase number of high growth enterprises.
- (213) Within the framework of SO, increase in number of high growth enterprises will be facilitated by promoting formation of new high growth enterprises and expansion of existing enterprises.

Increase in the number of high growth enterprises will facilitate creation of jobs, increase competitiveness and accelerate growth of the economy. To ensure increase in the number of high growth enterprises specific and targeted advisory services and financial support will be provided to meet their particular needs for growth. Support will increase capacity to attract external funding, thus solving the problems identified in the SME access to Finance Market Gap Analysis and increasing the competitiveness of SMEs.

Table No. 2.3.2. (2)

### ERDF specific result indicators

ID	Indicator	Measurement unit	Baseline value	Target value (in 2023)	Source of data	Frequency of reporting
r.3.1.2.a	Number of high growth enterprises by increase of turnover	Entrepreneurs	570 (2011)	625	CSB	Annually

#### Description of the investment priority and indicative actions to be supported

- (214) Comprehensive entrepreneurial support system is the foundation for sustainable growth of economy. Targeted support can give the greatest boost to enhance commercial activity and strengthen competitiveness of economy. As in developing countries financial markets are less deep than alternative financing sources besides banks are very scarce. To facilitate formation of new and viable enterprises or growth of existing enterprises additional mechanisms are required to eliminate existing market gap to attract external funding. To ensure efficiency of provided support it must be complemented with advisory services in particular for new enterprises.
- (215) Within the EU funds programming period of 2007–2013, financial instrument programmes, for which the available funding of EU funds constituted EUR 161 mln, have been implemented ensuring the availability of loans to start-up enterprises, for the development and expansion of economic activity, promoting the development of the venture capital market. Provision of loans and export guarantees presents important support for the promotion of competitiveness of enterprises as well. Implemented support programmes are developed and adjusted according to the deficiencies of the market in the area of access to finance, and the implementation of these programmes ensured significant positive impact on economic development, particularly during the economic crisis, when commercial banks practically stopped issuing new loans.
- (216) To facilitate implementation of viable business plans a sustainable mechanism must be created to provide loans. Amount of loans issued by commercial banks to enterprises has been continuously decreasing since 2008. Banks have set high security requirements for issuing of new loans and they issue loans for a short period of time, thus reflecting decreased risk tolerance and restricting the access of enterprises to long-term capital investments.
- (217) To facilitate formation of new enterprises and develop new entrepreneurial activities support is necessary to start entrepreneurship. Lack of specialized institutions of microlending and start-up enterprises. Commercial banks avoid issuing microloans to new economic activities and start-up enterprises, moreover, the costs of evaluation and administration for such loans are comparatively high in relation to the volume of a loan. Microloans are considered to be loans with a higher risk due to the lack of security and information (about the start-up enterprise, which starts to run economic activity for the first time; previous activity and credit history).
- (218) Provision of support in the form of advisory support is important for the start of economic activity, promoting higher efficiency of support measures of financial instruments and viability of the supported business plans. Taking into account that different society groups may have

different experience and capacity in the start-up phase, it is important to ensure the possibility of adjusting the services supplementing the availability of funding (training and consultations) and the conditions of receipt of funding to the needs of potential beneficiaries, including young people, persons at pre-retirement age, unemployed persons, persons living in regions and other social groups, thus ensuring that the funding is available for the implementation of viable and justified business plans regardless of the social status of the start-up enterprise.

- (219) To facilitate development of enterprises and promote exporting activities a wider range of financial instruments must be offered. This would ensure access to funding and protect export-oriented enterprises against international trade risks.
- (220) In order to facilitate growth of enterprises and increase manufacturing industry's output up to EUR 3,6 billion and to increase productivity from EUR 23.8 thousands to EUR 30 thousands, support for the development of industrial premises and territories is necessary
- (221) Lack of investments can be explained due to the long payback period and high investment risk (premises specific for particular production processes), SME's lacks own capital to cover or attract external capital to finance all expansion costs. According to the CSB data<sup>36</sup> 2009–2011 in Latvia there were on average 20 new high growth enterprises by turnover in manufacturing industry established per year that will create basis for demand for industrial premises and territories. In EU funds 2007–2013 programming period there was increased interest for construction and re-construction of industrial premises and territories. In total projects for construction and re-construction of 77 000m<sup>2</sup> were approved. Within these projects 450 new jobs will be created, thus providing significant support for development of manufacturing industry. Considering that there is limited availability of industrial premises, additional investments in construction and re-construction of industrial premises are necessary. According to Colliers International<sup>37</sup> market review of industrial premises in the first quarter of 2014 there were only 3.3% of total area of industrial premises (approximately 743 500m<sup>2</sup>) available for renting.
- (131) Support measure envisages resource concentration and goal orientation as support is targeted to SME's representing processing manufacturing industry with a condition that business activities in such premises will be primarily carried out in RIS3 areas, project beneficiaries are SME's that represent processing manufacturing industry and will create new jobs with salary levels higher than the industry's average, also including a condition that financing will be disbursed only when business activities will be carried out in processing manufacturing industries and new jobs created in industrial premises and territories.
- (222) Support for industrial premises and territories is an integral component of the overall support system. Fully functional support system will ensure much higher effectiveness of business incubators and other early-stage support programs, as it helps to overcome the next phase of business expansion market failure – lack of investments and funds for risky long term investments in infrastructure faced by graduates of start-up support programmes and SME's in general. Investment in manufacturing will create increased demand for innovation services in the future.
- (223) To facilitate formation of new enterprises and ensure their viability pre-incubation and incubation support is necessary. Many of newly-founded enterprises in Latvia and across the world terminate their economic activities within their first years, since they lack professional skills; due to high risk, they are unable to attract external funding for the development of their projects and ideas or the creation of new products and technologies, as well as their cash flow is highly unstable (or negative). According to Eurostat data in 2009 the share of liquidated

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<sup>36</sup> [http://data.csb.gov.lv/pxweb/lv/uzreg/uzreg\\_\\_ikgad\\_\\_02\\_demo/?tablelist=true&rxid=cdbc978c-22b0-416a-aacc-aa650d3e2ce0](http://data.csb.gov.lv/pxweb/lv/uzreg/uzreg__ikgad__02_demo/?tablelist=true&rxid=cdbc978c-22b0-416a-aacc-aa650d3e2ce0)

<sup>37</sup> [http://www.colliers.com/en-lv/latvia/insights#.U\\_7rC\\_mSyG4](http://www.colliers.com/en-lv/latvia/insights#.U_7rC_mSyG4)

companies (% of the total number of active companies) on the average in EU-27 was 10.32%, while in Latvia this indicator equalled 14%. Enterprises are often unable to define their product or service, as well as their niche and the business development model that suits them best, therefore this group needs advisory support for the pre-incubation and incubation period. Hence, the support for start-up businesses must be assessed as a set of mutually supplementing measures, which include both preferential conditions for the foundation of micro enterprises and the system of advisory support, as well as the access to finance.

- (224) Based on the experience in the EU 2007.-2013.planning period with 2.3.2.1.activity “Business incubators”, within EU 2014.-2020.planning period payments will be made to incubator operators according to the results achieved by successfully incubated enterprises (paid taxes, attracted external funding etc). Upon acceptance in incubator an incubation plan for each enterprise will be elaborated – necessary financing, achievable results, time frame. Incubator will constantly monitor these milestones to ensure that enterprises continue to grow and remain within incubator only until support is necessary. Separate team would monitor business incubator service quality.
- (225) To create new ideas and develop existing enterprises with high growth potential it is crucial to continue venture capital investments. The venture capital market in Latvia is developing slowly. When the proportion of private capital investments and venture capital investments in relation to the GDP is assessed it can be seen that Latvia’s indicator in 2012 (0.009%) is significantly below the EU average indicator – 0.4% (according to EVCA). In 2014, seven venture capital funds existed in Latvia; six of them were financed from public resources.
- (226) To increase number of innovative and technology intensive enterprises it is necessary to develop technology accelerators. Support to technology accelerators for establishment of new enterprises that focus on development of innovation and technology with high growth and export potential as well as promotion of viability of technology-intensive ideas is aimed at achieving the following objectives:
- 1) to ensure establishment of new, fast-growing entrepreneurs focused on innovation and technology development with high growth and export potential;
  - 2) to provide students of HEI with opportunities to engage in economic activities;
  - 3) to ensure availability of funding for entrepreneurs at early stages of growth;
  - 4) To attract private funding for early venture capital.

Efficient operation of technology accelerators requires their specialization on development of a certain technology-intensive niches by providing a range of high-quality and comprehensive services to a small number of entrepreneurs.

- (227) Investment priority is complimentary to priority axis No.1 “Research, development of technologies and innovation” and RDP 2020 sub-activity No.19.2.”Actions implemented in accordance with CLLD strategy”.
- (228) **SO No. 3.1.1. Indicative activities to be supported:** support will be given for formation of new and development of existing SME’s that includes improvements in availability of financing including guarantees, loans, investments, transaction structuring, consultations, training. Likewise incubator services within business incubators (pre-incubation support, loans, consultations, mentoring, seminars, support for the development of prototypes etc.,) including the development of material technical base, including for the enterprises of creative industries will be provided. In addition for development of existing SME’s establishment and development of industrial premises and territories will be ensured.
- (229) **SO No. 3.1.1. Indicative target group:** SMEs, start-up enterprises, self-employed persons, private individuals (authors of ideas). Indicative target group of development of industrial premises and territories measure is SME’s that are represent processing manufacturing industry.
- (230) **SO No. 3.1.1. Project selection:** see Chapter „Project selection” (including, support is provided also through intermediary financial institutions).

- (231) **SO No. 3.1.1. Indicative financial instruments:** Necessary types of state intervention and the volumes of instruments will be determined based on the regularly updated SME access to Finance Market Gap analysis, and the offered instruments will be adjusted to the market situation. The implementation of the specific support objective is closely linked to the specific support objective No 1.2.2 and No 3.1.2. regarding the promotion of development of innovative enterprises, within the framework of which it is planned to provide support for the development of innovative and technology intensive enterprises.
- (232) **SO No. 3.1.2. Indicative activities to be supported:** support for formation of innovative and technology intensive new and high growth enterprises and expansion of existing by providing venture capital investments, loans and providing technology acceleration services that include financial availability and mentoring.
- (233) **SO No. 3.1.2. Indicative target group:** SMEs, start-up enterprises, self-employed persons, private individuals (authors of ideas).
- (234) **SO No. 3.1.2. Project selection:** see Chapter „Project selection” (including, support is provided also through intermediary financial institutions).
- (235) **SO No. 3.1.2. Indicative financial instruments:** Necessary types of state intervention and the volumes of instruments will be determined based on the regularly updated SME access to Finance Market Gap analysis, and the offered instruments will be adjusted to the market situation. The implementation of the specific support objective is closely linked to the specific support objective No 1.2.2 and No 3.1.1. regarding the promotion of development of innovative enterprises and rise of motivation for innovation, as well as SME development, in particular promotion of processing manufacturing industry.

Table No. 2.3.3. (5)

### ERDF common output indicators

ID	Indicator	Measure ment unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.3.1.1.a k (CO01)	Number of enterprises, receiving support	Number	ERDF	860	Project data	Once a year
i.3.1.1.b k (CO03)	Number of enterprises, receiving financial support, other than grants	Number	ERDF	790	Project data	Once a year
i.3.1.1.c k (CO02)	Number of enterprises receiving grants	Number	ERDF	220	Project data	Once a year
i.3.1.1.d k (CO05)	Number of new enterprises supported	Number	ERDF	308	Project data	Once a year
i.3.1.1.e k (CO06)	Private investments matching public support to enterprises (grants)	EUR	ERDF	21 750 000	Project data	Once a year
i.3.1.1.f k (CO07)	Private investments matching public support to enterprises (non - grants)	EUR	ERDF	12 750 000	Project data	Once a year
i.3.1.1. gk (CO08)	Employment increase in supported enterprises	Number of people	ERDF	827	Project data	Once a year
i.3.1.2.a k (CO01)	Number of enterprises, receiving support	Number	ERDF	100	Project data	Once a year
i.3.1.2.b	Number of enterprises,	Number	ERDF	100	Project data	Once a year

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
k (CO03)	receiving financial support, other than grants					
i.3.1.2.c k (CO05)	Number of new enterprises supported	Number	ERDF	60	Project data	Once a year
i.3.1.2.d k (CO07)	Private investments matching public support to enterprises (non - grants)	EUR	ERDF	23 375 000	Project data	Once a year

(236) **3.2.investment priority:** supporting the capacity of SMEs to engage in regional, national and international markets, and innovation processes.

(237) **SO No. 3.2.1.: to increase export proportion of high value added products and services.**

(238) Within the framework of SO, internationalization of SME's will be promoted that will have positive impact on:

- 1) Productivity of SMEs;
- 2) To facilitate export structure change and increase export volume;
- 3) To facilitate innovation development, knowledge transfer and ability to engage in regional, national and international markets and innovation processes;
- 4) Job creation and creation of high value added products .

Within the framework of SO, complex and purposeful measures will be implemented in order to promote international awareness of Latvian products and services, as well as the capacity of companies to engage in international markets and to ensure internationally competitive products and services.

Supported will be measures for the introduction of enterprises in foreign markets, as well as the cooperation on local and international level and merger into clusters, The implementation of measures will promote the achievement of objectives of economy transformation set in RIS3 in the long term.

(239) Implementation of SO will contribute to the solving of problems related to the development of SMEs, which have been identified by the BSRS – promotion of cooperation, including promotion of economic activity in sectors with high potential of growth and innovation, including development of eco-innovations.

Table No. 2.3.4. (3)

#### ERDF specific result indicators

ID	Indicator	Measurement unit	Baseline value	Target value (in 2023)	Source of data	Frequency of reporting
r.3.2.1.a	Volume of export of goods and services of SME's (in comparable prices of 2010)	EUR	4 267 237 (2012)	6 068 440	CSB	Annually

#### Description of the investment priority and indicative actions to be supported

(240) Annual Report on European SMEs states that the two major internal obstacles for SME internationalization are (1) price of product or service and (2) high cost of internationalization.



In addition, NIP identifies the costs for entering new markets as an important challenge. The analysis shows that the identification of cooperation partners requires comparatively big financial resources, the return of which is not always predictable; such restrictions influence the wish to expand the volumes of export of the economy. It is also concluded that in export markets, especially in markets of third countries and concerning regulated product groups, buyers require market specific registration and quality assurance standards for each market, which increases costs associated with the introduction of new products in the market, as well as the costs of manufacture of existing products, as the expenses related to quality assurance and laboratory testing is increasing.

- (241) In order to ensure the development of competitive advantages of Latvia, internal and external partnerships will be promoted, entering participation in international production and supply chains in different ways, by improving management skills, attracting FDI, actively offering products in global market. Development of export-oriented economic activity requires support in the form of direct export support measures (trade missions, contact stock exchanges, individual business cards, participation in international exhibitions, information and consultations, seminars). Simultaneously, in order to ensure a higher added value of exported goods and services, it is necessary not to focus on the support of certain industries, but rather to the approach of supporting products and niches, which includes change of priorities and facilitation of export in favour of products with higher added value and effective use of resources, including, by supporting enterprises in key enabling technology, and innovative knowledge intensive service industries, creative industries.
- (242) To increase productivity it is necessary to facilitate enterprise cooperation in national and international levels and formation of clusters that also facilitates development of innovations. One of the advantages of cluster formation is the capacity of SMEs to merge and ensure the supply of services or goods of necessary volume, which cannot be achieved by enterprises operating independently. Within the framework of cluster initiatives it is important to improve the scope of services available to enterprises, including by promoting the introduction of more effective and greener business management models and advisory support, in order to prepare the enterprise for entering external markets and successful cooperation with foreign partners, thus, promoting internationalization of Latvian SMEs. Support for clusters will be provided to improve their operations according to the quality and good governance standards stated in the Cluster Excellence Initiative. Within cluster initiative projects in RIS3 areas will have preferential treatment. Such support will promote non-technological, demand and supply innovations, entrepreneurship model innovations and eco-innovations, within innovation service sector and design, in such manner complementing support provided within thematic objective No.1 “Research, technology development and innovations”. Development of such innovations along with technology innovations is important to strengthen competitiveness of SME’s and the whole economy.
- (243) Under cluster initiative support will be provided for cluster’s operations that include measures to promote international cooperation; marketing activities, market research and industry development research, training for cluster coordinators, cooperation with educational and scientific institutions, and clusters services to partners (planning and development activities of new technologies, products and services; marketing and activities promoting commercial cooperation; resource efficiency and productivity improvement in the industry or value chain, etc.).
- (244) Increase of capacity in export of both goods and services is important for the strengthening of Latvia competitiveness in external markets. Tourism is the leading service export sector of Latvia, which contributed the amount of EUR 581.2 mln to the national economy in 2012, accounting for 16.5% of the total volume of the export of services (according to the data of the Balance of Payments of the Bank of Latvia). Latvian Tourism Development Guidelines for

Years 2014 – 2020 were approved in the Cabinet of Ministers on 1st of July, 2014. The Latvian Tourism Development Guidelines for Years 2014 – 2020 are aimed to increase the competitiveness of Latvian tourism supply that meets the criteria of sustainable tourism product development, encourages international competitiveness, reduces seasonality and extends the length of tourist stay in Latvia. For ESI fund investments Latvia has defined even narrower priority markets and segments – MICE<sup>40</sup> as well as wellness tourism, which have been set as the priority tourism sectors in Latvia. Support is intended for specific well defined market niches. Implementation of support activities will be beneficial to entrepreneurs operating in tourism sector as these activities will attract more solvent tourists and, these measures will help to fight seasonality. Support activities will increase awareness of MICE and wellness tourism, and, with the growing return on investments, entrepreneurs will be interested to form clusters in order to offer more attractive and diversified tourism services. As well as by targeting very specific tourist segments, tourism enterprises can specialize and provide better quality in the services they offer.

- (245) The support objective will continue the activity No 2.3.1.1 “Entering external markets” and the activity No 2.3.2.3 “Cluster programme” of the supplement to the operational programme “Entrepreneurship and innovations” of EU funds programming period of 2007–2013. The cluster programme will be implemented in compliance with the good management principles of the Cluster Excellence Initiative<sup>38</sup>.
- (246) Investment priority will be implemented in close connection with the 1st priority axis “Research, development of technologies and innovation” and the 2nd priority axis “Availability of ICT, e-government and services” according to the RIS3 and RDP 2020 sub-activity 19.3. “Inter-territory and inter-state cooperation” The implementation of SO will supplement lifelong learning measures envisaged within the framework of the 8th priority axis “Education, skills and lifelong learning”.
- (247) **Indicative activities to be supported:** support for the development of clusters that include measures to promote international cooperation; marketing activities, market research and industry development research, training for cluster coordinators, cooperation with educational and scientific institutions, and clusters services to partners, to strengthen exporting abilities, increase quality of services and development of niche services. To strengthen international competitiveness of Latvia in MICE<sup>39</sup> and wellness tourism areas and to promote access to external markets consultations and support for enterprises on accessing external markets and attracting foreign investments, support for participation in exhibitions (both individually and in national stalls), seminars and conferences, individual and official visits abroad (support in form of grants), support associated with the product or enterprise’s certification, accreditation and registration required for trade in external markets including in creative industries etc., will be provided.
- (248) **Indicative target group:** SMEs, persons carrying out economic activities.
- (249) **Project selection:** see annex “Project selection”

Table No. 2.3.5. (5)

### ERDF common output indicators

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
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<sup>38</sup> Available at: <http://www.cluster-excellence.eu/>

<sup>39</sup> common designation for several types of business tourism, abbreviation of “Meeting, Incentive travel, Conferences, Exhibitions”

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.3.2.1.a k (CO01)	Number of enterprises, receiving support	Entrepreneurs	ERDF	1 600	Project data	Once a year
i.3.2.1.b k (CO02)	Number of enterprises receiving grants	Entrepreneurs	ERDF	1 250	Project data	Once a year
i.3.2.1.c k (CO04)	Number of enterprises, receiving non-financial support	Entrepreneurs	ERDF	1 000	Project data	Once a year
i.3.2.1.d k (CO07)	Private investments matching public support to enterprises (non - grants)	EUR	ERDF	19 000 000	Project data	Once a year

(250) **3.3.investment priority:** supporting the creation and the extension of advanced capacities for product and service development.

(251) **SO No. 3.3.1.: to increase the amount of private investment in the regions, by making investment for entrepreneurship development according to the economic specialization of territories set in the municipal development programs, as well as based on the local entrepreneurs' needs.**

(252) Within the framework of SO, the infrastructure promoting economic activities will be improved and new jobs will be created, by ensuring favourable conditions to entrepreneurs for the development of entrepreneurship in respective territories.

(253) Support to entrepreneurs operating in the manufacturing area is envisaged within the SO No.3.1.1; however, the analysis certifies that in Latvia direct support to the entrepreneurs appears to be insufficient. In order to promote investments in manufacturing and innovative enterprises integrated support is needed, including establishment of complementary, small-sized, specific business support infrastructure and the necessary industrial connections, including by investing in engineering communications (electricity, gas supply, water supply and sewerage, heat supply). Otherwise the development of entrepreneurship is impossible in the territories, where this public infrastructure is underdeveloped. SO No 3.3.1. provides complementary support to entrepreneurs by investing in public infrastructure, where there is a demand for private merchants, and which envisage private sector investments, directed to promotion of economic activities, and gives evidence of private investors readiness to make contributions (including, will support establishment of merchants or expand range of activities, increasment of productivity and export volume, creation of new workplaces, multiple refund of made investments). Overall, support within SO No.3.1.2 and SO No.3.3.2. is directly connected to improvement of SMEs competitiveness and entrepreneurs' investments in R&D&I and is directed towards increase of manufacturing share in the Latvian GDP.

Table No. 2.3.5. (3)

#### ERDF specific result indicators

ID	Indicator	Measurement unit	Baseline value	Target value (in 2023)	Source of data	Frequency of reporting
r.3.3.1.a	Non-financial investment in non-material investment and fixed assets by the areas of	EUR	1 700 033 000 (2012).	2 125 683 000 – 2 438 753 000	CSB	Annually

	activity <sup>40</sup> outside Riga (in actual prices, euro)					
r.3.3.1.b	Number of working employees (private sector) in enterprises whose actual place of operation/ manufacture/ provision of services is any location in Latvia, except for Riga	Number of working employees	429 900 (2011)	446 300 – 475 100	CSB	Once a year

### Description of the investment priority and indicative actions to be supported

- (254) In Regional Development Guidelines for 2013–2019, it is emphasized that the data on received non-financial investment certifies that significantly smaller amount of non-financial investment is attracted in the areas outside Riga and surrounding areas (in 2011, the amount of non-financial investment in Riga planning region constituted 2 227 EUR, while in Latgale planning region – half as much, 1 074 EUR per capita). At the same time, IDAL data shows that a very small part of investors, which have expressed interest, currently choose to invest in any of Latvian municipalities (for instance, in 2011 348 investors have expressed interest in investing in Latvia, however only 17 (0.5%) of them have made a positive decision). Likewise, within the period from 2011 to 2013 65-70% of foreign investors have chosen to locate their company in one of development centres of national significance (at the same time, the capital Riga explicitly dominates among them in 2011 and 2012). One of the reasons why several investment projects have not been implemented in Latvia, but rather in other countries, is a lack of industrial zoning land plots with necessary infrastructure. Therefore it has to be concluded that municipalities are lacking qualitative and commercially attractive offers for investors because of their limited resources to ensure such offers.
- (255) The costs of creation of industrial connections, increase of capacity, as well as adjustment of appropriate areas and premises are high, thus hindering the creation of new manufacturing enterprises, the growth of business productivity and extension of activity. To promote investing, support to manufacturing industry enterprises will be provided for the development of specific infrastructure and creation of necessary industrial connections. By implementing the said measures, the conditions for the extension of the activity of enterprises and increase of productivity will be facilitated, the possibility of attracting investment, including FDI, and new knowledge will be ensured, more well-balanced development of the regions will be ensured in the area of entrepreneurship, a stimulus for the common development of entrepreneurship will be ensured, as well as employment and increase of welfare level will be promoted in regions.

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<sup>40</sup> (C) Manufacturing industry  
(F) Construction  
(H) Transport and storage  
(I) Accommodation and catering services  
(M) Professional, scientific and technical services

- (256) The measures for the support of start-up businesses must be considered together with the measures for the promotion of economic activity, regional development and development of manufacturing industry. By supporting the creation of new enterprises and providing necessary advisory services to them in the start-up phase, the creation and preservation of new jobs will be promoted for the development of many enterprises during the critical first years of activity. To ensure successful development of regions and the use of their competitive advantages, it is important to support start-up enterprises in different areas of economy, including in manufacturing industry, creative industries and other fields, by creating a well-balanced structure of economy.
- (257) The survey of municipal development centres of national and regional significance carried out in 2012 on the current situation and necessary support for the development of industrial areas certifies that existing and/or perspective industrial areas are present in all municipalities, and each of them has available areas that can be used for the creation of new industrial areas / expansion of the existing ones.
- (258) Taking into account the analysis of strategic needs included in the NIP and NRP, as well as the results of surveys of entrepreneurs carried out by municipalities, in order to support the creation and extension of improved possibilities for the development of products and services, create new jobs, and increase the amount of export output, more active participation of municipalities is required by providing appropriate infrastructure, particularly developing support measures for the improvement of roads and communications (as a part of public infrastructure).
- (259) Regional Development Guidelines for 2013–2019 define that the polycentric development requires ensuring sustainable development of infrastructure necessary for entrepreneurship. The information summarized by the EPRDM certifies that the development of industrial areas, including by attracting both foreign and local investors, has a significant impact on the creation of jobs in a municipality: one project may create up to 1-5% of jobs in the municipality. Current trends regarding attraction of investment in regions allow concluding that incomplete municipal infrastructure for the attraction of entrepreneurs, as well as insufficient capacity of municipalities in work with entrepreneurs poses significant problem. Hence, economic growth of development centres of international, national and regional significance will be promoted as they are the driving force of regional development by providing support for the development of entrepreneurship support infrastructure (including transport and communications infrastructure in industrial areas), availability and accessibility of jobs and services to the inhabitants of a wider area, thus facilitating the creation and strengthening of critical mass necessary for the growth of development centres of international, national and regional significance.
- (260) Under the priority 3.6 “Polycentric Development” of the Operational Programme “Infrastructure and Development”, Cohesion Policy programming period 2007–2013 support was provided to projects which targeted investments according to the goals specified in the municipalities’ development programmes, which, however, were not always evaluated in sufficient detail in regard to functional territories and attraction of private investments. In order to address these challenges, under the CP funds’ programming period 2014– 2020 support will be provided, as a priority, to projects which will meet the criteria listed below:
- 1) projects are defined as priorities for the respective municipalities and, as such, they are included in the municipalities’ integrated development programmes based on the needs of local businesses;
  - 2) the investments proposed by the respective projects will be complementary to the investments implemented under other projects undertaken to promote the municipality’s integrated development;
  - 3) projects are aimed at attracting private sector investments which will directly contribute to stimulating economic activity and will attest to the private investors’ readiness to make investments (i.e., inter alia, will result in establishing of new businesses or expansion of

existing businesses, growing productivity and increased export rates, job creation, multiple returns to investments made).

Signing of a memorandum of understanding between the entrepreneur and the local government, inter alia, on the readiness of the above-mentioned measures will be required as a guarantee for undertaking the associated liabilities by the parties (job creation, increasing turnover & export rates, improving performance indicators, attracting investments etc.).

- (261) The investment priority must be implemented in close connection with the 1st priority axis “Research, development of technologies and innovation”, 2nd priority axis “Availability of ICT, e-government and services”, 5th priority axis “Environment protection and effective use of the resources” and 8th priority axis “Education, skills and lifelong learning” according to RIS3. The investment priority will be mutually complementary with the investments for the development of industrial premises and zones planned under SO 3.1.1., which is aimed at promotion of the development of SMEs, especially the increase of processing manufacturing proportion in the national economy. In addition, the following measures will be complementary to measures undertaken under this SO – the set of measures implemented within the framework of the project funded by the Norwegian Financial Instrument within the period of 2014–2020, which is aimed at the facilitation of attraction of local enterprises and foreign investors in the municipalities; the support planned within the framework of EAFRD operational programmes to the local road network and measures planned within the framework of the sub-measures of RDP 2020, as well as the measures undertaken in coastal territories in line with the specific objective of the Action Programme “Increasing employment and territorial cohesion in fisheries sectors”.
- (262) **Indicative activities to be supported:** investments for development and availability of small-scale public infrastructure for business support, incl. support for establishment of industrial & engineering networks connections, thus ensuring complementarity with the support planned under SO 3.1.1 which, in its turn, is aimed at promoting the development of SMEs, especially in order to increase the proportion of manufacturing industry in the national economy, thus promoting also regional development, capacity-building for enterprises, attraction of investments and creation of new jobs.
- (263) **Indicative target areas:** investments in regions (outside Riga), incl., regional territories which fall outside the scope of development centres. 10 911 633 EUR are indicatively planned to be used for the integrated development of urban environment of development centres of national significance according to Article 7 of the ERDF Regulation.
- (264) **Indicative target group:** SMEs.
- (265) **Project Selection:** see annex “Project selection”. In order to provide special support, in accordance with the Regional Development Guidelines for 2013–2019, to the territories which are affected by special demographic, social and poverty risks, specific selection criteria will be applied in the selection of project applications, as well as additional funding will be provided for the promotion of development. Support will be provided to projects that will be defined as priorities for the respective municipalities and which will be included in the integrated development programmes of the municipalities, based on needs of the local businesses, and the investments proposed under these projects will be complementary to the investments implemented under other projects undertaken to promote the municipality’s integrated development; and, in addition, these projects are aimed at attracting private sector investments which will directly contribute to stimulating economic activity and will attest to the private investors’ readiness to make investments (i.e., inter alia, will result in establishing of new businesses or expansion of existing businesses, growing productivity and increased export rates, job creation, multiple returns to investments made).
- (266) Representatives of the municipalities and planning regions will be involved in the selection of projects and coordination of support measures with other investments. Investment projects will be evaluated within context of municipalities development specialisation and full-fledged use of

local potential and in the synergy with other planned investment (particularly, investments of entrepreneurs) and development instruments.

(267) In the selection and implementation of projects conformity to state aid rules will be ensured.

Table Nr. 2.3.7. (5)

### ERDF common output indicators

ID	Indicator	Measurement unit	Source of funding	Target value (2023)	Source of data	Frequency of reporting
i.3.3.1.ak (CO01)	Number of enterprises, receiving support	number	ERDF	185	Project data	Once a year
i.3.3.1.bk (CO08)	Employment increase in supported enterprises	Number of people	ERDF	968	Project data	Once a year

(268) **3.4.investment priority:** investment in institutional capacity and in the efficiency of public administration and public services at the national, regional and local levels with a view to reforms, better regulation and good governance

(269) **SO No. 3.4.1.:** To improve the competence of the staff of courts and law enforcement authorities promote improvement of business environment.

(270) With the help of CP funds, it is planned to increase the level of competence and skills of the staff of courts and law enforcement authorities, thus ensuring high quality and timely investigation and hearing of both civil and criminal cases. In the event of fast and effective legal proceedings, the amount of financial resources “frozen” in civil proceedings (resources, in relation to which there are proceedings in progress; for instance, in order to recover the debt or incurred losses), which otherwise is unavailable to enterprises, is reduced.<sup>41</sup> Up till 29.05.2013 the total sum of a claim in backlog civil cases (“frozen assets”) in the court of the first instance is 304.3 million euro, which cannot be invested in the development and growth of economic activity. Currently, according to the law<sup>42</sup>, the contents of training of judges and the staff of courts are developed autonomously based on the contents of training of public prosecutors and investigators and other persons involved in judicial system, there is no unified training strategy. There is a lack of understanding and application of the principles of law between court institutions, law enforcement authorities and persons involved in the judicial system. Likewise, professional knowledge of the staff of courts and law enforcement authorities and persons of other legal professions is insufficient in many matters, thus it does not promote fast and high quality consideration of cases and trust of persons to courts. To implement the fulfilment of EU Council recommendations of 2013 and 2014 and promote the improvement of business environment in general in Latvia, it is planned to create a unified training network for the improvement of professional competence of employees of courts and law enforcement authorities by introducing unified methods and strategies for the implementation of training programmes.

<sup>41</sup> Up till 29.05.2013 the total sum of a claim in backlog civil cases (“frozen assets”) in the court of 1st instance was 212 million lats, which are “withdrawn” from the economy and civil turnover.

<sup>42</sup> Law on Judicial Power, Section 1071, Paragraph two, Clause 9.

- (271) Alternative types of dispute resolution (ADR), particularly mediation and courts of arbitration, have a crucial significance in dispute settlement system. The use of alternative methods of dispute settlement promotes the capacity of members of society to undertake responsibility for the dispute settlement in a legal way, as well as significantly unburdens the judicial system by promoting that the court resolves only the disputes, the settlement of which requires involving the state power (judicial power). Hence, the balance of the dispute settlement environment is ensured, namely, comparatively insignificant disputes and disputes, in which the parties are able to find solution themselves, can be quickly and effectively settled by applying ADR methods. Whereas, more complicated cases remain under the competence of courts.
- (272) As a result, professional competence of the persons engaged in consideration of disputes concerning recovery of debts and losses and in the recovery thereof will be improved, thus it will, among other things, allow reducing the proportion of the number of civil cases regarding the recovery of debts and losses, which are considered more than one year, in courts of first instance.



Table No. 2.3.8. (4)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI <sup>43</sup>	Measurement unit	Total output indicator	Baseline value (year 2013)	Unit of measurement for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.3.4.1.a	Number of people from courts, law enforcement institutions and persons belonging to the court system,, who have improved their professional competence for business environment improvements	Less developed regions	Persons	NA	614	Number	700	Project data	Once a year

<sup>43</sup> Youth Employment Initiative (YEI)

**(273) SO No. 3.4.2.: Professional development of public administration for development of better legal regulation in the fields of support to small and medium-sized enterprises, anti-corruption and mitigation of the shadow economy**

- (274) , the measures that were taken as a result of the world financial crisis in order to review the functions, structure and actions of public administration institutions have caused negative effect on the motivation of employees and their remuneration policy, as well as have limited the possibilities to take part in activities of professional development. This stimulated decrease of the total number of the employees by 27.2% and high staff turnover in amount of 29.7% in the central administration, which means not only a rapid loss of the institutional memory that is threatening the performance of the central administration but also the necessity to invest in its training. As the economical situation in the country is improving, a tendency shows that the most professional employees are more inclined to leave their work in the public administration, as they are attracted by the private sector jobs, which excels with higher remuneration, better motivation, better understanding of goals to be achieved, growth and professional development possibilities. In order to diminish negative trends the public administration will move from the monitoring of the activity performance process to determined achievement of goals. An important pre-condition from the implementation of such an approach is a newly established performance evaluation system, within the framework of which effective achievement of goals and performance indicators of each employee depends on his/her competence, motivation and ability to performe the task set. It is planned to facilitate this with a targeted and systemized training programme, which will be bases on a training strategy and elaborated modules for improving professional knowledge developed on the basis of a set training needs established for the performance evaluation system. That will provide not only provide employees with more possibilities to develop their professional competence in accordance with pre-deficned result-based goals,, but also promote motivation of employees and proactive functioning of the public administration in contrast to the response to problems, both by ensuring client-oriented administration and by being capable to reduce bureaucratic burden.
- (275) Currently, controlling institutions have insufficient administrative capacity, as a result of which they have limited ability to identify risky areas of corruption at sufficiently high quality and identify through risk analysis the persons whose activities might feature signs of violations of legislative acts. The practice and methods of other countries in the performance of operative and strategic analysis are not being introduced and used in a comprehensive way. It is mainly explained by the lack of capacity and financial resources of controlling institutions. To increase the quality of investigated cases by revealing violations related to the distortion of free market competition and the use of illegal sources of funding, and to promote identification and recovery of illegally obtained assets, as well as to increase the proportion of criminal cases and administrative violation cases that are initiated upon the initiative of institutions and provided information, the methods of strategic and operative analysis in the investigation of criminal offences, at the service of state institutions, will be improved by identifying the sources of illegal incomes. It will be stimulated with measures of the professional development of the controlling institutions
- (276) As a result, the public administration capacity will be improved and the arrangement of business environment will be promoted, but the shadow economy and corruption will be reduced.

Table No. 2.3.9. (4)

**ESF specific result indicator**

ID	Indicator	Category of region or YEI <sup>44</sup>	Measurement unit	Total output indicator	Baseline value (year 2013)	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.3.4.2.a	Number of people that have improved their professional competence in the development of better regulation in the areas of SME support, prevention of corruption and reduction of shadow economy	Less developed regions	Persons	NA	823	Number	4,450	Project data	Once a year

<sup>44</sup> Youth Employment Initiative (YEI)

## Description of the investment priority and indicative actions to be supported

- (277) Increase of professional competence of employees of courts and law enforcement authorities that are engaged in consideration of disputes concerning recovery of debts and losses and in the recovery of debts will, help to decrease the proportion of the number of civil cases that include the recovery of debts and losses, which have been considered in the courts of first instance for more than one year.
- (278) Measures for the improvement of knowledge and the professional development of the public administration employees that are working with the issues of SME support will facilitate the accessibility to state authorities, ensuring provision of higher quality and more effective services, ensuring the reduction of the number of actions to be performed and clear orientation of such activities towards the implementation of reforms in public administration, achieving actual increase of efficiency in relation to the improvement of entrepreneurial environment and preventing fragmentation of performed activities, especially in relation to tax collection procedures, registration of a property, starting of a business, shortening of insolvency procedure, construction procedures, ensuring of fair procurement, provision of sufficiently qualified labour, increase of efficiency of support from EU funds, as well as the use of ICT and working for combating the shadow economy. In the same context, a lawful administration will be stimulated, and it will include identification of corruptive signs and risks of conflict of interests and timely prevention thereof, increase of performance of public administration, strengthening of change management and professional capacity of management, provision of client oriented public services by decreasing the burden created by administrative procedures, thus strengthening result and client oriented work of public administration institutions and ensuring formation of environment friendly to the needs of entrepreneurs for carrying out their business activities. New initiative for the development of competences in 2014–2020 with the help of ESF offers systemic and purposeful approach to planning and organization of training, particularly focusing on the strengthening of administrative capacities of public administration institutions that are directly responsible for the improvement of business environment and provide investment in the reduction of corruption and shadow economy, in contrast to the training implemented in 2007–2013, which was intended for certain target group in response to a particular problem.
- (279) **SO No. 3.4.1. Indicative activities to be supported:** Support for the implementation of broad-content interdisciplinary and specific programmes and training on the improvement of qualification, for the preparation of study materials for the employees of courts and law enforcement authorities (courts, employees of courts, public prosecutors, investigators and court experts); training of candidates for the position of judge and public prosecutor. Assessment of judicial system in order to ensure the definition and further introduction of directions for the development of policy based on evidence, conclusions and practice, as well as researches related to judicial practice, organizational management and other issues. Improvement of qualification is also planned for the employees involved in the consideration of cases on the recovery of debts and losses, insolvency and alternative disputes, and in the development of legislation.
- (280) **SO No. 3.4.1. Indicative target group:** Judges, employees of courts, court experts, officials and employees of the prosecutor's office and investigation institutions, policy developers. While planning and implementing interdisciplinary training, representatives of liberal legal professions (sworn advocates, sworn notaries, sworn bailiffs), arbitrators, mediators and professionals of other fields of law (insolvency administrators) will be involved in respective training seminars according to the contents of the training.
- (281) **SO No. 3.4.1. Indicative beneficiaries:** Court Administration
- (282) **SO No. 3.4.1. Project selection:** see annex „Project selection”

- (283) **SO No.3.4.2. Indicative actions to be supported:** Support for the elaboration of a programme , training modules and materials for developing professional competences and the implementation of trainings, seminars and exchange of experiences for the employees of public administration working with issues of SME support; support for the strengthening of administrative capacities of institutions associated with preventing the corruption risk and fighting the shadow economy: training (e.g. about the methods of the strategical and operational analysis), seminars and experience exchange programmes, about combating and preventing the corruption and possibilities to decrease shadow economy.
- (284) **SO No.3.4.2. Indicative target group:** public administration employees who draft legislative acts, who can influence tax collection procedures, registration of property, starting of a business, shortening of insolvency procedure, construction procedures, ensuring of fair procurement, use of ICT, provision of sufficiently qualified labour, increase of efficiency of support from EU funds, increase of performance of public administration, strengthening of change management and professional capacity, provision of client oriented public services, fighting the shadow economy, identification of corruptive signs and risks of conflict of interests and timely prevention, and other fields that are related to the SME support.
- (285) **SO No.3.4.2. Indicative beneficiaries:** SC, School of Public Administration.
- (286) **SO No.3.4.2. Project selection:** see annex „Project selection”.

Table No. 2.3.10. (5)

**ESF specific output indicators**

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.3.4.1.a	Number of people from courts, law enforcement institutions and persons belonging to the court system, who have improved their professional competence for business environment improvements.	Number	ESF	1,400	Project data	Once a year
i.3.4.2.a	Number of persons trained in the development of better regulation in the areas of support of small and medium-sized enterprises, prevention of corruption and reduction of shadow economy	Number	ESF	17,598	Project data	Once a year

Table No. 2.3.10. (6)

### Framework of priority axis performance

Indicator type	ID. Indicator title	Definition	Measurement unit	Fund	Category of region	Interim value 2018	Target value			Source of data	Indicator importance description
							W	M	Total		
Financial indicator	(F03) Financial indicator PA 3 (ERDF)		EUR	ERDF	<i>Less developed regions</i>	79 669 032			348 460 356	accounting system of the certification authority	
Financial indicator	(F04) Financial indicator PA 3 (ESF)		EUR	ESF	<i>Less developed regions</i>	7 012 838			21 251 009	accounting system of the certification authority	
Output indicator	i.3.1.1.a i.3.2.1.a Number of enterprises receiving support (CO01)	Common indicator	enterprises	ERDF	<i>Less developed regions</i>	120			960	Project data	Indicator includes actions planned in SO No 3.1.1 and SO No 3.2.1 (including financial support to companies with financial instruments and grants, as well as non-financial support in business

							X	X			incubator and clusters)
Output indicator	i.3.4.1.a The number of from courts, law enforcement institutions and persons belonging to the court system, , who have improved their professional competence for business environment improvements	Persons belonging to judicial power, law enforcement authorities and judicial system (judges, court employees, sworn notaries, sworn advocates, sworn bailiffs, prosecutors, investigators, court experts, mediators), who have that increased competence in interdisciplinary training programmes for business environment improvements. Training programmes concerning business environment, for example, effective enforcement of an adjudication of a court, latest amendments in Civil Procedure	Persons	ESF	<i>Less developed regions</i>	308			1,400	Project data	Indicator includes activities, related to professional improvement of public sector employees (law enforcement authorities) to ensure faster consideration of cases crucial to entrepreneurship. Indicator corresponds to 55.34% of total funding for priority axis within the framework of ESF support.

		Law, practice of Court of Justice of EU in cases concerning business environment.									
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Table No. 2.3.12. (7-12)

<i>ERDF: Less developed regions</i>											
Categories of intervention		Type of funding		Territory		Territorial delivery mechanisms		ESF secondary themes (only ESF)		Thematic objectives	
Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR
5	11 803 348	1	169 774 785	7	237 174 558	7	237 174 558	N/A	N/A	3	296 191 300
7	5 901 674	3	65 000 000	1	10 911 633	1	10 911 633				
21	5 901 674	4	46 416 515	3	37 193 476	5	48 105 109				
34	17 705 023	5	15 000 000	2	10 911 633						
63	6 200 000										
66	31 802 901										
67	154 316 515										
72	42 560 165										
75	20 000 000										

Table No. 2.3.13. (7-12)

<i>ESF: Less developed regions</i>											
Categories of intervention		Type of funding		Territory		Territorial delivery mechanisms		ESF secondary themes (only ESF)		Thematic objectives	
Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR



<i>ERDF: Less developed regions</i>											
Categories of intervention		Type of funding		Territory		Territorial delivery mechanisms		ESF secondary themes (only ESF)		Thematic objectives	
119	18,063,357	1	18,063,357	7	18,063,357	7	18,063,357	8	18,063,357	11	18,063,357

## 2.4. Shift towards a low-carbon economy in all sectors

- (287) Implementation of energy efficiency measures is determined in EU Council Recommendations of 2013: in relation to residential buildings and district heating networks, to provide incentives for reducing energy costs and shift consumption towards energy-efficient products, as well as in EU Council Recommendations of 2014: continue to strive to further increase of energy efficiency in transport, building and heating systems.
- (288) The measures to be implemented within the framework of the priority axis are in line with Latvian Energy Long Term Strategy 2030 – Competitive Energy for Society (Strategy 2030), in which the increase of energy efficiency is set as national priority.
- (289) SOs defined within the framework of the priority axis provide for complex measures for the promotion of energy efficiency, use of RES and reduction of the amount of GHG emissions. Therefore, it is planned to implement both ERDF and CF investment priorities; CF and ERDF objectives are mutually supplementing, thus such approach will ensure concentrated and purposeful input of planned investments within the framework of the priority axis and in the improvement of common resource efficiency.
- (290) By investing in different housing sectors and district heating supply, as well as the transport sector and by implementing both ERDF and CF investment priorities, investments will be provided for the achievement of national objective of Latvia within the context of the Strategy „Europe 2020”. Taking into account that in the area of energy supply of buildings a great share of heat is provided in particular by district heating systems, which use fossil fuel resources, reduction of heat energy consumption in buildings will allow increasing the share of renewable energy in gross final energy consumption, as well as reducing the total amount of GHG emissions across the country. Likewise, it is important to facilitate the use of local RES in district heat supply by reconstructing already existing systems and constructing new systems, as well as to promote energy efficiency of industrial buildings – and promote economically justified local RES usage in industrial buildings – the achievement of these objectives will be promoted by CF funding. On the other hand, in order to improve energy efficiency of public and residential buildings, ERDF funding is planned along with state and private investments.
- (291) Latvia has reported its indicative national energy efficiency target according to Article 3 of the Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC to reach primary energy savings 0,670 Mtoe by 2020. To achieve this target, Latvia plans to take measures at all stages of the energy supply chain – energy generation, distribution and consumption. In line with this, OP includes activities targeting end consumers with the greatest potential for energy efficiency (i.e. buildings), and provides for improvement of heat generation and district heating system efficiency. In addition, it should be emphasized that, according to the Concept approved by the government (“Concept of the European Parliament and of the Council Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC, requirements takeover laws and regulations”, MK 2. December of year 2013 regulation No.587.), these measures in the residential, public and industrial buildings will be the national alternative measures to be implemented in combination with the energy efficiency obligation scheme. Thus, activities included in OP will be crucial to achieve the cumulative end-use energy savings target, which

Latvia has notified in its Report on the implementation of requirements set forth in Article 7 of Directive 2012/27/EU.

- (292) **4.1.investment priority:** to promote energy efficiency and renewable energy use in enterprises.
- (293) **SO No.4.1.1. to promote effective use of energy resources, reduction of energy consumption and transfer to RES in manufacturing industry.**
- (294) By implementing SO, energy efficiency in manufacturing industry will be improved, ensuring sustainable use of energy resources as well as supported transfer to RES. Investments in energy-efficiency will provide significant contribution to reduce energy consumption in the creation of gross domestic product.
- (295) Implementation of SO will allow to improve the competitiveness of manufacturing industry – industry and construction is the third largest final energy consumer in Latvia. Despite that the final energy consumption in industry and construction has dropped since the restoration of independence, further increase of prices of energy resources can influence several critical sectors of economy. Wood, metal and food industries uses the biggest part of the total energy consumption in manufacturing industry. Costs of raw materials have equal influence on both Latvian and foreign competitors, while energy costs can influence manufacturer’s regional competitiveness. It must be noted that energy efficiency is substantially different between enterprises within same industry. Thus necessity for support must be determined at enterprise level.
- (296) CF co-funding planned for the implementation of SO will promote the competitiveness of businesses, as well as will stimulate environmental and economic sustainability and resource efficiency, taking into that energy costs vary depending on the country, including, taking into account the type of used energy resources. In addition, the expected growth of manufacturing industry to reach turnover of EUR 3,6 billion overall demand for energy will increase and it will have a significant impact on Latvia’s energy policy. As a result new solutions in energy-efficiency will be of great need.
- (297) Thus, purposeful investments for the energy efficiency in industry sector and for use of local and cheaper RES resources for self-consumption in manufacturing industry will reduce the costs of energy resources, promoting sustainability and competitiveness of the sector, as well as environmental friendliness.

Table No. 2.4.1. (3)

**CF specific result indicators**

ID	Indicator	Measurement unit	Baseline value	Planned value (in 2023)	Source of data	Frequency of reporting
R.4.1.1.a	Energy intensity in manufacturing industry	kg of oil equivalent per 1,000 EUR (2010 relative prices)	289.8 (2012)	231.84	Ministry of Economics (CSB database)	Annually
R.4.1.1.b	RES proportion in energy consumption of manufacturing industry	%	38 (2012)	40	Ministry of Economics (CSB database)	Annually

### **Description of the investment priority and actions to be supported**

- (298) In the NIP Guidelines, the increase of energy costs is determined as a critical obstacle for the competitiveness of Latvia in the medium term, since it is necessary to identify the risk for the maintenance of the price advantage, provided that the increase of costs of different resources is expected. Provided that the base of raw materials is one and the same for the businesses operating in this region, wherewith the growth of costs is equal to all businesses, it will be important to assess the influence of the growth of costs of energy resources on the preservation of price advantage.
- (299) Within the 2007–2013 programming period of EU funds, no measures for the promotion of energy efficiency were implemented for enterprises, yet the funding for the implementation of these activities was available within the framework of CCFI programmes. To use public funding more effectively and to resolve the deficiencies of the finance market more effectively, the support to the businesses for the replacement of equipment and production technologies must be further provided primarily by using financial instruments and on the basis on viable business plans, whereas, the implementation of energy efficiency measures in manufacturing industry buildings must be focused on the increase of energy efficiency and acquisition and installation of efficient RES electricity producing, thermal energy and water boiler production equipment that will be used for self-consumption. Throughout implementation of the support mechanism on a regular basis data will be gathered about installed RES capacity and achieved savings in energy consumption within supported projects.
- (300) In implementation of SO is planned to use loan with partial defrayment of principal amount. To promote energy efficiency, the administrative burden in the implementation of energy efficiency measures will be reduced, access to funding will be increased and sustainability of public funding will be ensured, thus encouraging the implementation of complex renovation projects and attainment of high level of energy efficiency. In order to successfully create a financial instrument, it is important to learn from the examples of financial instruments implemented within the 2007–2013 programming period in other EU member states, particularly in Baltic states, and successes. In the 2007–2013 programming period, Latvia has set high requirements in relation to both the level of energy efficiency to be achieved and the return of the invested funding, and it has ensured that the made investments are economically justified and provide high energy savings in relation to investments. It is important that further investments in this sector are made by applying this method.
- (301) **Indicative activities to be supported:** measures for the improvement of energy efficiency of buildings of manufacturing industry enterprises, energy certification of buildings and construction works for the increase of energy efficiency (heat insulation of delimiting structures, reconstruction of engineering systems of buildings, installation of recuperation, energy control and management equipment) and for the acquisition and installation of new and efficient thermal energy, electricity producing and water boiler production equipment using RES.
- (302) **Indicative target group: manufacturing industry enterprises.**
- (303) **Indicative financial instruments:** an option will be considered to use financial instrument for implementation of SO 4.1.1.
- (304) **Influence on HP „Sustainable development”: direct positive. Activities for the implementation of HP:** implementation will be ensured by applying quality or compliance criteria and by including activities in Regulations of CoM on the implementation of SO.

*Table No. 2.4.2. (5)*

### CF specific and common output indicators

ID	Indicator	Measurement unit	Baseline value (in 2012)	Planned value (in 2023)	Source of data	Frequency of reporting
I.4.1.1.a	Number of enterprises receiving support	enterprises	CF	65	Project data	Annually
I.4.1.1.b	Energy savings among financial beneficiaries	MWh/year	CF	4 395	Project data	Annually
I.4.1.1.ck CO30	Additional RES production capacity	MW	CF	5,4	Project data	Annually
I.4.1.1.dk (CO34)	Estimated annual decrease of GHG	Tons of CO2 equivalent	CF	6 757	Project data	Annually

(305) **4.2.investment priority:** to support energy efficiency, smart energy management and renewable energy use in public infrastructure, including in the public buildings, and in housing sector.

(306) **SO No.4.2.1. to promote the increase of energy efficiency in public and residential buildings.**

(307) As a result of the implementation of SO, energy efficiency in the sector of public and residential buildings will be improved, by decreasing heat consumption and ensuring sustainable use of energy resources.

(308) Investments will ensure conformity to the EU Council Recommendation of 2013 and 2014 for sustainable growth, competitiveness and employment in the area of energy efficiency, as well as the fulfilment of the obligation set in the Directive 2012/27/EU on energy efficiency – as from 2014 to annually renovate three per cent of central management buildings in order to ensure the conformity to minimal energy efficiency requirements. In addition, according to the Article 5 of Law On the Energy Performance of Buildings when designing buildings, the option of using high efficiency systems that rely on RES is evaluated. This ensures fulfilment of requirements stated in Directive 2009/28/EC about promoting use of RES. Installation of such systems is acceptable only if it is economically justifiable.

(309) Renovation of public buildings will ensure the leading role of public sector buildings in setting of an example and will promote energy certification of buildings in accordance with directives 2010/31/EU and 2012/27/EU, whereas, the investments for the increase of energy efficiency of housing sector are crucial for the promotion of resource efficiency and overall welfare. Energy efficient renovation of the buildings owned or used by the state and residential buildings planned within the framework of SO is crucial for a wide target group across the whole territory of Latvia. A lengthy period for return of investments and limited assets hinder the performance of energy efficiency measures in buildings owned by the state, as well as hinder the ability of flat owners and inhabitants of multi-apartment buildings to agree on the implementation of energy efficiency measures in their buildings.

(310) As a result of the implementation of SO, heat consumption for heating will be reduced by reducing energy costs for households - at the current level of wellbeing Latvia consumes approximately twice as much energy as EU on average with the same level of wellbeing, Latvian households spend greater part of their budget on energy than EU on average. According to the results from Cost-optimal research and calculations from the MoE, heat consumption after energy efficiency measures in residential and public buildings reached 90 kWh m<sup>2</sup>/year. It will be envisaged that required heat energy consumption after energy efficiency measures according to the building's energy efficiency assessment calculations will be at most 90 kWh/m<sup>2</sup> year. Independent experts in building

energy efficiency area will perform building's energy efficiency assessment by using building energy efficiency calculation method according to Directive 2010/31/EU and 2012/27/EU.

(311) Implementation of SO will provide investment in the promotion of use of RES. Housing sector has the potential for the use of RES that is to be supported, if high energy efficiency indicators are achieved in the building and installation of RES equipment along with energy efficiency measures is economically justified.

Table No.2.4.3. (3)

**ERDF specific result indicators**

ID	Indicator	Measurement unit	Baseline value	Planned value (in 2023)	Source of data	Frequency of reporting
R.4.2.1.a	Average heat consumption for heating	kWh/m2/a year	150 (2012)	120	MoE (CSB data base)	Annually

(312) **SO No.4.2.2. according to the integrated development programme of the municipality, to facilitate the increase of energy efficiency in municipal buildings.**

(313) As a result of the implementation of SO, heat consumption in municipal buildings will be reduced.

(314) Directive 2012/27/EU on energy efficiency sets an obligation in relation to the renovation of state buildings, whereas, the support for the promotion of energy efficiency of municipal buildings must be planned according to the priorities set in the integrated development systems of the municipalities.

(315) Investments will promote the reduction of primary energy consumption, as a result of which the expenses of the municipalities on heat supply will decrease. In the situation when demographic forecasts predict a negative trend, reduction of expenses of municipalities is an important precondition for facilitation of regional growth, thereby freeing up resources of the municipalities, which can be used to solve social and economic matters.

(316) At the same time, municipalities can provide crucial investment in wider use of RES, promoting their use in municipal buildings; moreover, such solutions will promote the reduction in costs of maintenance of municipal buildings (and services provided therein). In addition to the renovation of municipal buildings, by promoting the reconstruction of local heat supply infrastructure, support will be provided for sustainable use of resources.

Table No.2.4.4. (3)

**ERDF specific result indicators**

ID	Indicator	Measurement unit	Baseline value	Planned value (in 2023)	Source of data	Frequency of reporting
R.4.2.2.a	Average heat consumption for heating	kWh/m2/a year	150 (2012)	120	MoE (CSB data base)	Annually

**Description of the investment priority and indicative actions to be supported**

(317) Already in programming period of 2007-2013, several support programmes were implemented for improvement of energy efficiency of buildings: measures for improvement of energy efficiency in multi-apartment and social residential buildings and improvement of energy efficiency of buildings of public sector, which was supported within the framework of projects for improvement of urban environment and from CCFI funds; within the framework of CP funds programmes 2.5% of multi-apartment buildings (at least 800 buildings) have been renovated up till now.

(318) 60–70% of the Latvian buildings sector can still be renovated in a cost effective way – in the residential sectors that would mean about 25 thousand multi-apartment buildings with total area of 38 mln m<sup>2</sup>. Majority of buildings were built before more strict thermal technical requirements for the structures covering the building were imposed, and they have a low energy efficiency level. Total required amount of funding for renovation is EUR 5,3 billion.

(319) The sector of public buildings and other non-residential buildings has huge potential for energy savings. By the ownership status, 4967 buildings owned by the municipalities are registered in the IS of the National Cadastre with the total area of 6.29 mln. m<sup>2</sup>, including buildings hosting education and health care institutions. Upon assessment of data from the National Cadastre Information System regarding public (state and municipal) buildings, the area to be renovated annually (3%) covers 280 thousand m<sup>2</sup>.

(320) The sector of both public and residential buildings has the potential for the use of RES, and their use is to be supported, if high energy efficiency indicators are achieved in the building and installation of RES equipment along with energy efficiency measures is economically justified. Taking into account that the majority of Latvian buildings have extremely low energy efficiency indicators, the first priority is to reduce their energy consumption. Hence, the set of measures to be taken must be assessed in an integrated manner, and the solutions to be applied, for instance, the use of solar energy collectors or heating systems using local RES, depend on the energy efficiency level of a building, planned period of return of investments and used type of thermal energy supply.

(321) Taking into account that Regional Policy Guidelines for 2013–2019 define energy efficiency as one of the main factors in order to ensure economic, social and environmental sustainability of the use of energy resources, the support for the increase of energy efficiency in municipal buildings and for the use of RES in public infrastructure is planned to be granted to the priority investment projects defined in the integrated development programmes of the municipalities, by establishing partnership with surrounding municipalities, businesses, energy services providers (ESCO) associations and foundations, if required. Support for the integrated development programme of the municipality, including for the investment plan, will be planned as a condition for the receipt of funding from CF funds for the energy efficiency projects of municipal buildings.

(322) Respectively, it is primarily planned to support the projects set as the priorities of municipalities, related to other projects promoting integrated development and directly focused on the reduction of expenditures of the municipalities and reconsideration of components constituting the costs of services provided to the inhabitants of the municipality.

(323) **SO No.4.2.1. Indicative activities to be supported:** renovation of state and residential buildings for the increase of energy efficiency, energy certification of buildings and construction works for the increase of energy efficiency (heat insulation of delimiting structures, reconstruction of engineering communications of buildings, installation of recuperation, energy control and management equipment, including smart meters), as well as use of RES in buildings, if particularly high energy efficiency indicators are achieved and installation of RES equipment along with energy efficiency measures is economically justified. Positive financial return of investments and cost of energy for end users are the most important criteria for support.

(324) **SO No.4.2.1. Indicative target group:** owners of residential buildings, state institutions, state capital companies (if property right to the respective building is secured in favour of the state and the building is used for public administration, fulfilment of education, culture, health or social functions),

associations and foundations (if the tasks or obligations delegated by the state in the social area are performed in the building), energy services providers (ESCO).

(325) **4.2.1. SO Indicative financial instruments:** in implementation of SO selection call “Energy efficiency measures in residential buildings” it will be considered use of financial instruments and combination of different forms of support. Use of reimbursable grants creates a long term mechanism to renovate residential buildings, so there will be an opportunity to repeatedly recycle financing of CF fund. Thus the total number of renovated households in longer perspective will be higher. To promote energy efficiency, administrative load in the implementation of energy efficiency measures will be reduced, access to finance will be increased and sustainability of public funding will be ensured, thus motivating to implement complex renovation projects and achieve high level of energy efficiency. High requirements in relation to both the level of energy efficiency to be achieved and the return of the invested funding will be set as the main criterion for the selection of projects, in order to ensure that the made investments are economically justified and provide high energy savings and energy cost reduction for end user in relation to investments.

(326) **SO No.4.2.2. Indicative activities to be supported:** according to the integrated development programmes of the municipalities, renovation of municipal buildings will be carried out to increase energy efficiency, as well as energy certification of buildings and construction works to increase energy efficiency (heat insulation of delimiting structures, reconstruction of engineering communications of buildings, installation of recuperation, energy control and management equipment, including smart meters and ventilation systems), as well as use of RES in buildings, if particularly high energy efficiency indicators are achieved installation of RES equipment along with energy efficiency measures is economically justified. Positive financial return of investments and energy cost reduction for end user are the most important criteria for support.

(327) Support demarcation with SO No 4.3.1, which provides for support to district heating systems – support for SO No 4.2.2 will be provided only to local heating systems.

(328) **SO No.4.2.2. Indicative target areas:** the whole Latvia. 15 696 829 EUR are indicatively planned to be used for the integrated development of urban environment of development centres of national significance according to the Section 7 of ERDF Regulation.

(329) **SO No.4.2.2. Indicative target group:** municipalities, municipal institutions, municipal capital companies, energy services providers (ESCO)<sup>45</sup>.

(330) **SO No.4.2.2. Project selection:** Investment projects will be assessed within the context of the development specialisation of the municipalities and full-fledged use of local potential and in the synergy with other planned investments and development instruments. Integrated solutions that will plan the impact on the achievement of more than one SO results, will be primarily supported. Sustainability of projects will be assessed in particular, ensuring that the support is provided only to the infrastructure, regarding further application of which there is clear vision set in development strategies.

(331) High requirements in relation to the level of energy efficiency to be achieved, positive return of the invested funding and energy cost reduction for end user will be set as the main criterion for the selection of projects. Equal approach to determination of quality criteria will be ensured with the help of SO No 4.2.1.

(332) **SO No 4.2.1. and SO No 4.2.2. influence on HP „Sustainable development”:** direct positive. HP implementation will be ensured by applying quality or compliance criteria and by including activities in Regulations of CoM on the implementation of SO.

*Table No. 2.4.5. (5)*

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<sup>45</sup> For the purpose of Directive 2012/27/EC Article 2, Clauses (24), (7), (27) and Article 18.



### ERDF common and specific output indicators

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
I.4.2.1.ak (CO31)	Number of households with improved energy consumption classification	Households	ERDF	14,286	Project data	Annually
I.4.2.1.bk (CO32)	Decrease of annual primary energy consumption of public buildings	kWh/a year	ERDF	36 347 000	Project data	Annually
I.4.2.1.c	Average heat consumption for heating in residential buildings after energy efficiency measures	kWh/m <sup>2</sup> /year	ERDF	90	Project data	Annually
I.4.2.1.dk (CO30)	Additional RES production capacity	MW	ERDF	4,8	Project data	Annually
I.4.2.1.ek (CO34)	Estimated annual decrease of GHG	tons of CO <sub>2</sub> equivalent	ERDF	22 039	Project data	Annually
I.4.2.2.ak (CO32)	Decrease of annual primary energy consumption of public buildings	kWh/a year	ERDF	13 718 237	Project data	Annually
I.4.2.2.2.bk (CO30)	Additional power produced from renewable energy sources	MW	ERDF	1,2	Project data	Annually
I.4.2.2.ck (CO34)	Estimated annual decrease of GHG	Tons of CO <sub>2</sub> equivalent	ERDF	3 460	Project data	Annually

(333) **4.3.investment priority:** to promote the production and distribution of energy derived from renewable sources.

(334) **SO No.4.3.1. to promote energy efficiency and use of local RES in district heat supply.**

(335) As a result of the implementation of SO, energy efficiency in district heating systems will be improved and the use of RES will be promoted.

(336) District heating supply is the most energy efficient method for heat supply, which is widely used for heating of public and residential buildings. Implementation of SO will be co-funded from CF, which provides for investments in energy in cases, if they are environmentally friendly, as well as promote energy efficiency and use of RES. Use of RES for heat production is closely connected to the energy efficiency of district heating supply. Investments in district heating system will provide crucial contribution to the achievement of 40% share of RES in 2020. In total with re-construction and construction of district heating systems it is expected to achieve at least 143 MW increase in RES heat capacity, of which 70MW will be achieved by EU CF funds, but remaining by private companies.

Primarily transfer from fossil fuels to RES and highly efficient investments in modernization and construction of RES power plants will be supported.

(337) As a result of the planned investments, the efficiency of the district heating system will be improved, while supplementing investment in energy efficiency of buildings. Significant part of fuel has to be imported – in 2011 62.9% of boiler houses used natural gas. In many occasions low energy efficiency and environmentally unfriendly thermal energy production technologies are used, without sufficient use of RES. Majority of district heating systems have been built more than 25 years ago, they are obsolete and have great losses.

Table No. 2.4.6. (3)

**CF specific result indicators**

ID	Indicator	Measurement unit	Baseline value	Target value (in 2023)	Source of data	Frequency of reporting
R.4.3.1.a	Renewable energy produced in central heating systems	%	18.8 (2012)	20.7	Ministry of Economics	Annually
r.4.3.1 b	Total renewable energy production capacity in centralised heating	MW	1171.4	1314.4	CSP	Annually

**Description of the investment priority and indicative actions to be supported**

(338) Within the 2007–2013 programming period of EU funds, a support programme for the increase of efficiency of district heating system, increase of efficiency of thermal energy production, reduction of thermal energy losses and use of RES have been implemented by supporting the installation of RES with the capacity of 300 MW. To achieve the results, it is important to continue investing in this sector. Within the framework of the 2004–2006 programming period, 50 km of heat pipelines were reconstructed, but in the CP 2007–2013 programming period: 143 km. In order to support investments already made, it is particularly important to ensure that the measures for increase of energy efficiency of heat sources and heat pipelines would be implemented along with the measures for increase of energy efficiency of buildings

(339) Total length of heating pipeline networks in Latvia is approximately 2,000 km, out of which 676 km are heating pipeline networks of Riga. Energy efficiency measures taken during previous years have allowed reducing heat losses in Riga networks by up to 13%, while heat losses in other heating systems reach up to 30%. It is impossible to eliminate these losses and expenditures completely, and their expenses are defrayed by thermal energy consumers. Hence, one of the most important directions for the increase of efficiency is the reduction of thermal energy supply losses.

(340) **Indicative activities to be supported:** reconstruction for increase of energy efficiency of heat sources and transfer to RES central heating, including acquisition and installation of technological equipment, as well as reconstruction and construction of thermal energy transportation and distribution systems aimed at reducing heat losses (to reduce fuel consumption per one MWh) or reduce costs on used fuels (to reduce dependence on energy import from third countries) or to increase energy efficiency in RES boiler houses.

(341) **Indicative target group:** thermal energy consumers.

(342) **Indicative target group:** energy supply enterprises operating in the area of heat supply.

(343) **Influence on HP „Sustainable development”:** direct positive. **Activities for the implementation of HP:** implementation will be ensured by applying quality or compliance criteria and by including activities in Regulations of CoM on the implementation of SO.

(344) **Project selection:** See chapter „Project selection”.

Table No.2.4.7. (5)

**CF common and specific output indicators**

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
I.4.3.1.ak (CO30)	Additional RES production capacity	MW	CF	28	Project data	Annually
I.4.3.1.b	Modernised and additional renewable energy production capacity in centralised heating	MW	CF	70	Project data	Annually
I.4.3.1.c	Reconstructed heating pipeline networks	km	CF	70	Project data	Annually
I.4.3.1.d	Reduction of lost heat energy in reconstructed heating pipeline networks	MWh/year	KF	49 000	Project data	Annually
I.4.3.1.ek (CO34)	Estimated annual decrease of GHG	Tons of CO2 equivalent	CF	30 454	Project data	Annually

(345) **4.4.investment priority:** to promote low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures (ERDF)

(346) **SO No.4.4.1.: to develop EV charging infrastructure in Latvia.**

(347) By implementing SO, EV fast charging points will be created, thus promoting the development of electro-mobility in Latvia.

(348) EU White Paper<sup>46</sup> provides for reducing the use of „traditional fuel” vehicles in urban transport by half by 2030, gradually terminating their use in cities by 2052, achieving city logistics practice with zero CO2 emissions in the biggest populated centres by 2030. For fulfilment of Directive on development of alternative fuel infrastructure (it is foreseen that the Directive will come in force by the end of 2014 and member states will have to develop national framework for its fulfilment within two years after the Directive has come in force) investments also will be necessary for fulfilment of requirement foreseen in it regarding electromobility as well as other alternative fuels. According to the International Energy Agency data, it is expected that internal combustion vehicles will be gradually replaced by new technologies<sup>47</sup> by 2050, including EV. Investments will be in line with priorities set up in Electric Mobility Development Plan for 2014–2016 allowing to ensure single national level charging infrastructure coverage that is necessary for development of

<sup>46</sup> White Paper “Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system” [http://ec.europa.eu/transport/themes/strategies/doc/2011\\_white\\_paper/white\\_paper\\_com\(2011\)\\_144\\_en.pdf](http://ec.europa.eu/transport/themes/strategies/doc/2011_white_paper/white_paper_com(2011)_144_en.pdf)

<sup>47</sup> <http://www.iea.org/topics/transport/> Technology Roadmap: Electric and plug-in hybrid electric vehicles, IEA, 2011.g. atjaunotais izdevums

EV, thus providing synergy and complementarity with already made and planned national funding and CCFI investments targeted to development of electro-mobility. According to the International Energy Agency data, it is expected that internal combustion vehicles will be gradually replaced by new technologies by 2050, including EV.

- (349) By promoting the use of EV in the transport sector, the use of renewable energy in transport might be increased and pollution might be decreased, as well as the amount of fossil fuel import might be reduced. The biggest pollution in transport sector is caused by light passenger cars accounting for 73% of the total amount. It can be explained by the increase in number of vehicles, which is only partially compensated by the increase in efficiency of vehicles, since in terms of purchase of new vehicles Latvia significantly falls behind EU member states and, hence, the mean of age of vehicles in Latvia is highest among the EU member states, in particular, 16 years, leading to a high amount of emissions per kilometre – 176.9 g of CO<sub>2</sub>.
- (350) Introduction of the network of EV charging points will promote energy efficient development of automotive market, as a result of which EV will be used more, their potential for further development will increase, use of EV in motor transport will be promoted, and, hence, pollution will be reduced. Network management software of the operator will ensure complete functioning of the charging system.

Table No. 2.4.8. (3)

#### ERDF specific result indicators

ID	Indicator	Measurement unit	Baseline value (in 2012)	Target value (in 2023)	Source of data	Frequency of reporting
R.4.4.1.a	Registered number of electric vehicles in Latvia	number	16 (2012)	747	Road Traffic Safety Directorate	Once a year within five-year supervision period

#### Description of the investment priority and indicative actions to be supported

- (351) At the moment, the share of renewable energy in terms of total amount of consumed electrical energy in Latvia is comparatively high – due to the high share of electricity produced by using hydroelectric power stations (3,627 GWh, constituting 53% of the total electrical energy produced by the JSC „Latvenergo” in 2012), Latvia takes third place in Europe following Norway and Sweden with its 33.1% of renewable energy in the total energy consumption. However, only 3% of the energy used by transport in Latvia is environmentally friendly energy, and Latvia significantly falls behind the set target, namely 10%, and, hence, the average level in Europe, which is 4.7%. Introduction of the network of EV charging points will promote energy efficient development of automotive market, as a result of which the use of EVs in road transport will be promoted and, hence, pollution will be reduced, as the society will gradually substitute environmentally unfriendly vehicles with internal combustion engine.
- (352) Availability of a functioning charging network is a crucial precondition for the increase in number of EVs – as long as the number of EVs is comparatively low, the development of charging infrastructure is unprofitable, therefore public investments are important. In order to achieve successful introduction of EVs in the automotive market of Latvia and strengthening of their positions compared to cars with internal combustion engine, elimination of crucial obstacles or minimization of their negative impact must be achieved; creation of a national charging infrastructure is the main measure for provision of EVs that will make the use of EVs possible in Latvia. According to the current actual data, EVs are capable of covering from 80 to 150 km on

average, therefore, taking into account the existing EV charging infrastructure in Latvia, the limited run per charge is a crucial reason hindering the development of EVs.

- (353) The operator of the network of EV charging stations is the most important component of the infrastructure in order to ensure EV charging in Latvia. The main functions of the operator are to connect smart charging stations to the database system, which allows using of a charging station and supervises its activity.
- (354) **Indicative activities to be supported:** to promote the development of electric mobility in Latvia, it is planned to support the creation of EV charging infrastructure and the development of operator centre software for their management.
- (355) **Indicative target group:** EV users.
- (356) **Indicative beneficiaries:** According to the Electric Mobility Development Plan for 2014–2016, MoT having the right to delegate the fulfilment of tasks to other legal entities.
- (357) **Influence on HP „Sustainable development”:** **direct positive.** Implementation of the HP „Sustainable development” will be ensured by applying quality or compliance criteria and by including activities in Regulations of CoM on the implementation of SO.
- (358) **Project selection:** See annex „Project selection”.

Table No. 2.4.9. (5)

#### ERDF specific output indicators

ID	Indicator	Measurement unit	Source of funding	Target value (in 2013)	Source of data	Frequency of reporting
I.4.4.1.a (I11)	Number of installed EV charging points	Charging stations	ERDF	235	Project data	Once a year

- (359) **4.5.investment priority:** promoting of low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures (CF)
- (360) **SO No.4.5.1.: To develop the infrastructure of environmentally friendly public transport.**
- (361) As a result of the implementation of SO, the use of environmentally friendly public transport will be promoted. Implementation of SO will result in an increase of the number of passengers using environmentally friendly public transport.
- (362) As a result of the implementation of SO, the use of public transport will be promoted by increase of number of environmentally friendly vehicles of public transport and length of tram lines. Thus, the flow of passengers will direct from private transport to public transport, decreasing the flow of road transport in cities. Thus, more effective urban transport infrastructure will be developed and pollution will be reduced. Good air quality is an important precondition for sustainable development and well-being of people. This issue is particularly topical in cities, where economic activity is being actively carried out and intensive transport flow is observed. Road transport is a serious source of air pollution – approximately 80-85% of the registered concentrations of nitrogen dioxide are caused by the transport and the amount of vehicle emissions in the air mainly determined by passenger cars.
- (363) By developing the route network of public transport, the need to use light vehicles in urban traffic will be reduced, thus facilitating the solving of the aforementioned problems.

Table No. 2.4.10. (34)

#### CF specific result indicators

ID	Indicator	Measurement unit	Baseline value (in 2012)	Target value (in 2023)	Source of data	Frequency of reporting
R.4.5.1.a (R21)	Passengers of environmentally friendly public transport	Passagers(mln/a year)	86.81	88.42	CSB data base	Once a year within five-year supervision period

### Description of the investment priority and indicative actions to be supported

- (364) Taking into account that on the city scale public transport has a lot greater transportation capacity than private cars, it is important to develop user- and environment-friendly transport system. Taking into account that the operation of rail transport is not affected by weather conditions and traffic jams, it is a more attractive alternative to road transport, however, rail transport infrastructure is available to public transport only in three cities of the republic – Riga, Liepaja and Daugavpils. Thus, in order to reduce air pollution and develop a more effective and environmentally friendly transport infrastructure also in other cities of the country, along the development of tram route networks, the use of RES in public transport will be promoted.
- (365) Respectively planned investments are planned aiming at encouraging the use of public transport in general, thereby promoting achievement of environmental objectives, promoting the development of environmentally friendly public transport. Where sizeable infrastructure investments are foreseen, investments will be made in accordance with city development plans, as well as prior to commencement of SO implementation detailed initial assessment will be carried out aiming to determine the most effective type of investment and target areas. Appropriate framework for sustainable urban mobility (separate or as part of the development plan) shall be in place where investments are planned to establish how this investment will contribute to sustainable, low-carbon, multi-modal local / urban mobility.
- (366) **Indicative actions to be supported:** in development centres of national significance with tram route network - development of tram route networks (extension of existing lines, construction of new lines and acquisition of related rolling stock), taking into account priority development territories of the city. In development centres of national significance without tram route network - acquisition of new environmentally friendly public transport vehicles (buses) and their equipment of the existing environmentally friendly public transport vehicles (buses) for the work with RES. Presence of good transport system management that would be able to ensure economic efficiency of investments is an important precondition for investments. The prioritization of infrastructure will be provided via project selection process.
- (367) **Indicative target areas:** development centres of national significance.
- (368) **Major projects:** Riga tram infrastructure development project
- (369) Creation of a new tram route planned within the framework of the big project and planned expenses constitute 70% of funding planned in SO.
- (370) **Influence on HP „Sustainable development”: direct positive.** Implementation of the HP „Sustainable development” will be ensured by applying quality or compliance criteria and by including activities in Regulations of CoM on the implementation of SO.
- (371) **Project selection:** See annex „Project selection”

Table No. 2.4.11. (5)

### CF common and specific output indicators

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Reporting frequency
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I.4.5.1.ak (CO15)	Total length of new or improved tram and metro lines	km	CF	8	Project data	Once a year
I.4.5.1.b	Number of new vehicles of environmentally friendly public transport	vehicle	CF	50	Project data	Once a year

Table No. 2.4.12. (6)

## Performance framework of priority axis

Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone 2018	Target value			Source of data	Description of indicator's significance
							W	M	Total		
Financial indicator	(F05) Financial indicator PA 4 (CF)		EUR	CF		31,678,051			228,548,580	Accounting system of certification authority	
Financial indicator	(F06) Financial indicator PA 4 (ERDF)		EUR	ERDF		83,872,951			336,875,566	Accounting system of certification authority	
Output indicator	4.2.1.ak Number of households with improved classification of energy consumption (CO31)	Common	households	ERDF		0			14 286	Project data	Output indicator includes activities planned in SO No 4.2.1 that are related to heat insulation of multi- apartment buildings. The indicator corresponds to 52.04% of total financing.
Key implementation step	4.2.1.a Contracts concluded with a beneficiary on heat insulation of buildings (S421)	Contracts concluded with a beneficiary on heat insulation of buildings	contracts	ERDF		70				Project data	
Output indicator	i.4.5.1.ak Total length of new or improved tram	Common	km	CF		0			8	Project data	Output indicator includes main actions planned



	and metro lines (CO15)											within the framework of SO No 4.5.1 for provisions of environmentally friendly transport. The indicator corresponds to 5586% of total financing.
Key implementation step	4.5.1.a Contracts concluded with a beneficiary (S451)	Number of contracts concluded with a beneficiary on the implementation of projects	contracts	CF		2					Project data	

Table No. 2.4.13. (7-12)

<i>ERDF: Less developed regions</i>											
Categories of intervention		Type of funding		Territory		Territorial delivery mechanisms		ESF secondary themes (only ESF)		Thematic objectives	
Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR
13	129251630	1	188,844,229	1	15,696,829	7	254,950,571	N/A	N/A	4	286,344,229
14	150,000,000	4	97,500,000	7		1	15,696,829				
43	5,886,840					5	15,696,829				
44	1,205,759										

Table No. 2.4.14. (7-12)

<i>CF: Less developed regions</i>											
Categories of intervention		Type of funding		Territory		Territorial delivery mechanisms		ESF secondary themes (only ESF)		Thematic objectives	
Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR
70	16,277,515	1	173 105 522	7	85,749,524	7	194,266,292	N/A	N/A	4	194,266,292

<i>CF: Less developed regions</i>										
11	26,597,247	4	21 160 770	1	108,516,768					
16	26,597,247									
43	108,516,768									
68	16,277,515									

## 2.5. Protection of environment and effective use of resources

- (372) To promote effective use of resources and impact on the environment protection, by promoting adaptation to climate change, risk prevention and management within the framework of the priority axis, it is planned to provide ERDF and CF support, thereby combining priority axes set within the framework of thematic objectives „Promoting adaptation to climate change, risk prevention and management” and „Preserving and protecting environment and improving effective use of resources”, taking into account that the planned actions to be implemented are supplementing each other and will provide the possibility to people to live in clean and improved environment, by implementing activities aimed at sustainable development, preserving quality of environment and biological diversity, ensuring sustainable use of natural resources, as well as participation of society in decision making process and its awareness of environment condition. Thus, more focused and purposeful investments will be ensured for the solving of the issues defined in Chapter 1 of the OP.
- (373) **5.1.investment priority:** promotion of climate change adaptation, risk prevention and management including the use of ecosystem-based approaches.
- (374) **SO 5.1.1.: to prevent the threat of flood and coastal erosion risks in urban areas.**
- (375) Destructions caused by floods and erosion negatively affect the quality of life of people and promote the spread of environment pollution in the Baltic Sea. By climate change adaptation, it is essential to reduce the risk of flood for urban areas, infrastructure, objects of cultural heritage and economic activity, in order to ensure favourable quality of life of people. By performing the activities set in SO, reduction of the number of city residents threatened by flood and coastal erosion risks as a result of climate change will be achieved in urban areas.
- (376) Measures planned in SO will reduce the impact of the threat caused as a result of sea coastal erosion and river floods on important infrastructure objects, for instance, Liepaja WWTP, road sections and populated areas, for example Ogre. Hence, the number of people threatened by flood and erosion threat in Latvia will decrease, the quality of environment will be preserved and the protection of socially important sites and infrastructure objects will be ensured.
- (377) Made investments, particularly in the reduction of sea coastal erosion risks, will reduce to a minimum possible spread of pollution in the Baltic Sea, which might negatively affect not only the quality of life of Latvia’s people, but also the whole Baltic Region. They will also promote the solving of problems identified in the sub-objective „Adaptation to climate change, risk prevention and management” of the EUSBSR.

Table No. 2.5.1. (3)

### ERDF specific result indicators

ID	Indicator	Measurement unit	Baseline value (in 2013)	Target value (in 2023)	Source of data	Frequency of reporting
r.5.1.1.a	Number of contaminated sites and objects emitting pollution, in	Number	88	74-58	Reports on implementation of anti-flood activities provided by MoEPRD	Once a year

ID	Indicator	Measurement unit	Baseline value (in 2013)	Target value (in 2023)	Source of data	Frequency of reporting
	regard to which the risks of environmental and socio-economic losses and damages that would arise as a result of flooding of these sites should be reduced					

(378) **SO 5.1.2.: to reduce flood risks in rural areas.**

(379) Investments will reduce flood risks in rural territories. Under SO, it is envisaged to increase durability of polder hydrological constructions and protective dams and to complete renovation and reconstruction of the controlled sections of potomal rivers, in the result of which flooding of strategically significant infrastructure objects (roads, highways, etc.) will be avoided and the number of flooded territories will also be reduced.

(380) The planned measures will reduce flooding threats in areas protected by hydrological constructions and areas adjacent to potomal rivers that will allow a simultaneous development of entrepreneurship and improving of living quality of local population. The investments will additionally increase the value and attractiveness of nature territories as well as will stimulate their use in productive way.

Table No. 2.5.2. (3)

### ERDF specific result indicators

ID	Indicator	Measurement unit	Baseline value (in 2012)	Target value (in 2023)	Source of data	Frequency of reporting
r.5.1.2. a	Flood threat in areas protected by hydro-technical structures	ha	82,300	35,000	Data of melioration cadastre <sup>48</sup> National programme on flood risk assessment and management	At conclusion of the implementation of the activity
r.5.1.2. b	Number of people in Latvian rural areas endangered by flood	Number of inhabitants	21000	8500	Data of melioration cadastre. National programme on flood risk assessment and management	At conclusion of the implementation of the activity

<sup>48</sup> Melioration cadastre: <http://www.zmni.lv/lv/page/melioracija-kadastrs>

## **Description of the investment priority and indicative actions to be supported**

- (381) The issues of climate change become increasingly important each year and their impact varies in different regions. In Latvia, climate change will lead to greater flood threat and greater coastal erosion. Cases of floods and coastal erosion can cause dangerous destructions, namely, the companies performing polluting activities or other objects can be flooded, which can lead to environmental pollution or have significant negative impact on public health and ecosystem.
- (382) Regions of Latvian river basins feature approximately 200 thousand ha of area threatened by spring floods or summer-autumn floods, as well as sea storm surges (including catastrophically – approximately 100 thousand ha), in which elevated water level of rivers and lakes poses a threat to material value, health and life of people.
- (383) In Latvia's climatic conditions, the amount of precipitations exceeds the annual summary evaporation in average by 250 mm, but in the years abundant in precipitations, even by 500 mm and more. The territories where flood risks are the highest are around potomal rivers or in sections of relatively flat rivers. During floods, particularly in the result of ice congestion, large inhabited areas or in some other way economically used territories, are flooded, causing extensive damages to economic and social environment<sup>49</sup>. A hazard, that is also directly associated with the cascade of hydro power stations on the Daugava river, is the impact on Riga and Ogre territories and their surroundings caused by possible force major situations at protective engineering structures – pumping stations of the Riga hydro power station, which are unavoidable in case of rising of underground waters un it will inevitably result in floods. Currently, control units and power installations of the engineering structures -pumping stations of the Riga hydro power station, which protect its water basins, has been in operation for 25 years thus they are obsolete and endangering the environment<sup>50</sup> and people .
- (384) Washing away of sea coasts poses a significant problem. As a result of sea storm surges, sea coastal territories are washed away every year. The total length of the sea coast in Latvia constitutes approximately 496 km, of which the total length of areas directly affected by sea storm surges in the sea coastal zone constitutes 130 km with the width of the belt varying from 200 metres up to 1,500 metres. As a result of increase of wind, 25% of 500 km long sea coast is already being intensively washed away with average 20 ha of land being washed away per year. The level of the Baltic Sea will rise by at least 18 cm by 2100. Hence, important infrastructure objects, such as Liepaja and Engure WWTP, Užava lighthouse, Kuiviži port, road sections and populated areas face certain threat.
- (385) Existing critical situation indicates a vital need to start flood prevention measures and coastal erosion management measures. The main task for the implementation of these measures is risk prevention or reduction in densely populated areas, and sites performing polluting activities. Thus, negative impact related to the aforementioned risks, particularly on human health and life, environment, culture heritage, economic activities and infrastructure, will be eliminated or reduced. These measures will reduce the possible risk of pollution of ground water objects and coastal erosion processes on the coasts of the sea, rivers, lakes and hydroelectric power stations.
- (386) The most threatened territories that are mentioned in the flood reduction plan, the cascade of the Daugava hydroelectric power stations, the coast of the Baltic Sea and Gulf of Riga are considered to be particularly endangered areas and, hence, priority sites for planning of protection measures. Previously occurred serious floods, which had a profound negative effect on the human

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<sup>49</sup> Source: National programme on flood risk prevention for 2008 – 2015 approved by the decree of the Cabinet of Ministers No 830 of 2007.12.20

<sup>50</sup> Source: National programme on flood risk prevention for 2008 – 2015 approved by the decree of the Cabinet of Ministers No 830 of 2007.12.20

health, environment, culture heritage and economic activities, and which may still repeat in future in similar or even greater volumes, if no possible measures for their prevention or reduction are taken, are considered to be the main criteria of threat to these places. According to this classification, the funding is required for the territories threatened by floods, where household water treatment equipment constructed or to be constructed in accordance with Council Directive 91/271/EEC (May 21, 1991) are located (for instance, Riga, Daugavpils and Liepaja)<sup>51</sup>.

- (387) In order to ensure the reduction of the number of people threatened by floods and erosion risk caused as a result of the climate change, the measures for the protection of people and infrastructure objects concentrated in densely populated areas and a comparatively small territory are planned. Taking into account the role of ecosystems and services provided by them in the reduction of flood and erosion risk, creation of a green infrastructure will be the primary solution for the risk reduction in places, where its application is technically and economically possible and effective. However, green infrastructure solutions cannot be applied in situations, when the climate change and extreme natural phenomena caused by them already pose a threat to the existing infrastructure (for instance, flooding of existing WWTP or its partial washing in to the sea, causing significant environment pollution). In order to promote the use of green infrastructure and implementation of accordant projects, project evaluation criteria will determine obligation for the project applicant to submit a prepared substantiation and analysis about the chosen solution, green infrastructure application possibilities in specific areas for flood risk reduction and assessment of alternatives, including possibilities to apply green infrastructure as a complementary solution to the traditional solutions (infrastructure constructions), keeping in mind that the green infrastructure rather complements other solutions and does not fully exclude them.
- (388) Support is planned for the reduction of floods and coastal erosion, by primarily assessing the use of ecosystem services and green infrastructure, for the construction, extension and reconstruction of hydro-technical structures for the protection of cities and populated areas by primarily supporting the sites with the biggest potential harmful impact on the environment and human health, as well as measures reducing erosion risks:
- 1) Measures for protection of Latvian cities with high density of population (indicatively- Riga, Venstpils, Liepaja, Daugavpils, Ogre, Jelgava, etc.) from the flooding risk which, among other things, is related to the impact of sea storm surges, or silting of river beds, or overground run-offs on storm water sewer systems of the cities; flood prevention measures, including the use of green infrastructure, reconstruction of hydro-technical and defense structures and construction of new flood protection structures;
  - 2) Measures for protection of populated areas located in Kurzeme coastal area of the Baltic Sea and coastal area of the Gulf of Riga, including environmentally friendly measures, for prevention of flooding risks and protection of sea coasts.
- (389) Support is foreseen for measures not implemented within the Flood Risk Evaluation and Management Program for 2008 – 2015, anti-flood measures detected in River basin management plans for 2016-2021 and for Liepaja wastewater treatment plant protection from the sea coast erosion. All flood protection measures will be implemented in accordance with the flood Risk Evaluation and Management Program for 2008 – 2015, and priorities and activities defined in the flood section included in the river basin management plans for 2016-2021. Flood risk management plans for these at-risk areas, which will be included in the updated river basin management plans, will be developed by the end of 2015. It is to be mentioned that in order to adapt to climate change by reducing flood risks and to ensure the quality of life of people, as well as competitiveness and further existence of economic activity, reconstruction of protecting dikes, reconstruction of pump station of several polders and renovation of controlled sections of potamal rivers is necessary. The

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<sup>51</sup> Source: National programme on flood risk prevention for 2008 – 2015 approved by the decree of the CoM No 830 of 2007.12.20

aim of polder activity is to control soil moisture level in polders and the area of influence thereof in order to reduce the possibility of flooding of strategically important infrastructure objects (roads, highways, etc.). There are 39 villages with 3,561 households carry out economic activities in the areas of polders. 30 important hydro-technical structures will be additionally reconstructed, taking into account the condition that these activities do not decrease natural value of the Natura 2000 territories; renovation of potomal rivers regulated stage is also planned along the route of 342 km.

- (390) **SO 5.1.1. Indicative activities to be supported** are the following: measures for reduction of the sea coastal erosion, improvement and development of structures of overground run-off and storm water drain infrastructure (incl. the accordant green infrastructure), protection of the areas threatened by floods by the reconstruction of the existing hydro-technical structures and construction of new flood protection structure, and development of green infrastructure according to the National Flood Management Programme.
- (391) **SO 5.1.1 Target area** - areas threatened by floods , as well as populated areas and public infrastructure objects threatened by coastal erosion.
- (392) **SO 5.1.1.** municipalities, institutions or enterprises, which have to ensure flood prevention measures according to River Basin Management Plans and economic activity of which has not caused flood threats, are planned as **Indicative beneficiaries**. Flood prevention activities to be implemented must be in line with national planning documents in the area of floods. Taking into account the significance of planned activities and measures in the territorial context, the implementation of SO objectives is planned in close cooperation with municipalities and integrated development programmes of the municipalities.
- (393) **SO 5.1.2. Indicative activities to be supported** are the following: reconstruction of hydro-technical structures – Lake Lubāns hydro-technical structures, pump stations of polders and protecting dikes. Renovation of potomal rivers regulated stage.
- (394) **SO 5.1.2. Target area** – rural areas of Latvia threatened by floods and places with the risk on public infrastructure. Taking into account the specifics of planned activities.
- (395) **SO 5.1.2.** state institutions and capital companies, which exploit and maintain state and state-level flood protection structures and ensure flood protection measures in rural area of Latvia in accordance with legislative acts of the Republic of Latvia, are planned as **Indicative beneficiaries**. In order to achieve the objectives set in SO more effectively, the activities planned within its framework are planned to be implemented in correlation with integrated development programmes of the municipalities, by paying greater attention to critically threatened areas and ensuring more effective return of investments.
- (396) **SO 5.1.1. and SO 5.1.2. influence on HP „Sustainable development”: direct positive.** Implementation will be ensured by applying quality and compliance criteria and by including activities in Regulations of CoM on the implementation of SO. In accordance with legislative requirements, environmental impact assessment is being carried out for implementation of projects and other activities whose implementation or final results may significantly affect the environment in Latvia.<sup>52</sup>
- (397) **Project selection:** See annex „Project selection”

Table No. 2.5.3. (5)

### **ERDF common and specific output indicators**

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<sup>52</sup> According to the law "About Environmental Impact Assessment", the Regulations of the CoM No.91 "Regulations on how a regional environment board issues technical rules for the foreseen activity that does not require an environmental impact assessment" of February 17, 2004, as well as the Regulations of the CoM No. 157 "Regulations on how a strategic environmental impact assessment is carried out" of March 23, 2004.

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.5.1.1.ak (CO20)	Population benefiting from flood protection measures).	Number of people	ERDF	200,000	Reports submitted by beneficiaries	At conclusion of the implementation of the activity
i.5.1.2.b	The number of reconstructed hydro-technical structures	Hydro constructions	ERDF	30	Project data	At conclusion of the implementation of the activity
i.5.1.2.c	Length of reconstructed / renovated state drains	km	ERDF	342	Project data	At conclusion of the implementation of the activity

(398) **5.2.investment priority:** to invest in waste management area in order to adhere to EU *acquis* requirements in the environmental area and to support identified needs of member states for investments exceeding the said requirements; preservation and protection of environment and promotion of effective use of resources.

(399) **SO 5.2.1.: to increase re-using, recycling and regeneration of various sorts of waste.**

(400) Activities planned in SO will promote the fulfilment of requirements of environmental *acquis* in the area of waste (for instance, Directive 2008/98/EC, Directive 1999/31/EC, Directive 94/62/EC, Directive 2012/19/EC, 2000/53/EC, etc.), particularly in relation to waste recycling.

(401) Considering the purpose of recycling and disposal of waste – to expand preparation of waste for re-use of various materials and recycling of other materials found in the waste, by ensuring that waste is returned back to economic life as fast as possible- the specific objective foresees waste management development by investing in the development of sorted waste collection system, by separating recyclable packaging by , the increasing of waste recycling and treatment capacity in Latvia, as well as the production of refuse-derived fuel and its further use for generation of energy will be promoted.

Table No. 2.5.4. (3)

#### CF specific result indicators

ID	Indicator	Measurement unit	Baseline value (in 2012)	Target value (in 2023)	Source of data	Frequency of reporting
r.5.2.1.a	Amount of recycled and regenerated in relation to the amount of waste produced in	%	34.97	59	Information from statistical reports	Once a year



ID	Indicator	Measurement unit	Baseline value (in 2012)	Target value (in 2023)	Source of data	Frequency of reporting
	relevant year <sup>53</sup>					

### Description of the investment priority and indicative actions to be supported

(402) Upon assessment of Latvia's ability to achieve the set waste management objectives, problems have been identified in certain areas:

- 1) creation of the sorted waste collection infrastructure fails to ensure:
  - a. necessary territorial coverage. Sorted waste collection system (paper, metal, plastics and glass) will not ensure availability of this service across the whole territory of the country, there also will be problems concerning preparation for reuse and recycling of at least 50% (by weight) of paper, metal, plastic and glass waste found in the household waste and similar waste flows (Directive 2008/98/EC on waste and annulment of certain Directives),
  - b. preconditions for regeneration and recycling of packaging and used packaging according to the Directive 94/62/EC on packaging and packaging waste,
  - c. preconditions for collection, regeneration and recycling of end-of-life vehicles according to the Directive 2012/19/EC on waste electrical and electronic equipment management;
- 2) it will be difficult to reduce the share of biodegradable waste in disposed waste to 35% of the amount of biodegradable waste disposed in 1995 (Directive 1999/31/EC on the landfill of waste).

(403) Latvia is not fulfilling the environmental acquis in the area of waste (Directive 2008/98/EC, Directive 1999/31/EC, Directive 94/62/EC, Directive 2012/19/EC, 2000/53/EC) in many aspects, particularly in respect to waste recycling. In 2010, the amount of generated biodegradable waste constituted 382,099 tons, out of which 40.11% (target set in Directive – 65%) were recycled. The amount of household and similar waste generated in 2010 constituted 649,485 tons, of which 16.2% were recycled (the target set in Directive – 50%), whereas the amount of used packaging constituted 213,906 tons, of which 48.92% were recycled (target set in Directive – 55%). In respect to end-of-life vehicles and waste electrical and electronic equipment, in 2010 10,640 and 5,020 tons were generated respectively, while 85% of the collected amount were recycled (the target set in Directive for end-of-life vehicles is 95% and for waste electrical and electronic equipment – 85%). In the period up until 2020, it might be difficult to achieve sorted waste collection and recycling targets for individual waste flows, especially regarding the amounts defined in the Directive 2008/98/EC, Directive 94/62/EC, Directive 2012/19/EK, as well as Directive 1999/31/EC. Nevertheless, it is planned that, in 2022, 100% fulfilment of requirements set in Directives of the waste management area will be ensured in relation to the recycling and regeneration of certain types of waste. In order to achieve the said objectives for collection and recycling of various waste flows set by the EU are adopted by laws and regulations, as well as the resources of EU funds, which will allow ensuring a part of the volumes of implementation of these objectives, will be used. In order to fully comply with the requirements of Directives, the national policy, which int.al., is set in the National Waste Management Plan and provides for attraction of

<sup>53</sup>Target value in 2023, which is planned to be achieved by using reduced support rate. As a result, the indicator shows the amount of waste per year recycled and regenerated in relation to the amount of waste produced in relevant year. Target value is determined taking into account the amount of recycled waste, requirements of EU directives, as well as available amount of funding.

investments of both enterprises and municipalities in the area of waste management. Also, obligations and responsibilities, regarding the objectives set out in the Directives, of institutions and entrepreneurs involved in waste management are defined in the Latvian laws and regulations, including, by implementing extended manufacturer's responsibility, has been developed. Separate trade waste collection, recycling and recovery is defined as a producers responsibility (for example, electrical and electronics equipment, batteries and accumulators, tires, lubricating oils and oil filters). Achieving the waste management objectives is also contributed by various economic instruments, such as NRT on waste disposal in landfills or distribution of environmentally harmful products. There is a need to assess the necessity to impose liability and, possibly, administrative penalties for not achieving the objectives set by the Directives, as well as compliance of waste management services with laws and regulations has to be supervised.

(404) Latvia has fulfilled the requirements for collection and recycling set in Directive 2006/66/EC regarding batteries and accumulators and waste batteries and accumulators, as well as the requirements for regeneration and recycling of waste electrical and electronic equipment according to Directive 2012/19/EC. Latvia has already achieved the aim set in Directive 2008/98/EC, by recycling 333 thousand tons or 94.7% of the amount of construction waste collected in Latvia in 2012, disposing of 6,813 tons of the said waste.

(405) According to state statistical data, the majority of recycled sorted waste is exported. In 2012, more than 80% of paper and cardboard packaging, paper and cardboard were exported, ~90% of plastic packaging and plastic were exported, export of metal waste is also considerable – 75% from the collected amounts<sup>54</sup>, since waste recycling capacity in Latvia is neither sufficient nor more reasonable from the economic aspect for transportation of waste abroad for recycling. In order to use waste as resources as closely to the source of waste generation in the country as possible and to reduce the amount of environment pollution caused as a result of waste transportation, waste recycling capacity has to be increased, taking into account the capacity of neighbouring countries to recycle waste among other things. For example, only 25% of required economically justified sorted waste collection points have been built by the end of 2012 (due to the support from EU funds, more than 1,000 sorted collection points, 29 waste sorting fields, 11 composting sites and 15 sorting reloading centres have been built), which threatens the achievement of environmental acquis in relation to the creation of sorted waste collection system (for paper, metal, plastics and glass), preparation of waste for reuse or recycling, as well as in relation to the regeneration and recycling of packaging and used packaging and end-of-life vehicles. In 2010, 16.2% of household and similar waste were recycled, in 2011 – 17.8% and in 2012 – 18.4% of this waste<sup>55</sup>.

(406) According to the National Waste Management Plan, methods used for the preparation of waste for reuse, regeneration and recycling are specified in Regulations of CoM regarding types of waste regeneration and disposal. During the implementation of the plan, the following will be promoted by the state:

- 1) development of infrastructure supporting recycling or regeneration of waste, thus promoting waste recycling and regeneration, especially regarding domestic and biodegradable waste (logistics);
- 2) composting and anaerobic recycling of biodegradable waste;
- 3) preparation of waste for reuse, if further reuse is known;
- 4) preparation of waste for recycling or regeneration;
- 5) expansion of the capacity of existing waste recycling or regeneration companies;
- 6) development of capacity of new waste recycling or regeneration companies, if it is technically and economically justified.

<sup>54</sup> <http://parissrv.lvgmc.lv/#viewType=wasteReports&incrementCounter=1>

<sup>55</sup> The said calculation has been performed for the method No 4 selected according to Paragraph 1 of the Section 3 of the Decision 2011/753/EU

- (407) According to the National Waste Management Plan for 2013-2020, types of waste management related to storage of waste prior to the performance of other recycling and regeneration activities, will not be supported, if there is no confirmation that the said recycling and regeneration will actually take place.
- (408) It would help using waste as resources as closely to the source of waste generation as possible, reducing the amount of pollution caused to the environment as a result of waste transportation and to reduce the waste export proportion.
- (409) Recyclable waste flows in order of priority are as follows:
- 1) household and suchlike waste, incl. paper, metal, glass and plastics found in;
  - 2) biodegradable waste;
  - 3) waste electrical and electronic equipment;
  - 4) used packaging;
  - 5) end-of-life vehicles;
  - 6) construction waste and debris.
- (410) In order to meet the requirements of the Directives in the area of waste management, the volumes of biodegradable, household and suchlike waste, as well as packaging recycling need to be increased, thus reducing amounts of the disposed waste and increasing recycling. There will be set quality criteria for compost/fermentation waste in order to use it elsewhere in the economy (agriculture, construction, forestry, road construction, etc.). Possibilities to define a restriction or prohibition in laws and regulations to dispose biodegradable or recyclable waste in landfills will be evaluated. Differentiated NRT rates will be also assessed and determined for waste disposal, increase of NRT rates for waste disposal in landfills will be considered and tax rates rates for waste disposal in landfills will be increased. Also, efficiency of the NRT application and necessity to increase NRT rates for environmentally harmful goods, packaging, end-of-life vehicles will be evaluated, as well as the need to extend appliance of the manufacturers' responsibility system (for example, for press editions and advertisements) will be considered. At the same time, possibilities to produce fuel derived from wate and its further utilization have to be evaluated and the potential of utilization of the organic waste has to be assessed, incl. its utilization in energy production, if it is technically and economically justified in the context of waste management system further development. A better system performance can be ensured in collaboration between municipalities and taking into account regional development conditions. Also, to ensure functioning of the established waste management, education and raising of awareness of the general public on waste generation prevention measures and sorted waste collection will be strenghtened.
- (411) In order to improve and upgrade the situation in the area of waste management, especially in order to increase volumes of recycling and regeneration of waste, and to perform these activities as closely to the source of waste generation as possible, under the open call procedure, within the framework of the 2014–2020 programming period, support is focused on the fulfilment of the environmental aquis. Within the framework of the planning period, the greatest support will be provided to the development of sorted waste collection (paper, metal, glass and plastic), prevention of organic waste disposal in landfills, waste preparation for reuse, as well as waste recycling and regeneration

In order of priority, the support is planned for:

1. preparation of all types of waste for reuse;
2. preparation of all types of waste for recycling or regeneration (particularly, in relation to household or suchlike waste sorted collection in all waste management regions to provide services to all waste producers);
3. increase of capacities of the existing waste recycle or regeneration companies;
4. development of infrastructure supporting waste recycling or regeneration.

Within the framework of SO No 5.2.1, it is planned to support the following:

- 1) Development of sorted waste collection system (creation and equipping of sorted collection points, and creation and equipping of sorted collection fields)
- 2) 2) Installation of automatic waste sorting lines with the aim to separate the waste that is suitable for re-recycling, recovery or reuse.
- 3) Encouragement of waste recycling and regeneration:
  - a. composting and anaerobic recycling of biodegradable waste,
  - b. development of infrastructure supporting recycling or regeneration of waste to prepare the waste for reuse,
  - c. preparation of waste for recycling or regeneration,
  - d. expansion of existing capacity of waste recycling (paper, metal, plastics).

Particular attention will be paid to the economic aspects of the technically economical aspects and efficient operation of the equipment to ensure the orientation towards implementation of the environmental acquis of the waste sector.

(412) In order to ensure disadvantages and needs analyses of the waste management infrastructure and to carry out a detailed evaluation of the potentially supported activities and their scope in the 2014-2020 financial programming period, the MEPRD has purchased such service as "Economic benefits evaluation of the potentially supported environmental protection activities of the 2014-2020 financial programming period". Within the framework of this agreement it is foreseen to:

- 1) prepare an assessment of the waste volume dynamics, including forecasts up to 2020,
- 2) gather information about the established waste collection points and waste sorting fields and their number in the Latvian municipalities, as well as to prepare proposals on the necessity of development of these points and fields,
- 3) prepare an assessment of the existing facilities for the preparation of waste disposal or regeneration, for waste regeneration and recycling and their capacities, including the information about the effectiveness of processes taking place in the accordant facilities and the potential capacity of the facilities, as well as to prepare proposals on the necessary improvements and possible support from EU funds,
- 4) evaluate possibilities to produce refuse-derived fuel in Latvia and possibilities of its utilization in Latvia and the closest foreign countries,
- 5) evaluate the amount and availability of biodegradable waste to be used in energy production, as well as the existing and additionally needed capacities.
- 6) assess the economic benefits;
- 7) provide proposals for prior actions to be supported by EU funds of 2014-2020 programming period, funds and for the project evaluation criteria for the projects funded by the 2014-2020 programming period EU funds.

The research results, which will include the waste sector assessment in context of achieving the targets set in the directives, incl. also results achieved within the framework of the 2007-2013 planning period projects, will be reflected in the Partnership Agreement interim report, which will also describe how and with what additional resources the identified needs of the sector will be solved in order to meet the requirements of the environmental acquis in the waste sector.

(413) CF investments and performed activities will ensure the increase of the volumes of waste transferred for recycling and regeneration in relation to the amount of waste generated in relevant year by 35%, will promote awareness of the society about the sorted waste collection system and active participation of inhabitants in the process of waste management system.

(414) CF investments will ensure that the use of qualitative recycled materials is ensured in economic turnover, which, in turn, will facilitate development and growth of economy. The development of sorted waste collection, its preparation for recycling, recycling and regeneration will ensure the improvement of employment situation, hence, new work places will be created as a result of improvement of waste management infrastructure.

- (415) By supporting the development of sorted waste collection system, promotion of waste recycling and development of packaging management system, as well as implementing other national initiatives – higher tax rates for waste disposal, and improving legislative acts for the promotion of introduction of waste hierarchy, the volumes of generated waste and amount of biodegradable household waste disposed in landfills will be reduced and the share of recycled and regenerated waste will increase, ensuring effective use of resources.
- (416) **SO 5.2.1. Indicative activities to be supported:** development of sorted waste collection system, including, creation and equipping of sorted waste collection points and fields, preparation of waste for reuse and preparation of waste for recycling or regeneration, installation of automatic sorting lines, increase of waste recycling capacity, composting and anaerobic recycling of biodegradable waste, activities on informing of the society.
- (417) **SO 5.2.1. Indicative target group:** inhabitants, businesses, municipalities and society in general. In order to achieve the objectives set in SO more effectively, the activities planned by the municipalities within its framework and aimed at the fulfilment of autonomous functions of the municipalities in the area of household waste management are planned to be implemented according to the integrated development programmes of the municipalities.
- (418) **Project selection:** See annex „Project selection”
- (419) **Influence on HP „Sustainable development”:** direct positive. Implementation will be ensured by applying quality or compliance criteria and by including activities in Regulations of CoM on the implementation of SO. Environmental impact assessment is carried out in compliance with the legislative requirements for project implementation and other activities whose implementation or results may significantly affect the environment in Latvia.<sup>56</sup>

Table No. 2.5.5. (5)

#### CF total output indicators

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.5.2.1.ak (CO17)	Additional waste recycling capacity	Tons a year	CF	423,120.5 <sup>57</sup>	Project documentation and submitted reports	Once a year

- (420) **5.3.investment priority:** to invest in the water supply sector in order to adhere to EU *acquis* requirements in the environmental area and to support identified needs of member states for investments exceeding the said requirements.
- (421) **SO 5.3.1.:** to develop and upgrade the quality of water supply and sewerage system services and to ensure connection possibilities.
- (422) Within the framework of SO, conformity to the requirements of EU environmental *acquis*

<sup>56</sup> According to the law "About Environmental Impact Assessment", the Regulations of the CoM No.91 "Regulations on how a regional environment board issues technical rules for the foreseen activity that does not require an environmental impact assessment" of February 17, 2004, as well as the Regulations of the CoM No. 157 "Regulations on how a strategic environmental impact assessment is carried out" of March 23, 2004.

<sup>57</sup> Target value in 2023, which is planned to be achieved by using a part of funding to reduce the support rate.

directives is promoted by investing in expansion of sewerage networks, waste water collection and reconstruction, improvements of WWTPs operation, as well as improvements in drinking water quality. The objective of the activities is to forward the actual use of water management services and to reduce the environmental pollution.

- (423) It is planned that with the help of the investments made in water management services, the share of inhabitants in the agglomerations with population equivalent above 2,000, for whom the accessibility of centralised waste water management services has been ensured according to the requirements of legislative acts, will increase from 93% (after the fulfilment of the 2007–2013 programming period) to 97% in each group of agglomerations (group I - 100 000, group II - CE 10 000 – 100 000, grupa III CE 2000 – 10 000). Whereas, the share of actual number of sewerage connections will increase from 79% in 2012 to 92% in 2023, using ESI funding and national legislative initiatives.
- (424) Attention is also paid to reconstruction of sewerage networks in order to decrease the pollution discharged into environment. In order to promote the use of waste water management services, public information campaigns are also planned..
- (425) Measures planned in SO will simultaneously promote the achievement of results set in the sub-objective „Clean sea water” of the EUSBSR.

Table No. 2.5.6. (3)

**CF specific result indicator**

ID	Indicator	Measurement unit	Baseline value (in 2013)	Target value (in 2023)	Source of data	Frequency of reporting
r.5.3.1.a	Share of inhabitants, for whom the factual connections of centralised waste water management connections have been ensured	Inhabitants	1279578 <sup>58</sup>	1338300	Project documentation	Once a year
r.5.3.1.b	Share of inhabitants, for whom the factual connections of centralised	%	79	92	Project documentation	Once a year

<sup>58</sup> Target value in 2023, which is planned to be achieved by using a part of funding to construct connections and by reducing the support rate. Output indicators show the percentage of inhabitants, for whom the connections to centralised sewerage services compliant with the requirements of legislative acts have been ensured. The baseline value of the result indicator has been determined, taking into account the summing-up performed by the EPRDM for the water management projects completed in the CP funds 2007 – 2013 programming period and water management projects still being implemented, which are focused on the development of water management infrastructure in the agglomerations with population equivalent (PE) above 2,000. The baseline value has been calculated, taking into account the number of inhabitants residing in the agglomeration area of waste water collection services, current actual number of users of these services, as well as demographic trends. According to the creation of actual connections planned within the post-introduction period of the projects implemented in the 2007 – 2013 programming period, it is planned that in 2020 (after the post-supervision period of all projects) the share of inhabitants, who will use the type of services available to them, will reach 85.5% in relation to the use of centralised sewerage networks. By implementing the projects of the CP funds 2014 – 2020 programming period, it will be achieved that the increase in number of inhabitants in waste water agglomerations with PE above 2,2000, for whom the connection to the centralised sewerage network will be ensured within the framework of this SO, will increase in total by 6.5%, reaching 92% of all for 1,338,300 inhabitants residing in the waste water agglomeration with PE>2,000.

ID	Indicator	Measurement unit	Baseline value (in 2013)	Target value (in 2023)	Source of data	Frequency of reporting
	waste water management connections have been ensured.					

### **Description of the investment priority and indicative actions to be supported**

- (426) A great share of water supply and sewerage networks still has not been reconstructed in the agglomerations, causing losses and infiltration of qualitative potable water, as well as environment pollution due to leakages caused by worn-out sewerage networks. After the implementation of projects of the 2007–2013 programming period, in 22 out of 89 agglomerations the requirements of EU Directive 91/271/EEC will be fulfilled, while in 67 agglomerations it will be necessary to invest in waste water collection systems in order to collect all waste waters generated in the agglomeration in a centralised way. Inhabitants, especially those of social risk groups, have insufficient financial resources for construction of access points and internal pipelines in their property, which would allow using centralised water management services.
- (427) According to the indicators of introduction of water management projects completed in the 2007–2013 programming period, losses from potable water supply networks have decreased in general by 42% per year, while average decrease of leakages from waste water networks for projects was by 22%. Whereas, in relation to the emitted pollution, the share of BOD5 has decreased from ~85% in 2008 to ~48% in 2012, total nitrogen share from – ~94% to ~75%, and total phosphorus share – from ~93% to ~64%. It has been indicatively established that upon the completion of projects of the 2007–2013 programming period, thereby providing for actual connection of services in 89 agglomerations with PE>2000, the volumes of pollution emitted in environment in 2015 will have decreased by nearly 50% in comparison to 2007.
- (428) In order to promote the increase in number of connections to centralised sewerage and water supply systems, in accordance with the draft law „Law on Water Management Services”, it is planned that the service user will be allowed to pay for the connection construction in parts, making an agreement on that with the service provider. And on the basis of the approved local government budget for the current year, the local municipality will be able to decide on the granting of co-financing of connection construction. The law Law on Water Management Services (after its approval in the Parliament) will lay down the requirements for the service user to ensure establishment of the connection, funded by public funding, to the central water management system planned in the water management project in accordance with the plan no later than five years after the completion of the project. The draft law also delegates the rights to local government council to issue binding rules of network operation, use and protection of water supply and sewage systems, including the development of the requirements on water and wastewater service provision and the use in their administrative territory, as well as administrative responsibility for the infringement of these rules.
- (429) Without the creation of connections and improvement of waster water treatment technologies in the equipment, which creates additional load on the risk water bodies, as does not provide proper wastewater treatment of biogenic elements, including eutrophication limiting, biogenic nutrient - phosphorus it will be impossible to ensure the improvement of condition of risk water bodies according to the requirements of Water Structural Directive. In 24 agglomerations, waste water is drained directly into risk water bodies, while in 11 agglomerations – in the catchment basins of risk water bodies. After 2015, 13 more agglomerations will require upgrading of waste water treatment

plants, since management plans of river basins recommend necessary side measure – tertiary waste water treatment. Also 14 agglomerations with PE from 200 to 2000 need waste water treatment improvements, because their sewage is directly discharged in the environment. In addition, status “at risk” is caused due to biogens in waste water. Risk causes were detected developing in River basin management plans, evaluating all the accessible information (both - on water body condition and possible sources of water body pollution).

- (430) According to the evaluation of The Health Inspectorate, exemptions to the water reduced harmfulness or quality requirements are defined for several agglomerations with population over 2000. They include the specific norms concerning iron, sulphate or manganese content. Exemptions for agglomerations are fixed even up to year 2016. In case the water quality standards in those towns will not be achieved after implementation of projects of programming period 2007 – 2013, additional investments for assurance of water safety or quality according to requirements of directive EC 98/83/EC may be required.
- (431) It is planned that with the available amount of funding it will be possible to support, firstly, the development and reconstruction of wastewater collection networks in agglomerations with population equivalent (PE) above 2,000 in which the accessibility of centralized wastewater services is below 97%, stimulating establishment of the actual connections with the help of legislative initiatives and project implementation regulations. Secondly, it is planned to ensure more intense wastewater treatment, incl., in order to ensure the improvement of the condition of water bodies, in populated areas with population equivalent below 2,000. The emphasis will be put on the factual possibilities of the receipt of water management services and reduction of environmental load caused by waste waters especially in the biggest agglomerations, due to greater environmental risks caused by larger population. Funding will be allotted also to those settlements with PE from 200 to 2000 and which are identified in River Basin management plan, where improvements of water body environmental condition are needed, where it is necessary to improve the environmental condition in the risk water bodies affected by these populated areas, where inflow of wastewater nutrients from waste water treatment plants is the risk cause.
- (432) **SO 5.3.1. Indicative activities to be supported:** expansion of sewerage collection networks, including construction of sewerage access pipes; improvement of technologies for the waste water treatment; reconstruction of sewerage networks non-compliant with quality requirements; drinking water supply system development for ensuring of drinking water quality, measures for raising the public awareness.
- (433) Taking into account that the largest agglomerations are generating the crucial total environmental burden, as well as taking into account the concentration of inhabitants in the biggest populated areas (particularly in the development centres of national and regional significance) and negative natural growth and emigration trends, it is planned that a priority for allocation of available funding will support the development of water management services in agglomerations with larger population, where the accessibility of centralised waste water collection and treating services is below 97%. Activities will be implemented in the order of priority, assessing economic expedience and demographic trends, and taking into account the impact on the environment and risk objects:
1. Development of access to waste water networks, reaching sewerage network availability in average of 97% in each agglomeration group (I group PE>100 000, II group PE 10 000 – 100 000, III group CE 2000 – 10 000) calculating from the total number of inhabitants in the relevant agglomeration group;
  2. Improvement of waste water treatment plants, ensuring tertiary treatment in 13 agglomerations with PE > 2000;
  3. Construction of connections to the wastewater collection networks by using reduced co-financing rate, thus ensuring that 92% of total inhabitants of all agglomerations use the services. Special support will be given for the population groups exposed to the risk of poverty and social



exclusion;

4. Additional measures for improving waste water treatment facilities in populated areas with PE 200 – 2000, improving the environmental status of the of water bodies ‘at risk’;
5. Development of drinking water infrastructure, in order to ensure drinking water quality conformity with requirements of Directive 98/83/EEC.

In order to ensure actual use of the established infrastructure, the beneficiary will be obliged to both develop a connection provision plan, which, among other things, has to contain information on the financial and administrative capacity to implement the plan, and ensure establishment of the connection to the central water management system planned in the water management project in accordance with the plan no later than five years after the completion of the project.

(434) **SO 5.3.1. Indicative beneficiaries:** providers of water management public services. In order to achieve the objectives set in SO more effectively, the activities planned within its framework are planned to be implemented in cooperation with municipalities according to the planning documents of the municipalities. Selected water management activities must be technically and economically justified within the boundaries of their water management agglomerations.

(435) **Project selection:** See annex „Project selection”.

(436) **Influence on HP „Sustainable development”:** **direct positive.** Implementation will be ensured by applying quality or compliance criteria and by including activities in Regulations of CoM on the implementation of SO. Environmental impact assessment is carried out in compliance with the legislative requirements for project implementation and other activities whose implementation or results may significantly affect the environment in Latvia.<sup>59</sup>

Table No. 2.5.7. (5)

#### CF common output indicators

ID	Indicator	Measurement unit	Source of Funding	Target value (in 2023)	Source of data	Frequency of reporting
i.5.3.1.ak (CO19)	Additional population served by improved wastewater treatment	Population equivalent	CF	58726 <sup>60</sup>	Project documentation and submitted reports	Once a year

(437) **5.4.investment priority:** to protect and restore biodiversity and soil, and to promote ecosystem services, including by using „Natura 2000” network and green infrastructure.

(438) **SO 5.4.1.:** to preserve and restore biodiversity and to protect ecosystems.

<sup>59</sup> According to the law "About Environmental Impact Assessment", the Regulations of the CoM No.91 "Regulations on how a regional environment board issues technical rules for the foreseen activity that does not require an environmental impact assessment" of February 17, 2004, as well as the Regulations of the CoM No. 157 "Regulations on how a strategic environmental impact assessment is carried out" of March 23, 2004.

<sup>60</sup> Target value in 2023, which is planned to be achieved by using a part of funding to construct connections and by reducing the support rate.

- (439) CF investments and planned activities will be focused on the compliance with the requirements of Directive 2009/147/EC and Directive 92/43/EEC in the area of protection of species and biotopes of EU significance, ensuring that 60% of species and biotopes of EU significance in Latvia will be granted favourable protection status. Achievement of objectives specified in the EU Biodiversity Strategy till 2020 will be additionally ensured.
- (440) In order to ensure non-impoverishment of natural values, preservation of natural heritage and compliance with environmental requirements, improvements of the territory will be carried out, thus directing possible tourism flows to the parts of „Natura 2000” territory with greater environment capacity, as a result increasing the area of their habitats, which receive support, in order to achieve higher protection degree up to 23 thousand ha. Integrated investments will ensure protection and management regime necessary for environmental requirements of natural values, hereby balancing the interests of nature protection and economic development, as a result increasing the number of territories where anthropogenic load is eliminated to specially protected species and biotopes. The planned measures in Natura 2000 territories and adjoining areas, as are foreseen in accordance with the Priority action framework (PAF) of Natura 2000 territories and will be implemented in accordance with environmental protection plans. During the project proposal evaluation, support will be given to the activities that will give greater contribution for the economical development and GDP increase.

Table No. 2.5.8. (3)

#### ERDF specific result indicator

ID	Indicator	Measurement unit	Baseline value (in 2012)	Target value (in 2023)	Source of data	Frequency of reporting
r.5.4.1.a	Favourable protection status ensured to EU-level species	%	13	60	Reports on the condition of biotopes and species	Once every two years
r.5.4.1.b	Favourable protection status ensured to EU-level species	%	28	60	Reports on the condition of biotopes and species	Once every two years

- (441) **SO 5.4.2.: to ensure the development of environmental monitoring control system and timely prevention of environmental risks, as well as participation of the society in environmental management.**
- (442) Investments planned in SO will ensure operative and expedient performance of environmental monitoring and control, as well as will be primarily used for the compliance with the requirements of Directive 86/278/EC, Directive 2000/60/EC, Directive 2004/107/EC, Directive 2008/105/EK, Directive 2009/90/EC and Directive 2010/75/EC, as well as Directive 92/43/EEC and Directive 2009/147/EC.
- (443) In order to comply with the requirements of EU directives and successfully introduce environmental policy, the quality and availability of environmental information, including environmental monitoring data, as well as environmental education plays important role, promoting green thinking, in order to ensure participation of the society in the assessment of development projects, including infrastructure development projects, crucial for the country. Activities planned within the framework of SO will promote the increase of quality of environmental monitoring data and the effectiveness of environment protection, by increasing the

number of environmental monitoring sites by additional ~270 sites and ensuring environmental monitoring compliant with Directives in the areas of air, water, soil and biodiversity.

- (444) Planned activities will promote provision of the society with timely and qualitative information for the preservation of high quality of environment and biodiversity, as well as will support effective and operative control, in order to assess the impact of measures implemented by other areas of economy, including measures using the funding from EU funds.
- (445) Planned measures will simultaneously promote the achievement of the sub-objective „*Rich and healthy plant and animal world*” of the EUSBSR.

Table No. 2.5.9. (3)

### CF specific result indicator

ID	Indicator	Measurement unit	Baseline value (in 2012)	Target value (in 2023)	Source of data	Frequency of reporting
r.5.4.2.a	Number of places where environment is monitored in compliance with the requirements of directives	Number of monitoring places	927	1100 - 1120	Project data	Once a year

### Investment priority description and indicative actions to be supported

- (446) According to the report on implementation of Biotopes Directive in 2007–2012 it was established that only 13 % of biotopes and 28%<sup>61</sup> of species are in a beneficial protection state. To implement the objectives defined in the EU Birds and Biotopes Directive, it is necessary to identify the status of and restore the condition of EU biotopes<sup>62</sup>. Since it frequently happens that the management measures required for protection of species and biotopes are considered separately from the economic development of the territory, and the financial resources available for the management of biotopes are often limited, measures planned in the nature protection plans for specially protected nature territories are not implemented in full. Therefore no appropriate protection status is ensured for EU level biotopes and species, while the significance of valuable biotopes in the overall biodiversity system is rapidly decreasing. To achieve a beneficial protection state for species and biotopes as envisaged by EU directives, biotopes should be restored and flows of visitors should be diverted to natural areas fit for tourism by arranging necessary infrastructure in those places. It is also necessary to perform general mapping of species and biotopes protected by the state, recovery of those biotopes whose protection status is disadvantaged, as well as updating of natural protection plans for specially protected nature territories as a priority in those specially protected nature territories where low level of organised recreation activities is a visible danger for the protection of biodiversity. Marine biotopes are in good protection state and no investments for restoring them are required.
- (447) To ensure a balance between nature protection and economic interests and preserve biodiversity and ecosystem services, the following is required:

<sup>61</sup> Data in accordance to the report of 2013 on the implementation of the Biotope Directive. Concerning significant part of biotopes the main reason for differences in assessment of their state in report of 2013 and report of 2007 on implementation of Biotopes Directive in 2001-2006<sup>22</sup> is caused by more precise application of assessment guidelines. This means that the most recent report is not indicating to sudden negative changes in the nature, but rather to differences in assessment methods and expansion of knowledge

<sup>62</sup> Restoration means improvement of the structure or functions of certain biotopes affected by human activity or insufficient effect

- 1) to preserve and restore the ecosystem and its natural structures, as well as diversity of local wild species;
  - 2) to ensure a beneficial protection status for specially protected species and biotopes;
  - 3) to restore degraded biotopes urgently requiring restoration measures;
  - 4) to align the management measures required for protection of biotopes with the economic development of the territory;
  - 5) to reduce the potential effect of anthropogenic burden, including tourism, eutrophication and environmental pollution on specially protected biotopes, emphasising preservation of coastal biotopes, creating a high quality infrastructure network for tourism and nature cognition.
- (448) To achieve the above mentioned goals, the following activities are planned for investment for the 2007-2013 programming period:
- 1) to become aware of the status of biotopes in the country and ecosystem services related thereto;
  - 2) to restore populations of specially protected species and/or specially protected biotopes (after 2017, according to the developed Natura 2000 areas protection and management programme);
  - 3) to create an infrastructure reducing anthropogenic burden and to reconstruct the existing infrastructure in Natura 2000 territories and its functional;
  - 4) to restore the ecosystem (dunes, meadows, bogs and forests);
- (449) Measures for preservation of biodiversity in Natura 2000 territories are foreseen in accordance with the Priority action framework of Natura 2000 territories. Compensations for restrictions on economic activities in the framework of the Operational programme “Development and employment” are not foreseen.
- (450) Natural site protection and sightseeing infrastructure development and biotope restoration activities are also aimed at social and economic development of the state, because an improved natural site infrastructure will not only help to ensure a reduction of an anthropogenic burden on specially protected biotopes, but will also ensure development of nature tourism and development of accompanying business, as well as will promote and develop Latvian „green image”. The existing protection status of species and biotopes and tourism flows will be taken into account when selecting projects.
- (451) To improve the implementation of EU environmental requirements in the environmental protection area, as well as to align nature protection and social and economic interests, it has been envisaged to improve management plans for Natura 2000 territories by developing and implementing natural protection plans. Natural protection plans envisage activities required for restoration of biotopes and populations of species, incl. by envisaging such activities which will reduce spill of nutritional substances into waters. Several EU level biotopes and species may be found in the majority of territories, as well as majority of Natura 200 territories require alignment of environmental protection and economic activity interests. The natural protection plan for Natura 2000 territories will address the need for and permissibility of „opening the territories for tourists”, as well as potential locations. Having regard to the fact that a part of EU level species may be also found outside Nature 2000 territories, species protection plans envisaging necessary activities not only in protected territories, but also outside them will be developed to preserve populations of these species.
- (452) To achieve SO objectives (development of natural protection plans, construction of infrastructure) Nature 2000 territories with the heaviest anthropogenic burden will be selected from which flows of visitors should be diverted to preserve specially protected biotopes and species. Priority support will be provided to the territories with EU level biotopes and species whose value in the total biodiversity system drastically decreases, at the same time evaluating the most effective economic pay-off from the investments made into the territory.

- (453) Environmental information, including monitoring, quality and availability is significant for the fulfilment of the requirements of EU directives and successful implementation of the environmental policy. Operative and rational environmental monitoring and control is also hindered by shortage of good quality output data and cartographic materials. A lack of high-quality environmental information and insufficient number of monitoring places have been stated when evaluating the situation in the environmental monitoring area in Latvia. In order to ensure fulfilment of requirements of at least 18 EU directives and 6 conventions improvement of air, meteorological and climate information gathering and implementation monitoring of water, land and biological diversity monitoring programmes is required in order to extend the environmental monitoring network through development and modernisation of the environmental monitoring infrastructure for environmental observation to embrace the entire territory of the state. It should be noted that if Latvia does not perform environmental monitoring in the scope which would provide sufficient data and information, the EC is entitled to initiate judicial proceedings regarding default of requirements of directives and commitments.
- (454) To achieve the objectives defined by SO, there are plans to acquire technical means necessary for the environmental monitoring and control system, develop cartographics materials, promote environemtnal awareness and improve environmental information and education centres. The envisaged activities will be implemented by prioritising those environmental monitoring areas where the most significant shortages in terms of fulfilments of requirements of directives have been currently stated. In general, it is planned to support these four monitoring and control fields in the following order of priority:
1. water,
  2. biodiversity,
  3. air and climate change,
  4. land.
- (455) EU funds will help to ensure implementation of EU requirements and the National Environmental Monitoring Program covering the entire national territory, including provision of water monitoring (chemical substances, including monitoring of priority substances in the aquatic environment and biota and biological quality monitoring) in accordance with the Water Framework Directive and the Marine Strategy Framework requirements and use of environmental monitoring results for the surface water, sea water and underground water ecological status assessment by developing river basin management plans and a measure program to achieve a good marine environmental status. Implementation of monitoring activities will also help to ensure quality and timely information for environment control, incl. cartographic information on the environment and biodiversity quality, to provide accessibility of the environmental information, also through the interactive presentation of the environmental data and development of environmental information and education centers of national importance.
- (456) The planned actions for the implementation of EU environmental requirements in the natural protection area comply with the priorities defined in the priority action framework. To achieve a reduction in climate change, natural and energy resources consumption, environmental pollution and to promote improvement of the situation, environmental awareness and *green* thinking of the community will be developed and improved, as well as awareness of the community will be developed about reasonableness of policy actions in the environmental area. Environmental information, including environmental monitoring quality and availability, as well as environmental education through promotion of *green* thinking play a significant role in the 2014–2020 programming period to ensure involvement of the community in the evaluation of national level development, including infrastructure development, projects.
- (457) The promotion of community participation is an integrative set of involvement measures not only shaping community awareness of the environment, but also ensuring the involvement of the society in the resolution of environmental protection issues and development of environmental

priority issues in the balanced development. The set of measures means provision of availability of thematic information, incl. investments from EU funds in the environmental area, attitude creation, education, using informal training and skill development methods, thus promoting the achievement and actual use of results of implementation of EU funded projects. The activation of environmental education centres shall play special role in the implementation of these measures.

(458) To achieve the objectives defined by SO, there are plans to develop activities promoting community participation and to improve national level environmental information and education<sup>63</sup> centres. To achieve a reduction in climate change, natural and energy resources consumption, environmental pollution and to promote improvement of the situation, awareness of the entire community and specific target groups will be developed and improved about reasonableness of policy actions in the environmental area, as well as to promote involvement of the community in the evaluation of national level development, including infrastructure development, projects and implementation of environmentally friendly actions. Already functioning mechanisms of cooperation between the population, non-governmental organisations, municipal and state bodies in the resolution of environmental issues, including through involvement of local communities, shall be used as much as possible when planing and implementing environmental education and community participation measures. These measures will be thematically related to those priorities in environmental management in Latvia which are related to the overtaking of requirements of EU directives and the implementation of EU policy settings in environment, climate and environmental protection areas. The following priority measures are envisaged to promote community participation: community information, education measures and involvement activities – environmental education programmes, projects, campaigns, conferences and discussions at national, regional and municipal level in cooperation with state, municipal and scientific bodies, non-governmental and private sectors, and experts, demonstration of environmentally friendly technologies and approaches, popularisation of environmentally friendly lifestyle by shaping interactive environmental communication and promoting wide community participation and provision of information materials in the following areas:

- 1) investments from EU funds into environmental protection and use of project results;
- 2) reduction of and adaptation to climate changes,
- 3) preservation of functions and services of biodiversity and ecosystems,
- 4) development of extraction and use of environmentally friendly RES,
- 5) resource efficiency (sustainable use of natural resources, reduction of waste burden, energy efficiency),
- 6) green procurement and green consumption,
- 7) low-carbon economy,
- 8) community information about the development and implementation of environmental policy,
- 9) promotion of non-governmental sector's participation in the resolution of certain environmental issues as a mediator for environmental communication with other target groups and the community in general, for the purposes of improvement of the environmentally friendly lifestyle model.

Thus, the activities planned by Latvia will promote effective implementation of the measures included into the EC Resource Efficiency Roadmap, as well as will make a contribution to the extension of general awareness.

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<sup>63</sup> National Botanic Garden, Riga Zoo and Museum of Natural History (centres named for reference only, OPs do not require such amount of detail).

- (459) **SO 5.4.1. Indicative actions to be supported** activities for the - restoration of biotopes and species, infrastructure reconstruction and construction in accordance to the natural protection plans, protection plans for species and biotopes.
- (460) **SO 5.4.1. SO 5.4.1. Indicative target territory** – Natura 2000 territories and their adjoint areas, as well as specially protected biotopes<sup>64</sup>. SO envisages managers and visitors of protected territories, municipal, state bodies, ensuring protection of nature and biotopes, partnerships and foundations as a **target group**.
- (461) **SO 5.4.2. Indicative actions to be supported** acquisition of technical means and infrastructure development for environmental monitoring and control systems, development and acquisition of map materials, improvement of environmental information and education centres, community information, education and involvement activities, development of natural protection plans, protection plans for species and biotopes.
- (462) **SO 5.4.2. target territory** – the territory of Latvia and its exclusive economic zone according to laws and regulation in the marine environment protection and management area.
- (463) **SO 5.4.2. Indicative target group:** institutional bodies and capital companies dealing with environmental monitoring and control, as well as collection, processing and accumulation of environmental information, national level environmental education and information centres, municipalities, partnership and foundations, planning regions. Special cooperation with partnerships and foundations, as well as with municipalities is planned for resolution of environmental education issues.
- (464) **Influence of SO 5.4.1 and SO 5.4.2 on HP „Sustainable development”:** direct positive. The implementation will be ensured by applying quality or compliance criteria and including activities for the implementation of SOs into Regulations of the CoM. Environmental impact assessment is carried out in compliance with the legislative requirements for project implementation and other activities whose implementation or results may significantly affect the environment in Latvia.<sup>65</sup>
- (465) **Project selection:** See annex „Project selection”

Table No. 2.5.10. (5)

#### CF and ERDF common and specific output indicators

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.5.4.1.ak (CO23)	Surface area of habitats supported to attain a better conservation status	hectares	ERDF	23,118	Project documentation and submitted reports	Once a year
i.5.4.2.a	Monitoring programmes (areas) carried out according to	Monitoring programmes	CF	4	Project data	Once a year

<sup>64</sup> investments are planned all over the Latvia, with an exception of construction and reconstruction activities for reduction of antropogenic load in the Baltic Sea's coastal municipalities, excepting state-owned parts of Ķemeri National park and Slītere National park.

<sup>65</sup> According to the law "About Environmental Impact Assessment", the Regulations of the CoM No.91 "Regulations on how a regional environment board issues technical rules for the foreseen activity that does not require an environmental impact assessment" of February 17, 2004, as well as the Regulations of the CoM No. 157 "Regulations on how a strategic environmental impact assessment is carried out" of March 23, 2004.

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
	requirements of directives <sup>66</sup>					

(466) **5.5 Investment priority:** preserve, protect, promote and develop natural and culture heritage

(467) **SO No 5.5.1.:** To preserve, protect and develop important cultural and natural heritage, as well as to develop related services.

(468) Long-term conservation and sustainable development of internationally significant cultural and natural heritage and increasing of visitation rates in them will promote the development of services in different economic areas in the territory concerned, thus ensuring the development of local business promoting revenue increase in municipalities. The development of cultural and natural heritage<sup>67</sup> sites will also promote an increase in numbers of tourists staying for several days, including on the coast of the Baltic Sea, where the flow of non-organised seasonal holidaymakers causes a significant negative environmental influence. At the same time, environment quality will be developed and integration of the population will be improved in the respective territories which is important for reduction of depopulation trends.

(469) Investments will ensure not only preservation and protection of cultural and natural heritage, but also development of new functions in cultural and natural heritage sites, promote deeper integration of the sites into the local economic structure (cooperation with undertakings) for the purposes of promoting their financial independence and reduce the burden on national and municipal budgets.

Table No. 2.5.11. (3)

#### ERDF specific result indicator

ID	Indicator	Measurement unit	Baseline value (in 2012)	Target value (in 2023)	Source of data	Frequency of reporting
r.5.5.1.	Nights spent by tourists in accommodation establishments Latvian territory during one year	Nights spent/per year	3 775 195	978 152 – 4 079 631	CSB data	Once a year

#### Investment priority description and indicative actions to be supported

(470) The purpose of investments is to preserve, protect and develop insufficiently utilised areas and sites of natural and culture heritage by making them more attractive and available, as well as

<sup>66</sup> Number of environmental monitoring programmes (areas) which were improved and for which consistency with requirements of directive was ensured

<sup>67</sup> Here and below for SAM No. 5.5.1. the term “object” is used to mark the cultural and natural heritage sites and areas:  
- cultural heritage objects are objects which, according to the law "On the Protection of Cultural Monuments" is assigned to a national cultural monument;  
- natural heritage objects are objects and places in the Baltic Sea with a unique national and international importance, forming a single coastal natural and cultural heritage (defined spatial Coastal Development Guidelines 2011-2017; <http://polsis.mk.gov.lv/view.do?id=3634>).



extending their content and creating new functions for them and promote qualitative use of these functions . Investments into cultural and natural heritage have direct influence on the growth of cultural and natural tourism which creates long-term social and economic benefits.

- (471) The coast of the Baltic Seas is important as an area of economic activities and at the same time is an internationally recognised and demanded visited area with unique cultural and natural heritage, as well as locations of cultural and natural heritage the potential of which is known yet not duly used. The coast serves as a landmark of Latvia and a platform for cooperation with other countries of the Baltic Sea region.
- (472) Investments are intended for areas with the highest development potential – places of concentration of cultural and historical areas and landscapes with perfect cultural and natural values, with the exception of the Latvian Natura 2000 network contained areas in which investments will be made within SAM No. 5.4.1. and existing flows of visitors which are identified by integrally reviewing Latvian Tourism Development Guidelines 2014 – 2020<sup>68</sup>, Strategy Latvia 2030 spatial development prospects under Latvian Cultural Policy Guidelines „Creative Latvia” for 2014–2020<sup>69</sup> , Coast Spatial Development Guidelines for 2011–2017 and Regional policy guidelines for 2013–2019<sup>70</sup>. Territorial concentration will ensure that investments are made into the areas where the development of cultural and natural heritage has higher potential impact on the promotion of local commercial activities, employment and growth. Investments into sites of cultural and natural heritage may be combined with support for export of services in the tourism area under SO No 3.2.1.<sup>71</sup>
- (473) Investments will be made according to the municipality development programme of the area concerned in municipalities and areas where such investments are reasonably considered as economic development priorities, envisaging not only the development of the respective site of cultural and natural heritage, but also its interlinking with other public and private investments into the area concerned taking into account local conditions and potential, envisaging balanced sustainable long-term development of the area. Investments in cultural heritage object are also subject to return on investments long-term action strategy for the respective site which substantiates the demand for the services provided by the site, as well as envisages long-term maintenance of the site without additional financial burden on the municipality or state. Investments in infrastructure objects must comply with the conditions of the socio-economic benefits that outweigh the costs of their maintenance.

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<sup>68</sup> Available in: <http://www.mk.gov.lv/lv/mk/tap/?pid=40305688&mode=mk&date=2014-07-29>

<sup>69</sup> Available in: <http://www.mk.gov.lv/lv/mk/tap/?pid=40305688&mode=mk&date=2014-07-29>

<sup>70</sup> Regional policy guidelines for 2013–2019 available at <http://polsis.mk.gov.lv/view.do?id=4525>

<sup>71</sup> Within EU Member States network of creative territories is expanding– those are innovation and development centres, in creation of which important part takes the cultural and creative industries, changing public image of cities and regions, developing creative atmosphere, building self-confidence of inhabitants and contributing to the development of tourism. Also in Latvia several bright creative cities, regions and rural areas have appeared, where significant cultural and creative activities can be observed and where cultural capital for development have been intentionally used. For example Kuldīga, Liepāja, Ventspils, Rēzekne, Daugavpils, as well as Vecpiebalga and Kandava. In recent years investments of EU structural funds in cultural capital of regions have been made creating multi-functional cultural centre in Rēzekne and Mark Rothko Art Centre in Daugavpils, multi-functional centres will be created also in Cēsis and Liepāja. Investments have been made in Kuldīga, Daugavpils and elsewhere, forming the basis for a creative cultural environment. Funding of EU Structural Funds have contributed to increase of visitors and visibility of the cities, for example Latgale’s embassy GORS in Rēzekne within six months has been visited by 96136 visitors, while **Daugavpils Rothko Art Centre - by 74,339 visitors, all visitors who visited cultural institutions also did sightseeing in the city.** Investment in cultural infrastructure contributes to the increase of visitors, it can be demonstrated by increase of visitors in Rundāles castle comparing with 2006 in 2012 it have increased by 59%, while developing new services it can be demonstrated in increase of number of employees. In Rundāles palace in 2012 number of employees compared to 2006 increased by 24%. In addition museum ticket revenue have been promoted - compared with 2006, in 2012 they increased by 88%, while revenue from charged services increased by 39%. In 2012 number of visitors in Turaida Museum Reserve compared to 2009 increased by 20%. Revenue from museum tickets have been promoted, in 2012 compared to 2009, they increased by 71%, while revenue from charged services increased by 11 %.

- (474) **Indicative actions to be supported:** restoration, conservation and construction of sites of cultural and natural heritage and related infrastructure based on integrated development programmes, with aim to improve services provided in the site of cultural and natural heritage, to create new services.
- (475) **Indicative target territories** Cultural Policy Guidelines „Creative Latvia” for 2014 – 2020<sup>72</sup>, Latvian Tourism Development Guidelines 2014–2020, Coast Spatial Development Guidelines for 2011–2017<sup>73</sup> and Guidelins of Regional Development 2013.-2019 integrally marked places of concentration of cultural and historical areas and landscapes with perfect cultural and natural values and existing flows of visitors, including on the coast of the Baltic Sea which are integrally marked in Latvian Tourism Development Guidelines 2014–2020.
- (476) **Indicative target group:** municipalities, providers of related services (SMEs), population, local and international tourists.
- (477) **Project selection:** See annex ”Project selection”

Table No. 2.5.12. (5)

### ERDF and CF common and specific output indicators

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.5.5.1.a	Number of supported Natural and Cultural heritage sites	Number	ERDF	15	Project data	Once a year
i.5.5.1.c	The number of created services in supported cultural and natural heritage objects	Servicess	ERDF	15	Project data	Once a year
i.5.5.1.bk (CO09)	Increase in expected number of visits to supported sites of cultural and natural heritage and tourism objects in places where support is provided	Visits a year	ERDF	140,000	Project data	Once a year

- (478) **5.6. Investment priority:** take action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures.
- (479) **SO No 5.6.1.: promotion of revitalisation of urban areas in Riga, ensuring efficient socioeconomic use of the area.**

<sup>72</sup> Available at: <http://polsis.mk.gov.lv/view.do?id=4877>

<sup>73</sup> Available at: [http://www.varam.gov.lv/lat/pol/ppd/telp\\_plan/?doc=12701](http://www.varam.gov.lv/lat/pol/ppd/telp_plan/?doc=12701)

- (480) Riga has territories (neighbourhoods) having a significant growth and development potential which are characterised by a favourable geographic location, high quality infrastructure base or good pre-requisites for its creation, interest from the private sector and readiness of the municipality to invest into these territories, but potential development and inflow of investments into these territories is hindered by factors like bad social and economic parameters (compared to average indicator in the city) – high unemployment, delinquency, low average income of the population, low business activity, high concentration of degraded sites and territories<sup>74</sup>.
- (481) Within the framework of the SO such urban areas will be revitalised, economic and social activities will be promoted, their further degradation will be prevented through reconstruction and creation small scale objects (such as integrated cultural, business tourism and sports sites) which will serve a catalyst for the development of the area concerned, adding and promoting attraction of other, especially private investments, as well as will promote commercial activities, employment and improvement of the social and economic status of the territory concerned.
- (482) The SO will support development strategies for such degraded territories (neighbourhoods) which will quantitatively envisage a higher revitalisation effect and higher private co-investments, as well as will ensure added value at national level according to the goals and objectives defined in national planning documents in the area of culture, sports, tourism or other areas.
- (483) Maximum multifunctionality, multimodality of infrastructure will be ensured and financial self-sufficiency and openness for commercial activities and local communities will be promoted to ensure integrated investments into infrastructure development under SO No 5.6.1. to develop public infrastructure within territory revitalisation projects. Public site creation will create synergy and ensure growing number of visits to the site. Attraction of tourists to the above-mentioned sites will create a multiplier effect in the development of SME services leaving a positive influence on economics, as well as creating additional demand for the development of new capacities of public transport.

Table No. 2.5.13. (3)

### ERDF specific result indicators

ID	Indicator	Measurement unit	Baseline value (in 2012)	Target value (in 2023)	Source of data	Frequency of reporting
r.5.6.1.a	Attracted private investments in assisted areas 3 years after project completion	Mln EUR	150 000 000	210 000 000	Information from municipalities; studies	Every three years

- (484) **SO No 5.6.2.:** revitalisation of territories through regeneration of degraded territories according to municipal integrated development programmes.
- (485) The SO will result in environmentally friendly and environmental sustainability promoting territorial growth and creation of new jobs through revitalisation of urban environment and regeneration of degraded territories, taking into account that EPRDM's analysis of development

<sup>74</sup> A degraded territory is a place or a part of a city, which have been previously used, constructed or planned for business activities, but its current level of business activity and employment is insufficient. The territories or the sites present there are fully or partially derelict, worn out or frequently polluted.

centres of national and regional importance in municipalities of 2013 demonstrated that there were 5826 ha of degraded territories the development of which was evaluated as prospective by municipalities. The plan is to rehabilitate 556 ha of these 5826 ha of degraded areas or average of 9.54 % of degraded territories. This will result in investments into arrangement of former industrial sites and other degraded territories and thus prevention of pollution risks or elimination of existing environmental population, at the same time promoting the availability of the territories to business and increasing the number of jobs in the companies which manufacture or provide services in development centres of national and regional importance. The specific objective will also allow promoting the achievement of the service offering development objectives defined in Regional policy guidelines for 2013–2019.

- (486) Development centres of national and regional importance or urban areas are the territories wherein the majority of the state population, business activity, public services, including HEI and economic activities, are already concentrated. That means that the special attention shall be given the environmental quality aspect when planning any development.

Table No. 2.5.14. (3)

### ERDF/CF specific result indicators

ID	Indicator	Measurement unit	Baseline value	Target value (in 2023)	Source of data	Frequency of reporting
r.5.6.2.a	Number of employees (in the private sector) in enterprises, which location of provision of goods or services is the development centres of national and regional importance and their functional areas.	Number of employees	429 000 (2011)	446 300-475 100	CSB	Every year

### Investment priority description and indicative actions to be supported

- (487) The renewal of degraded territories that is based in the integrated strategic programming will improve the spatial structure of urban, public, social and business environment. The creation of prerequisites for further social and economic growth of Riga City and areas to be revitalised will be promoted, incl. the creation of new jobs will be stimulated, the availability of public services will be extended, environmental prospects and social security will be improved.
- (488) It is impossible to start effectively using any degraded territory without targeted intervention and significant investments into its revitalisation. When making investments, special attention will be given to the improvement and maintenance of environmental quality, as well as animation of cultural values (in its broadest meaning). A balance between social, environmental and economic development factors in the entire territory and its individual sites will be ensured in the process of regeneration of a territory, taking into account long-term and short-term needs. Investments should be made taking into account the long-term action strategy for the respective site which substantiates the demand for the services provided by the site, as well as envisages maintenance of the site. Targeted intervention into respective territories will motivate the development of

undertakings in the surrounding area through the increase of the range of services and improvement of their quality and availability.

- (489) At the same time investments should comply with EU 2020 and national level development priorities defined in NDP 2020 and other programming documents. For instance, it is stated in the action plan for 2011–2014 of the European Agenda for Culture that culture objects are of strategic significance for facilitation of smart, sustainable and inclusive growth in all EU regions and urban areas.
- (490) Investments into revitalisation of urban environment under SO No 5.6.1 by reconstructing small scale public objects have been planned according to the NDP 2020 priorities, the tasks included into the Riga Long-Term Development Strategy (until 2025, the development areas included into the Riga Territorial Planning, as well as the tasks set in the Latvian Cultural Policy Guidelines „Creative Latvia” for 2014–2020. The study of the most appropriate areas for such investments will continue to achieve SO results in the most efficient way.
- (491) Under SO No 5.6.2 the priority plan is to support those projects which have been defined as municipal priorities related to other projects promoting integrated development, directly aimed at environmental quality improvement of development centres of national and regional importance in respective parts of territories of municipalities. According to Regional policy guidelines for 2013–2019, the plan is to grant support for the improvement of quality of urban environment to the priority investment projects defined in integrated development programmes of municipalities which are implemented by municipalities of development centres of national and regional importance, creating partnerships with surrounding municipalities, economic operators, partnership and foundations, if required. As at 1 December 2013 topical development programmes for 2014–2020 have been approved for all the municipalities envisaged as beneficiaries or it is planned to complete their development in the near future.
- (492) Several areas subject to potential development have been identified in Riga for which there are investment plans and significant investments have already been made. Reconstruction and creation of public infrastructure sites with function of culture and sport in these areas will not only be an addition to the already made and planned investments, but will mainly ensure a critical increase in the number of visits and availability and development of public services which is required to achieve significant changes in the use of respective territories. Revitalisation measures will not only improve the social and economic situation, but will also improve environment quality in the respective areas which is important for reduction of depopulation trends.
- (493) In order to facilitate revitalisation of Riga and other cities, improvement of environmental quality, attraction of investments, to increase employment and improve socioeconomic situation, as well as to provide integrated investments in development of infrastructure, it is necessary to revitalise and develop degraded territories of cities where as a result economic and social development would be restored and further degradation of environment and socioeconomic conditions would be prevented, as well as small scale public infrastructure would be reconstructed and developed.
- (494) Investments are planned to ensure revitalisation of degraded territories (functional activation, including engineering communications connections of degraded territories to main networks of engineering communications of the city) according to municipal development programmes, thus promoting development of preconditions to further socioeconomic growth of municipalities as well as addressing contamination issues. In promotion of development of cities it is important to reach balance between aspects of economic activity, community development and environmental quality that are all crucial preconditions for improving attractiveness of cities and quality of life for residents.
- (495) Only small-scale cultural and sustainable tourism infrastructure as referred to under Article 3(1)(e) ERDF can constitute an infrastructure investment in terms of Article 5(6)(c) ERDF. While large-scale cultural and tourism infrastructure is excluded, developments containing several small-

scale items of infrastructure may be supported as part of a broader territorial development strategy, including complementary support measures to maximise their growth and jobs potential. This concerns, in particular, investments in the conservation, protection, promotion and development of natural and cultural heritage (investment priority 6c) in areas where there is a higher than average potential to generate sustainable growth and jobs from these investments. An infrastructure investment should be considered small-scale if its total cost is below or equal to EUR 5 million. A single piece of cultural or tourism infrastructure (such as a museum) may not be subdivided into several items artificially with a view to circumventing the EUR 5 million threshold established above.

- (496) **SO No 5.6.1. Indicative actions to be supported:** Revitalization of priority degraded territories according to infrastructure objects of public importance set in the Riga Sustainable Development Strategy 2030, creating and reconstructing small-scale cultural and sport objects, which will provide a variety and qualitative range of services.
- (497) **SO No 5.6.1. Indicative target territories:** Degraded neighbourhoods of Riga City not excluding investments outside Riga.
- (498) **SO No 5.6.1. Indicative target group:** Inhabitants, economic operators, investors, tourists.
- (499) **SO No 5.6.1. Indicative beneficiaries:** The plan is to implement projects in cooperation between Riga City Municipality (incl. its companies), state administration bodies (incl. state capital companies), as well as, investors and developers.
- (500) **SO No 5.6.1. Project selection:** See annex „Project selection”
- (501) **SO No 5.6.2. Indicative actions to be supported:** the support is planned for the priority public infrastructure investment projects which are defined in integrated municipal development programmes and which are aimed at the promotion of revitalisation of urban environment, renewal of brownfield sites and other degraded territories (i.e. deprived areas)<sup>75</sup> which are either planned or used for entrepreneurship in municipalities of development centres of national and regional importance (incl. municipal territories outside the development centre); the eligible expenditure, among other items, will comprise costs associated with construction/ renovation of buildings and equipment (in limited amount). In Latgale Planning Region investments are planned in development centres of national and regional importance (incl. municipal territories outside the development centre and in surrounding municipalities). The revitalized degraded territories will be adapted for developing of new businesses or expansion of existing companies to promote employment and economic activity in municipalities. Compliance with the integrated municipal development programmes, incl. the investment plans, will be set as a precondition for receiving funding from EU funds. The national development centres will define projects pursuant to requirements of Article 7 of the ERDG Regulation in regard to integrated urban development, based on the list of the municipality’s priority projects, which are defined in line with the respective municipality’s specialization and which will directly contribute to revitalization of deprived areas and creating preconditions for socio-economic growth in the respective territory.
- (502) **SO No 5.6.2. Indicative target group:** municipalities, economic operators and the population of development centres of national and regional importance and their functional areas.
- (503) **SO No 5.6.2. Indicative target territories:** municipalities of development centres of national and regional importance and their functional areas (incl. the area of municipalities outside the development centre and surrounding municipalities, especially municipalities in Latgale region). The indicative plan is to divert EUR 92,138,673 to integrated development of urban environment in development centres of national and regional importance according to Article 7 of the ERDF Regulation.

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<sup>75</sup> See the definition of deprived areas as used in the Partnership Agreement.

- (504) **SO No 5.6.2. Project selection:** See annex „Project selection”. To ensure special support according to Regional policy guidelines for 2013–2019 for territories affected by specific demographic, social and poverty risks, specific selection criteria will be used for the selection of projects, as well as additional funding will be provided to promote development, especially for municipalities in Latgale region. Certain amount of funding will be envisaged for cooperation projects between development centres and their functional territories only. Support will be provided to those projects only which will be defined in integrated development projects of municipalities, incl. defining potential cooperation projects for development centres with their functional areas and mutually coordinating them. Projects for which funding is planned within integrated urban development of development centres of national importance according to Article 7 of ERDF regulation by concluding a delegation agreement with the MA and the cooperational institution, will be selected by nine cities which are development centres of national importance, and they are going to already initially include a list of potential projects when developing or updating municipal development program; accordingly Regional development coordination council (established as a cooperation & coordination mechanism) which is going to consist of organisations involved in the implementation of ITI – municipalities of cities and municipal associations as well as institutions involved in management of EU funds, planning regions and other authorities and organisations involved in implementation and supervision of integrated sustainable urban investments – will approve elaborated or updated development programs. Investment projects will be evaluated in the context with municipality development specialisation and full use of local potentials and synergy with other planned investments and development tools. Integrated solutions which will envisage influence on the achievement of results of more than one SO will have priority support.
- (505) In order to provide thematic demarcation between investments within specific objectives 5.6.1. and 5.6.2., support within specific objective 5.6.1. will be focused on development and revitalization of brownfields for culture and sports services, while support within specific objective 5.6.2. it is planned to provide support priority local public infrastructure investment projects aimed at promoting the redevelopment of urban industrial sites and other business proposed or used by brownfield restoration.
- (506) Compliance with the state support regulation will be ensured in the selection and implementation of projects.

Table No. 2.5.15. (5)

#### ERDF and CF common and specific output indicators

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.5.6.1.ak (CO3 8)	Open space created or rehabilitated in urban areas	m <sup>2</sup>	ERDF	10 000	Information from municipality	Once a year
i.5.6.1.bk (CO3 9)	Public or commercial buildings built or renovated in urban areas	m <sup>2</sup>	ERDF	20,000	Information from municipality	Once a year
i.5.6.1.c	the number of restored, created, reconstructed and infrastructure objects	Number of objects	ERDF	18	Information from municipality	Once a year
i.5.6.	Total surface area	ha	ERDF	556	Project	Once a year

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
2.ak (CO2 2)	of rehabilitated land				data	



Table No. 2.5.16. (6)

## Performance framework of the priority axis

Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Description of significance of the indicator
							W	M	Total		
Financial indicator	F07) Financial indicator PA 3 (ERDF)		EUR	ERDF	<i>Less developed regions</i>	109 957 466			509 314 166	accounting system of the certifying authority	
Financial indicator	F08) Financial indicator PA 3 (ERDF)		EUR	CF	<i>Less developed regions</i>	46 013 028			223 692 235	accounting system of the certifying authority	
Output indicator	i.5.3.1.ak Additional population served by improved wastewater treatment system (CO19)	Common indicator	Population equivalent	CF	<i>Less developed regions</i>	1175			58 726	Project data	The indicator includes actions under SO 5.3.1., where investments in waste water treatment infrastructure are planned. Indicator corresponds 66.57% of total CF funding to priority axis 5.
Output indicator	i.5.6.2.ak Total surface area of rehabilitated land (CO22)	Common indicator	hectares	ERDF	<i>Less developed regions</i>	0			556	Project data	The indicator reflects SO 5.6.2 investments into the arrangement of degraded territories and renewal of brownfield sites. Indicator

Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Description of significance of the indicator
							W	M	Total		
											corresponds 66.54.64% of total ERDF funding to priority axis 5.
Key implementation step	5.6.2. Concluded agreements with beneficiaries on the implementation of projects (S562)	Concluded agreements with beneficiaries on the implementation of projects in development centres of regional importance according to integrated development programmes of municipalities	Agreements	ERDF	Less developed regions	10				Project data	N/A

Table No. 2.5.17. (7-12)

ERDF: Less developed regions											
Categories of intervention		Type of funding		Territory		Territorial delivery mechanisms		ESF secondary themes (ESF only)		Thematic objectives	
Code	Million EUR	Code	Million EUR	Code	Million EUR	Code	Million EUR	Code	Million EUR	Code	Million EUR
5	11 826 219	1	432917039	7	13 1375 386	7	80819321	N/A	N/A	5	65 819 321
7	11 826 219			1	172 521 464	1	92138673			6	367097718
21	11 826 219			3	36 881 516	5	259 959 045				
34	23 652 438			2	92 138 673						
85	2 442 691										
86	12 557 309										

87	65 819 321										
89	257 776 068										
92	15 190 555										
94	20 000 000										

Table No. 2.5.18. (7-12)

<i>CF: Less developed regions</i>											
Categories of intervention		Type of funding		Territory		Territorial delivery mechanisms		ESF secondary themes (ESF only)		Thematic objectives	
Code	Million EUR	Code	Million EUR	Code	Million EUR	Code	Million EUR	Code	Million EUR	Code	Million EUR
17	24805351	1	190 138 398	7	63564212	7	190 138 398	N/A	N/A	6	190 138 398
19	16536901			1	54229674						
21	104469173			3	42200965						
22	22105013			2	30143547						
85	22221960										

## 2.6. Sustainable transportation system

- (507) To ensure sustainable transportation infrastructure and good quality of transportation and logistics services which provide jobs and contribute to the increase in service exports, within the investment priority “Sustainable transport system” CF and ERDF support measures will be combined promoting sustainable and effective achievement of results. Within the framework of the priority axis, investments are planned according to Transportation development guidelines 2014–2020, as well as to add to the investments made in the 2007–2013 programming period thus ensuring their sustainability. ESI funds investments in road infrastructure will be complemented and road maintenance will be ensured from national financing in accordance with State road improvement programme 2014 – 2020.
- (508) CF and ERDF support is planned in such a way to promote provision of high-quality transport infrastructure (roads, railways, connection of TEN-T with cities, Riga Airport, big ports) which is a reasons for the development of a competitive, sustainable, comodal transportation system supporting high quality mobility through efficient use of resources. Support is provided for the improvement and development of road infrastructure of different scale of importance to prevent breaking of roads, improvement of security and reduction of environmental pollution in big ports and Riga Airport, as well as electrification of railway infrastructure ensuring a unified transportation system.
- (509) **6.1.Investment priority:** supporting a multimodal Single European Transport Area by investing in TEN-T (CF)
- (510) **SO No 6.1.1.: To increase security level in large ports and improve the mobility of the transport network.**
- (511) Through the implementation of SO, the security level will be improved in ports and restrictions in the operation of TEN-T transportation infrastructure created by weak points.
- (512) To reduce the existing pollution in the water transportation sector caused by the lack of effective water infrastructure and weakly developed link between water transport and land transport, it is important to ensure appropriate road and railway capacity and connection to ports. Therefore, within the SO it is also planned to improve road and railway accesses to ports (construction of new infrastructure, reconstruction of the existing infrastructure). Marine ports play an important role as logistics centres, and they require safe and effective connections with land. Investments will ensure the reconstruction of the ports included into the TEN-T network infrastructure and construction of new infrastructure as well as will support the functionality of land access roads, thus promoting diversion from freight operations from cities, reducing traffic jams, saving the environment and increase safety
- (513) Reconstructed hydraulic structures will improve shipping safety and functionality of the port allowing ships to move in unfavourable weather conditions in which motion of ships is currently stopped. This will allow to increase security and reduce idle time of ships while in raid, thus decreasing emissions caused from operation of ships engines. The improvement of common use infrastructure of ports will create preconditions for reducing negative environmental effect associated with transportation of one ton transshipped in the port on average.
- (514) By improving common use infrastructure of ports the hydraulic structures of large port which are in critical condition will be reconstructed and investments will be made in development of system for monitoring vessels traffic and coordination, which will increase shipping safety, contributing to the EUSBSR objective „Save the sea”, as well as promoting by achieving the objective of decreasing emissions within framework of priority „Clean shipping”. EU funds will provide support only to public infrastructure and only in cases when other sources of financing are not available. For fulfilment of Directive on development of alternative fuel infrastructure (it is foreseen that the Directive will come in force by the end of 2014 and member states will have to

develop national framework for its fulfilment within two years after the Directive has come in force) investments also will be necessary for fulfilment of requirement foreseen in it regarding alternative fuels.

Table No. 2.6.1. (3)

**CF specific result indicators**

ID	Indicator (name of indicator)	Measurement unit	Baseline Value	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
r.6.1.1. a	Average idle time while in raid due to bad weather per year	Hours	278 (2012)	CF	70	Administration of big ports	Once a year
r.6.1.1. b	The share of the access roads in poor and very poor condition	%	62 (2014)	CF	47	Administration of big ports	Once a year

**(515) SO No 6.1.2.: To promote security and compliance with environmental requirements at Riga International Airport.**

(516) The implementation of the SO will result in the improvement of environmental and security measures at Riga International Airport. EU funds investments will be made to the Riga International Airport in cases when other sources of financing are not available.

(517) In order to ensure sustainable development of the airport „Riga” it is necessary to continue modernisation and development of infrastructure of the airport „Riga”, which is related to mitigation of environmental impact and increase of safety requirements in accordance with increasing number of flights, passengers and cargo.

(518) In order to diminish adverse impact of airport operations on environment, ensuring improvement of airport infrastructure and energy efficiency, construction of second rapid exit taxiway will be carried out, that will allow to reduce taxi time of arriving aircraft with turned on engines, CO2 emissions and noise generated by aircraft engines. It is also planned to invest into reconstruction of technical and other buildings necessary for airport’s operation, increasing energy efficiency of buildings, reducing global climate changes caused by greenhouse effect, limiting emissions (including also CO2 emissions), which are harmful to environment and human health as well as to invest into technical equipment. Investments in reconstruction of public rainwater drainage system and reconstruction of streets will reduce emissions of pollutants from rainwater on the territory of the airport. Installation of axle lights for taxiways of aprons will ensure accelerated departure of the aircraft off the runway in poor visibility weather conditions. It will reduce possible congestion of aircraft waiting for landing. This activity will foster reduction of CO2 emissions in the air. Replacement of lighting on the territory of the airport will reduce consumption of electricity and CO2 emissions. Ensuring further improvement of the airfield appropriate to CAT II standards will improve the safety of aircraft movement at unfavorable (reduced visibility) weather.

Table No. 2.6.2. (3)

**CF specific result indicators**

ID	Indicator (name of indicator)	Measurement unit	Baseline Value (in 2012)	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
r.6.1.2.a	Average amount of CO <sup>2</sup> created by entering RWY18 aircrafts when taxiing in	kg	211	CF	179	Riga International Airport	Once a year
r.6.1.2.b	Value of wastewater chemical oxygen consumption	mg/l	168	CF	<125	Riga International Airport	Once a year

**(519) SO No 6.1.3.: To ensure necessary infrastructure on main flyovers of Riga and to prevent fragmentary nature of main streets**

(520) The implementation of the SO will result in the reduction of the number of traffic jams on trunk-line flyovers of Riga and prevention of gaps in the existing network of city trunk-line roads.

(521) According to the Riga and Pieriga Mobility Plan and Riga City Sustainable Development strategy until 2030, the creation of an integrated transportation system and freeing of the central part of the city from transit traffic is especially important in the transport infrastructure of Riga. In doing this, the fragmentary nature of trunk-line streets will decrease, as well as the traffic of transit cargoes on the left bank of Daugava will be arranged thus increasing the capacity of the transport network.

(522) The implementation of the SO will result in the removal of gaps in the existing network of trunk-line streets of the city and a continuous city trunk line will be created in the north-south direction, trucks will be diverted from streets adjacent to major public sites, as well as the number of conflict points for traffic accidents will decrease.

(523) For passengers to be able to access different neighbourhoods without using the city centre as a transit area, investments will result in the creation of the planned multimodal transport node which will promote creation of a more effective transportation system, because a public transport transfer site will be created on the left bank of Daugava.

Table No. 2.6.3. (3)

**CF specific result indicators**

ID	Indicator (name of indicator)	Measurement unit	Baseline Value (2012)	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
r.6.1.3.a	Average vehicle delay time	minutes	3.42	CF	2.71	Riga City Council	Once a year

**(524) SO No 6.1.4.: To connect infrastructure of major cities with the TEN-T network.**

(525) The implementation of the SO will result in the removal of infrastructure gaps in cities and will create an alternative route for transit and cargo transport separating it from local public traffic flows.

(526) The fragmentary nature of trunk-line streets in the city, the growing intensity of cars and trucks are the factors that define the need for investments into the creation of a network of trunk-line streets. The separation of the public transport from the flow of trucks, separation of transit cargoes

from the city centre are the main tasks of these trunk-line streets while preserving functionality of city traffic.

- (527) The investments will result in integrated interlinking of the big city transport infrastructure with the TEN-T network, thus developing functions of a city transit hub, increasing the capacity of trunk-line streets, improving of the mean speed of the traffic flow and reducing of the time required for travel, at the same time promoting improvement of environment and the quality of living environment for the population of the city. Achievement of these results will be provided at the project level by setting the appropriate project selection criteria and indicators. To ensure fulfilment of ex ante conditionalities for transport sector according to PA project pipeline will be developed and assessment of SO 6.1.4.impact on capacity of main roads and time savings will be provided.

Table No. 2.6.4. (3)

**CF specific result indicators**

ID	Indicator (name of indicator)	Measurement unit	Baseline Value (2012)	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
r.6.1.4.a	Number of large cities with alternative routes for TEN-T network transit and trucks	Cities	1	CF	4	Project data	Once a year

- (528) **SO No 6.1.5.: To reconstruct the pavement of state main roads, increasing bearing capacity.**

(529) Implementation of SO, will improve the quality of the main national roads, which are located in the TEN-T road network.

(530) To eliminate the problems identified in the network of national motor roads, national motor road infrastructure preservation measures, incl. reconstruction of main motor roads, should be implemented in the period from 2014 to 2020. In the course of implementation of the reconstruction, the share of main motor roads that are in a bad and a very bad condition in the country will decrease by 80 %.

(531) A significant increase in competitiveness of the state will be a significant benefit secured by a high quality road network. A network of motor roads maintained at a good quality level ensures functioning of the national economy and promotes development, provides a possibility to move around, to carry goods and provide services for the population with as low costs as possible, and this is also an important factor of traffic safety and encourages development of tourism.

(532) As a result of these investments will allow to provide the missing link to the TEN-T network development, while qualitative transport infrastructure will reduce its maintenance costs. Planned investments will contribute significantly to the promotion of traffic safety Investments are planned so as to provide contribution to improvement of traffic safety, including requirements determined by Directive 2008/96/EC and will allow to reduce the duration of travels.

Table No. 2.6.5. (3)

**CF specific result indicators**

ID	Indicator (name of indicator)	Measurement unit	Baseline Value (2012)	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
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ID	Indicator (name of indicator)	Measurement unit	Baseline Value (2012)	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
r.6.1.5.a	Share of main motor roads in bad and very bad shape in the country	%	46.3	CF	10	Latvijas Valsts ceļi	Once a year

### **Investment priority description and indicative actions to be supported**

- (533) Complex investments within the framework of the investment priority are aimed at the comprehensive development of the transportation system, making a contribution to the creation of a more environmentally friendly and effective transportation system. Investments into all SOs are planned to strategically supplement and continue the elimination of shortages in TEN-T network infrastructures from the activities implemented in the 2007–2013 programming period with support of the EU funds, including the projects implemented for the integration of Riga and Riga Port into the TEN-T network, investments into Riga Free Port and Riga Airport.
- (534) In the 2007–2013 programming period of EU funds, projects related to the the port basin deepening , construct and reconstruct quays, as well as construct complex related infrastructure engineering utilities were implemented in the largest Latvian ports. However, the restrictions will be eliminated caused by weak points in the operation of the TEN-T network infrastructure which, in the case of ports, are related to the weakly developed link between water transport and land transport, therefore, under this SO, investments into the public infrastructure are envisaged in order to ensure access from both the sea and land. Meanwhile investments in big ports will be focused to reduce the existing pollution in the water transportation sector caused by the lack of effective water infrastructure and weakly developed link between water transport and land transport. Detailed information on the needs of ports is included into the port evaluation report<sup>76</sup>.
- (535) During the 2007–2013 programming period of EU funds, renovation of the runway covering surface, reinforcement of the take-off strip and the safety zone of the northern section, construction of category II lighting system in the northern section of the runway, reconstruction of aprons, creation of two anti-icing treatment areas were performed at Riga Airport. Using its own funds, Riga Airport started the implementation of a project related to the capacity increase; in addition to that, according to the EC’s position<sup>77</sup>, under SO 6.1.2. it is envisaged to resolve issues related to the improvement of environmental and safety measures at Riga International Airport. To achieve the planned results in terms of development of Riga Airport, complex investments into the infrastructure and material and technical base required for the development of the airport should be made in order to stimulate the achievement of the climate policy goals according to the growing turnover at the same time.
- (536) Freeing of the integrated transportation systems which are important for Riga and the central part of the city from transit traffic may be developed by reconstructing and constructing the most significant sections of trunk-line roads. In its turn, the main point of entry and exit from the city on a bus, an aircraft or a train will be created by mutually integrating the Central Railway Station with the International Airport. A multimodal public transport node with a public transport transfer site on the left bank of Daugava will be created to increase efficiency of public transport.

<sup>76</sup> Reimbursable Advisory Services To the MoT „REVIEW OF THE PORTS SECTOR OF LATVIA: COMPETITIVENESS AND GOVERNANCE”

<sup>77</sup> Commission staff working document - Accompanying document to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions - An action plan for airport capacity, efficiency and safety in Europe - Summary impact assessment COM(2006) 819 final SEC(2006) 1686 /\* SEC/2006/1687 \*/



- (537) Within the framework of the interlinking of the city transport infrastructure with the TEN-T network, the most significant transport infrastructure sections should be integrated into the TEN-T network to develop transit hub functions, to increase capacity, to improve the speed of the traffic flow and reduce the time required for travel, at the same time encouraging improvement of environment and quality of the living environment for the population of the city.
- (538) To eliminate the problems identified in the network of national motor roads, national motor road infrastructure preservation measures should be performed according to the National Road Improvement Programme in 2014–2020: reconstruction, reinforcement of the carrying capacity of the surface, at the same time improving the road traffic safety. Investments into the renewal of national motor roads will be made to continue the routes and transport corridors started within the framework of the road improvement programme in 2007–2014 programming period. Furthermore, the investments planned under the SO will be supplemented and their maintenances will be ensured using national financing.
- (539) **SO No 6.1.1. Indicative actions** to be supported: to improve the security level in ports and remove restrictions in the operation of the TEN-T transportation infrastructure created by weak points, the plan is to reconstruct piers and breakwaters, construct the engineering utility network for the infrastructure complex, reconstruct road and railway access roads and related infrastructure, securing compliance with fire-fighting and environmental protection requirements, as well as to perform actions related to compliance with other safety requirements.
- (540) **SO No 6.1.1. Indicative target territories:** Riga, Ventspils and Liepaja.
- (541) **SO No 6.1.1. Indicative beneficiaries:** Administrations of big ports.
- (542) **SO No 6.1.2. Indicative actions** to be supported: improvement of environmental and safety measures at Riga International Airport: improvement of apron taxiways and their equipment with axial lights, reconstruction of rain water drain system, as well as acquisition of more energy efficient equipment, units and devices, modernisation of lighting infrastructure.
- (543) **SO No 6.1.2. Indicative target group:** passengers, carriers of cargo and passengers, users of all types of transport.
- (544) **SO No 6.1.2. Indicative beneficiaries:** VAS Starptautiskā lidosta Rīga.
- (545) Influence on HP „Sustainable development”: direct positive. Implementation of the HP „Sustainable development” will be ensured by applying quality or compliance criteria and by including activities in Regulations of CoM on the implementation of SO.
- (546) **SO No 6.1.3. Indicative actions** to be supported: Reconstruction and renewal of Riga City transport infrastructure ensuring the creation of an integrated transportation system and freeing of the central part of the city from transit traffic, reducing the fragmentary nature of trunk-line streets, improving technical parameters of transport infrastructure and traffic safety, construction of a public transport transfer site on the left bank of Daugava.
- (547) **SO No 6.1.3. Indicative target territories:** Riga.
- (548) **SO No 6.1.3. Indicative beneficiaries:** municipality, municipal companies.
- (549) **SO No 6.1.4. Indicative actions** to be supported: development of new trunk-line streets, development of routes ensuring effective interlinking of separate parts of cities and interlinking with elements of the European communications network (alternative cargo road construction, reconstruction or modernisation).
- (550) **SO No 6.1.4. Indicative target territories:** national level development centres
- (551) **SO No 6.1.4. Indicative beneficiaries:** MT, municipalities.

(552) **SO No 6.1.5. Indicative actions** to be supported: reconstruction of main national motor roads within the TEN-T network, reinforcement of the carrying capacity of the surface, at the same time improving road traffic safety.

(553) **SO No 6.1.5. Indicative beneficiaries:** MoT

(554) **Project selection:** see annex „Project selection”.

Table No. 2.6.6. (5)

**CF common and specific output indicators**

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.6.1.1.a	Reconstructed hydraulic structures	hydraulic structures	CF	4	Project data	Once a year
i.6.1.1.b	The length of reconstructed access roads and railway	km	CF	12	Project data	Once a year
i.6.1.2.a	The second quick off-ramp in the apron taxiway was constructed	m <sup>2</sup>	CF	12,090	Project data	Once a year
i.6.1.2.b	Total length of upgraded apron taxiways	m	CF	11,330	Project data	Once a year
i.6.1.3.a	Total length of reconstructed or constructed bridges, flyovers and tunnels	km	CF	3.8	Project data	Once a year
i.6.1.3.b	A multimodal transport node has been constructed	m <sup>2</sup>	CF	40,000	Project data	Once a year
i.6.1.4.a	Total length of constructed, reconstructed or upgraded alternative truck roads, streets and flyovers for interlinking with TEN-T	km	CF	9.96	Project data	Once a year
i.6.1.5.ak (CO14a)	Total length of reconstructed or upgraded roads (TEN-T)	km	CF	345	Project data	Once a year

(555) **6.2. Investment priority:** Developing and restoration of comprehensive, quality and interoperable railway systems, and promoting noise reduction measures (CF)

(556) **SO No 6.2.1.: To ensure a competitive and environmentally friendly TEN-T network promoting its safety, quality and capacity.**

- (557) Electrification of main railway lines will reduce total costs of railway corridor, increase competitiveness, attract additional cargoes, decrease external expenses and environmental load, ensure compatibility with EU transportation policy and long term objectives.
- (558) Introducing unified trains movement planning and management information system, reviewing the organisation of traffic, as well as optimising and upgrading the control - command and signalling equipment as well as implementing the appropriate European Train Control System (ETCS) level as well as in accordance with the provisions in the EU legislation (Interoperability Directive and the Technical Specification for Interoperability relating to the Control – Command and Signalling subsystems of the trans – European rail system (CCS TSI)) compliance with the EU Transportation policy and harmonised technologies with neighbouring countries will be ensured.
- (559) Investments in Riga railway junction and the completion of work related to the access to the terminals in left coast of the Daugava River will provide an access to the left coast of the Daugava River terminals and increase the total capacity. Investments in Daugavpils railway junction will promote railway junction processing capabilities as it will reduce the bottleneck in East-West rail and will result in a fast and steady flow of cargo. The unified trains movement planning and management information system will ensure compliance with the EU Transportation policy and harmonisation of technologies with neighbouring countries.
- (560) The upgrading of the railway passenger infrastructure will result in securing passengers of all categories, incl. passengers with special needs, with safe and convenient services on passenger platforms and station buildings.

Table No. 2.6.7. (3)

#### CF specific result indicators

ID	Indicator (name of indicator)	Measurement unit	Baseline value (2012)	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
r.6.2.1.a	CO2 emissions in railway transportation	t	164,821	CF	82,141	VAS Latvijas dzelzceļš	Once a year
r.6.2.1.b	Infrastructure capacity	t	67 000 000	CF	73 000 000	VAS Latvijas dzelzceļš	Once a year

#### Investment priority description and indicative actions to be supported

- (561) Railway development is among the most significant prerequisites for the creation of a sustainable transportation system. Low electrification rate and high wear and tear of the existing railway network system increases the price of transportation and causes negative environmental impact. The railway infrastructure intended for passengers does not meet today's requirements, including it is not fit for persons with special needs.
- (562) Under this SO complex investments into the railway system are envisaged promoting railway electrification, developing Riga and Daugavpils railway hubs, creating a unified trains movement planning and management information system, as well as reconstructing passenger service infrastructure that will contribute to the resolution of the mentioned problems by improving the total efficiency of railway carriage and significantly reducing CO2 emissions in railway cargo transportation.
- (563) Investments under this SO are planned to ensure sustainability of the investments made in 2007–2013 programming period of EU funds by strategically supplementing the projects aimed at reconstruction of railway lines, upgrading of the rolling stock, upgrading of passenger infrastructure, etc. At the same time investments will ensure synergy with Rail Baltica project planned within CEF (more detailed information in Article 2.1 of PA “Coordination of support”).
- (564) **Indicative actions** to be supported: in order to improve efficiency of the railway system, the existing infrastructure will be upgraded (electrified) and new infrastructure will be created,

including traffic management systems will be implemented in review of traffic organization and optimisation of control equipment, depending on the level of ETCS, the passenger infrastructure will be upgraded, the alarm system will be upgraded.

- (565) **Indicative beneficiaries:** VAS Latvijas dzelzceļš.
- (566) **Major projects:** Electrification of the Latvian railway network.
- (567) The expected costs of major projects account for 76 % from the expected SO financing. Electrification of main railway lines will reduce the total costs of railway corridor, increase competitiveness, attract additional cargoes, decrease external expenses and the environmental burden, ensure compatibility with the EU transportation policy and long term objectives.
- (568) **Influence on HP „Sustainable development”:** direct positive. Implementation of the HP „Sustainable development” will be ensured by applying quality or compliance criteria and by including activities in Regulations of CoM on the implementation of SO.
- (569) **Project selection:** See annex „Project selection”.

Table No. 2.6.8. (5)

### CF common and specific output indicators

ID	Indicator	Unit of measurment	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.6.2.1.ak (CO12a)	Total length of reconstructed or upgraded railway lines	km	CF	998	Project data	Once a year
i.6.2.1.b	Numbers of stations were built heightened passengers platforms	Stations	CF	21	Project data	Once a year

- (570) **6.3.Investment priority:** enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes (ERDF)
- (571) **SO No 6.3.1.: To increase regional mobility through improvement of the quality of state regional roads**
- (572) The implementation of the SO will result in improvement of the accessibility of national regional roads and their quality.
- (573) To eliminate the problems found in the network of national regional motor roads which are listed in PA and OP, Section 1.1, national regional motor roads should be reconstructed. Through reconstruction, the proportional share of national regional motor roads in a bad and a very bad condition will decrease by 50 %.
- (574) Reconstruction of regional roads will allow increasing of the mobility of population, taking into account that the ability to access workplaces and services is a very important issue in the context of economic activity support and development of the infrastructure of services. A good road quality will allow reducing of expenses of population related to unsatisfactory road infrastructure.
- (575) Regional roads also play a significant complementary role in the development of the main TEN-T network and a comprehensive network, because they ensure access not only to the comprehensive network, but also to the core network. If the condition of regional roads is improved, it will be a contribution to the achievement of one of the objectives set by the EC: to achieve that majority of European population and economic operators spend less than 30 minutes to access this network.

Table No. 2.6.9. (3)

**ERDF specific result indicators**

ID	Indicator (name of indicator)	Measurement unit	Baseline value	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
r.6.3.1.a	Share of regional motor roads in bad and very bad shape in the country	%	53.7 (2012)	ERDF	26	VAS Latvijas Valsts ceļi	Once a year
r.6.3.1.b	Average time savings per kilometre reconstructing national regional roads with asphalt pavement	Sec	5 (2013)	ERDF	9	VAS Latvijas Valsts ceļi	Once a year

**Investment priority description and indicative actions to be supported**

- (576) To eliminate the problems identified in the network of national regional motor roads, regional motor road infrastructure preservation measures should be performed according to the National Road Improvement Programme in 2014–2020: reconstruction and upgrading of roads, reinforcement of the carrying capacity of the surface, at the same time improving road traffic safety. Projects will be selected based on such criteria as traffic intensity, road technical condition, potential effect to connectivity improvement, existing seasonal limitations for cargo use. taking into account the existing technical condition, traffic counts, Location of service providers and synergy with other SOs will also be taken into account Investments into the renewal of national regional motor roads will also be made to continue the routes started within the framework of the road improvement programme in 2007–2014 programming period. Furthermore, the investments planned under the SO will be supplemented and their maintenance will be ensured using the national financing.
- (577) When addressing accessibility improvement issues, the priority is to ensure accessibility of international, national and regional development centres from the surrounding area. Considering statements in the strategy Latvia 2030, territorially Latvian regional policy is centred on promotion of polycentric development as an instrument for balanced development of the country, as well as strengthening of competitiveness of regions and urban areas at international level. Therefore, promotion of polycentric development means, along with the development of Riga, promotion of the development of international, national and regional development centres defined in the strategy Latvia 2030 as drivers of regional growth by increasing the institutional capacity of infrastructure, human resources, regions and municipalities, as well as ensuring an attractive, qualitative and creative environment for population and investors. Projects ensuring connection of economic centres with TEN-T network will be implemented within the SO. As a result of implementation of the SO connectivity will be improved, improving state regional road routes, which connect regional development centres with national development centres or Riga.
- (578) **Indicative actions** to be supported: reconstruction of national regional roads connecting international, national and regional level development centres with the TEN-T road network.
- (579) **Indicative target territories**: municipal areas of national and regional development centres defined in Latvia 2030.
- (580) **Indicative beneficiaries**: MoT.
- (581) **Project selection**: see annex „Project selection”. To ensure special support according to Regional policy guidelines for 2013–2019 for territories affected by demographic, social, poverty

and discrimination risks, specific selection criteria will be used for the selection of projects, as well as additional funding will be provided to promote development.

Table No.2.6.10. (5)

**ERDF common output indicators**

ID	Indicator	Unit of measurmenet	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i6.3.1.ak (CO14)	Total length of reconstructed or upgraded roads	km	ERDF	574	Project data	Once a year

Table No. 2.6.11. (6)

## Performance framework of the priority axis

Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Explanation of relevance of indicator
							W	M	Total		
Financial indicator	(F09) Financial indicator PA 6 (ERDF)		EUR	ERDF	<i>Less developed regions</i>	72,852,630			277,032,428	Accounting system of the certifying authority	
Financial indicator	(F10) Financial indicator PA 6 (CF)		EUR	CF	<i>Less developed regions</i>	306,148,623			1,087,405,057	Accounting system of the certifying authority	
Outcome indicator	i.6.1.5.a Total length of reconstructed or upgraded roads (TEN-T) (CO14)	Common	km	CF	<i>Less developed regions</i>	0			345	Project data	The indicator includes the investments for reconstruction and upgrading of TEN-T roads planned under 6.5.1 The indicator corresponds to 23,63% of CF financing to the priority axis.

Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Explanation of relevance of indicator
							W	M	Total		
Main implementation phase	i.6.1.5.a Announced construction procurements, % from the total amount of road sections (TEN-T) to be reconstructed. (S615)	Construction procurements announced by the project implementer, % from the total number of road sections to be reconstructed. Number of road sections to be reconstructed will be defined in project implementation timetable (project pipeline) in accordance with ex-ante condition no.7.1.	%	CF	<i>Less developed regions</i>	50				Project data	
Outcome indicator	i.6.2.1.a Total length of reconstructed or upgraded railway lines (CO12a)	Common indicator	km	CF	<i>Less developed regions</i>	0			998	Project data	The indicator includes the investments for reconstruction and upgrading of railway lines planned under SO 6.2.1 The indicator corresponds to 46,89% of CF financing to the priority axis.



Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Explanation of relevance of indicator
							W	M	Total		
Main implementation phase	i.6.2.1.a Concluded agreements with the project implementer regarding the implementation of the project, % from the total SO funding. (S621)	Concluded agreement with the project implementer(s) for the amount, % from the total SO funding	%	CF	<i>Less developed regions</i>	15				Project data	
Outcome indicator	i.6.3.1.a Total length of reconstructed or upgraded roads (CO14)	Common indicator	km	ERDF	<i>Less developed regions</i>	0			574	Project data	The indicator matches 100.00 % from ERDF funding for the priority axis
Main implementation phase	i.6.3.1.a Announced construction procurements, % from the total amount of road sections to be reconstructed. (S631)	Construction procurements announced by the project implementer, % from the total number of road sections to be reconstructed. Number of road sections to be reconstructed will be defined in project implementation timetable (project pipeline) in accordance with ex-ante condition no.7.1.	%	ERDF	<i>Less developed regions</i>	20				Project data	The indicator includes the investments for reconstruction and upgrading of regional roads planned under SO 6.3.1

Table No. 2.6.12. (7-12)

<i>ERDF: Less developed regions</i>											
Categories of intervention		Type of financing		Territory		Territorial delivery mechanisms		ESF secondary themes (ESF only)		Thematic objectives	
Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR
34	235,477,563	1	235,477,563	7	235,477,563	7	235,477,563	N/A	N/A	7	235,477,563

Table No. 2.6.13. (7-12)

<i>CF: Less developed regions</i>											
Categories of intervention		Type of financing		Territory		Territorial delivery mechanisms		ESF secondary themes (ESF only)		Thematic objectives	
Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR
24	453,927,366	1	924,294,295	7	672,377,169	7	924,294,295	N/A	N/A	7	924,294,295
33	377,676,199			1	251,917,126						
35	7,093,340										
37	11,484,765										
39	74,112,625										

## 2.7. Employment and labour mobility

- (582) ESF investments in the thematic objective “Promoting sustainable and quality employment and supporting labour mobility” will contribute to the achievement of employment objective defined by the EU 2020 strategy. The ESF support under this priority axis will promote the implementation of EU Council’s recommendations of 2013 and 2014, as well as the achievement of the objectives defined by EU 2020 in the context of labour market, by addressing problems described in the PA Section 1.1 and 1.3 (see the description of „Promoting sustainable and quality employment and supporting labour mobility”).
- (583) **7.1. Investment priority:** access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility.
- (584) **SO 7.1.1.: To raise the qualification of the unemployed and improve their skills according to the demand of labour market.**
- (585) According to the ME’s mid-term forecasts<sup>78</sup> the demand for labour will continue to grow. In comparison to 2012, it is expected that the number of employed might grow by 5.6 % or approximately 49.7 thousand by 2020, which will absorb part of current job seekers. However, there will be visible disproportions between the demand for- and supply of labour in the mid-term. On the one hand, this will depend on the mismatch between demanded and offered skills on the labour market, on the other hand, on regional disproportion between demand and supply of labour.
- (586) By applying ESF support, it is planned about 7 % of the expected number of job seekers to be involved into professional improvement or continuing education programmes annually within the period 2014-2020, by providing them acquisition or improvement of their qualification in the job market in demanded areas, or upon request of a specific employer(also at working place), whereas 10-15 % of the expected number of job seekers are participating in informal education programmes, enhancing the skills demanded on the labour market. The efficiency of the programmes implemented by the SEA was evaluated within the framework of the World Bank Research<sup>79</sup> . It has been concluded that all types of professional training and informal education programmes for unemployed significantly improve the outcome on the labour market, both, after completion of these trainings, and in the mid-term. In turn, the identified differences within different market outcomes between types of programmes will be taken into account in further preparation of training programme offers.
- (587) This will result in the increase of employment of unemployed after receiving support, thus it will reduce detected mismatch between skills and qualification of unemployed and requirements of the labour market.

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<sup>78</sup> <http://polsis.mk.gov.lv/view.do?id=4407>

<sup>79</sup> The World Bank Scientific research: Latvia: “Who is Unemployed, Inactive or Needy? Assessing Post-Crisis Policy Options”— [http://www.lm.gov.lv/upload/aktualitates/almp\\_presentation31.pdf](http://www.lm.gov.lv/upload/aktualitates/almp_presentation31.pdf)

Table No. 2.7.1. (4)

**ESF common and specific result indicators**

ID	Indicator	Category of region or YEI <sup>80</sup>	Measurement unit	Common output indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.7.1.1.ak (CR03)	Participants gaining a qualification upon leaving	Less developed regions	Number of participants	Unemployed , including long-term unemployed	6,088	2012	Number of participants	24,480	Project data	Twice a year
r.7.1.1.b	Participants in employment 6 months after leaving	Less developed regions	Number of participants	Unemployed , including long-term unemployed	6,087	2012	Number of participants	22,950	Comparison of data from administrative databases (NVA BURVIS and SRS)	Twice a year

<sup>80</sup> Youth Employment Initiative (YEI)

(588) **SO 7.1.2.: To create a system of anticipation and management restructuring in labour market, ensuring its connection to the Employment barometer.**

(589) Medium and long-term forecasts are the basis for timely preparation and adaptation to the expected structural changes in national economy. For dealing with specific employment policy issues several dedicated groups have been created (e.g. councils of industry experts), nevertheless the policy makers admit the necessity of systematic and co-ordinated solution, which includes preparation and adaptation of structured base of evidence. By implementing measures within the framework of a specific objective, a cooperation framework will be created, which will ensure prompt and agreed mutual cooperation of state authorities, associations and foundations in anticipation of changes in the labour market and the implementation of required restructuring, in particular in the area of education, to ensure balanced long-term development of the labour market. In turn, the implementation of support elements in synergy with the thematic objective 2 - creation of an IT platforms to ensure agreed and coordinated actions for creation of proactive rearrangement system elements (creation of an interactive *Analysis and career planning tool for labour market medium and long term forecasts* and its interlinking with the SEA's Employment barometer)<sup>81</sup>.

(590) The SO will supplement SO 7.1.1. „To raise the qualification of the unemployed and improve their skills according to the demand of labour market.”, because necessary training areas, education programmes, professions and skills in which trainings for unemployed, job seekers and persons subject to the unemployment risk will be determined according to the forecast demand on the labour market. SEA career advisers and employment agents will be trained to use and interpret forecast results in their daily work with clients. The SO will make a contribution to the achievement of thematic objective 10, since both supply of adult education programmes and supply of professional and higher education programmes will be based on forecast results to match the supply of labour and the demand for labour. The forecast results will also be used in career development support measures and in general and professional education institutions.

(591) To ensure efficiency of investments it is planned to regularly evaluate and improve active labour market policy measures.

(592) This will result in proactive rearrangement system of labour market by interlinking it with the Employment barometer and supplying information on- and analysis of the situation and trends on the labour market.

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<http://polsis.mk.gov.lv/view.do?id=4407>

Table No.2.7.2. (4)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI <sup>82</sup>	Measurement unit	Common output indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.7.1.2.a	Created system for anticipation and management of labour market restructuring	Less developed regions	Qualitative indicator	N/A	MoE information report (MK 09.07.2013. prot. Nr. 39, 44§); MW information report (MK 21.05.2013. prot. Nr. 30, 53§); <sup>83</sup>	2012	Qualitative indicator	Developed a system <sup>84</sup>	Assessment	In 2019

<sup>82</sup> Youth Employment Initiative (YEI)

<sup>83</sup> MoE - information report on medium and long-term forecasts for the labour market;

MW - information report on short-term forecasts for the labour market and priority axes for training of job seekers

<sup>84</sup> Created a system comprising the following main elements: - economic development and labour market forecasts (macro-level), - national Employment barometer (short-term forecasts and labour market monitoring), - involvement of education policy makers, - involvement of employment and structural policy makers, - NGOs, employers and other relevant stakeholders.

### **Investment priority description and indicative actions to be supported**

- (593) In the context of implementation of the EU 2020 strategy, policy axes for labour supply and labour demand are planned for the achievement of the defined objective in the Latvian PA. The increase of competitiveness of unemployed people and people at risk of unemployment in the labour market, incl. improvement of skills - is the main element of Latvian employment policy to reinforce the supply of labour.
- (594) Timely availability of information on the labour market situation and vacancies in the EU will promote labour mobility and conformity with labour demand and supply, thus making a direct contribution to the achievement of the employment level objective defined in the EU 2020.
- (595) Within the framework of the reform of the European Employment Services network initiated by EURES, the financing of EURES national level activities from 2014 will be ensured by application of ESF support, that provides labour-mobility related information and consultations to job seekers and employers in Latvia and the EU, both in person and via Internet.
- (596) **SO 7.1.1. Indicative actions to be supported:** Professional training, re-qualification, improvement of professional qualification, training by the employer, measures for improving competitiveness (including reduction of gender stereotypes like “a profession not typical to the gender”, “not appropriate occupation” etc.), participation in the informal education programmes which include learning of basic- and skills on the labour market required skills, provision of specific services (such as a sign language translator) to target groups of unemployed persons during the training, development and implementation of flexible training forms (such as e-training) for disabled people and other target groups of unemployed persons. The above mentioned activities will be implemented in cooperation with employers, organisations of employers and their associations, educational establishments, in particular, professional education competence centres. Education programmes and skills in which training for unemployed persons is required are identified in cooperation with social partners and other competent national and municipal representatives and experts, as well as representatives and experts from associations and foundations.
- (597) **SO 7.1.1. Indicative target group:** Unemployed persons and job seekers registered by The SEA, in particular with a low or inappropriate level of skills and qualification of the labour market requirements.
- (598) **SO 7.1.1. Indicative beneficiaries:** SEA.
- (599) **SO 7.1.1. Project selection:** See annex “Project selection”
- (600) **SO 7.1.2. Indicative activities to be supported:** The identification and creation of the management framework and cooperation model for creation of proactive rearrangement system of labour market (research, organisation and creation of an expert network), creation of a web-based IT platforms, evaluation of efficiency of active labour market policy measures, trainings for employees of institutions on the labour market, provision of information within the framework of EURES.
- (601) **SO 7.1.2. Indicative target group:** creators and implementers of education, employment and social policy, participants of the labour market.
- (602) **SO 7.1.2. Indicative beneficiaries:** SEA, ME (a body responsible for the creation and maintenance of a medium and long-term labour market forecasting system, analysis and forecast of the labour market situation).
- (603) **SAM No 7.1.2. Project selection:** See annex “Project selection”

Table No. 2.7.3. (5)

**ESF common and specific output indicators**

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.7.1.1.ak (CO01)	Unemployed, including long-term unemployed	Participants	ESF	85,000	Project data	Once a year
i.7.1.1.b	Unemployed aged 50+ who received support	Participants	ESF	29,000	Project data	Once a year
i.7.1.2.a	Number of informative EURES measures supported	Number of events	ESF	600	Project data	Once a year



(604) **7.2.Investment priority:** Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee

(605) **SO No 7.2.1.: To increase employment of young people not in employment, education or training and to facilitate their participation in education within the framework of the Youth Guarantee**

(606) The EU Council in 2013 encouraged Member States to improve employment of its young people, for example, by using youth guarantees, namely, to ensure that all young people up to the age of 25 within four months of becoming unemployed or having left formal education receive a good quality offer of employment, continued education, apprenticeship or a traineeship. Respectively, Latvia has developed a Youth Guarantee Implementation Plan which is being implemented as of January 2014. In 2012 the level of unemployment among young people in Latvia was 28.4 % or 29.1 thousand young people while the proportion of those young people who do not work or study was 14.9 % in 2012, with a target in 2020 of 12.2 %). Specific objective 7.2.1. will support the reduction of these negative parameters and the implementation of its Youth Guarantee Implementation Plan. The YEI resources in Latvia<sup>85</sup> are programmed under this specific objective, which will be entirely supported by the YEI until 2018. ESF support for the same type of activities will be made available after 2018 (linked with respective output indicator). Most NEET in Latvia lack adequate skills for the labour market (almost 70% of registered young unemployed and almost 80% of NEET group have gained only secondary education level or lower) or work experience (approximately 60% of all registered young unemployed do not have work experience). In order to provide skills, NEET will be offered vocational education and non-formal training programmes, youth workshops, career counselling and other related-to-training measures. Work experience on the other hand will be gained through subsidized employment and first work experience in newly created workplaces. Most importantly, however, as NEET group is not heterogenous, measures to individuals will be offered based on the individual needs and profiling. This specific objective and thus YEI in Latvia will only support NEET under the age of 29.

(607) SO 7.2.1 will be complementary with the SO 8.3.3. „To increase inclusion of non-registered NEETs in education, SEA supported measures within the framework of Youth Guarantee, and NGOs or youth centres” by identifying, activating and motivating those NEET who have not registered with the State Employment Agency or have not applied for obtaining status of 'the youth guarantee client'. In particular, some of the NEET supported under SO 8.3.3. who as a result register with the SEA could receive further support through employment or training actions under the present specific objective 7.2.1.

(608) Demarcation of support under this SO with other planned objectives regarding employment, education, motivation and inclusion measures will be determined by the age of the participants.

(609) As a result, those young people who do not study or are not employed will be involved in trainings and will acquire a labour market required qualification or will be involved into sustainable employment through implementation of the Youth Guarantee.

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<sup>85</sup> According to Regulation (ES) No.1304/2013 Article 16.

Table No. 2.7.4.

**YEI common output indicators**

ID	Indicator	Category of region or YEI <sup>86</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.7.2.1.a	Participants gaining a qualification after participation in training	YEI	number of persons	NA	1,683	2012	number of persons	12 015	Project data	Twice a year
r.7.2.1.bk (CR01)	Unemployed participants who complete the YEI supported intervention	YEI	Number of participants	Unemployed , including long-term unemployed (CO01)	2,935	2012	Number of participants	12 920	Project data	Once a year
r.7.2.1.ck (CR02)	Unemployed participants who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving	YEI	Number of participants	Unemployed , including long-term unemployed (CO01)	1,760	2012	Number of participants	11 266	Project data	Once a year
r.7.2.1.dk (CR03)	Unemployed participants who are in education/training, gain a qualification, or are in	YEI	Number of participants	Unemployed , including long-term unemployed (CO01)	1,760	2012	Number of participants	11 266	Project data	Once a year

<sup>86</sup> Youth Employment Initiative (YEI)

ID	Indicator	Category of region or YEI <sup>86</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
	employment, including self-employment, upon leaving									
r.7.2.1.ek (CR04)	Long-term unemployed participants who complete the YEI supported intervention	YEI	Number of participants	Long-term Unemployed (CO02)	2,765	2012	Number of participants	3 420	Project data	Once a year
r.7.2.1.fk (CR05)	Long-term unemployed participants who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving	YEI	Number of participants	Long-term Unemployed (CO02)	1,659	2012	Number of participants	2 052	Project data	Once a year
r.7.2.1.gk (CR06)	Long-term unemployed participants who are in education/training, gain a qualification, or are in employment, including self-employment, upon leaving	YEI	Number of participants	Long-term Unemployed (CO02)	1,659	2012	Number of participants	2 052	SEA data	Once a year
r.7.2.1.h (CR07)	Inactive participants not in education or training who complete the YEI	YEI	Number of participants	Inactive persons not involved in education or training	690	2012	Number of participants	6 500	Project data	Once a year

ID	Indicator	Category of region or YEI <sup>86</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
	supported intervention			(CO04)						
r.7.2.1.ik (CR08)	Inactive participants not in education or training who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving	YEI	Number of participants	Inactive persons not involved in education or training (CO04)	1,053	2012	Number of participants	3 900	Project data	Once a year
r.7.2.1.jk (CR09)	Inactive participants not in education or training who are in education/training, gain a qualification, or are in employment, including self-employment, upon leaving	YEI	Number of participants	Inactive persons not involved in education or training (CO04)	1,053	2012	Number of participants	3,900	Project data	Once a year
r.7.2.1.kk (CR10)	Participants in continued education, training programmes leading to a qualification, an apprenticeship or a traineeship six months after leaving	YEI	Number of participants	NA	526	2012	Number of participants	1 673	Project data	Once a year
r.7.2.1.lk (CR11)	Participants in employment six	YEI	Number of participants	Unemployed , including	1376	2012	Number of participants	5 826	Comparison of data	Once a year

ID	Indicator	Category of region or YEI <sup>86</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
	months after leaving			long-term unemployed (CO01)					from administrative databases (NVA BURVIS and SRS)	
r.7.2.1.m k (CR12)	Participants in self-employment six months after leaving	YEI	Number of participants	Unemployed, including long-term unemployed (CO01)	14	2012	Number of participants	80	Survey	Once a year

Table No. 2.7.5. (4)

### ESF common and specific result indicators

ID	Indicator	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.7.2.1.n	Participants in employment six months after leaving	Number of participants	Unemployed, including long-term unemployed	243	2012	Number of participants	408	Project data	Twice a year

## Investment priority description and indicative actions to be supported

- (610) **SO 7.2.1. Indicative actions to be supported:** Job seeking support measures, measures for improving competitiveness (individual consultations and group trainings), career consultations (incl. reduction of gender stereotypes), implementation of measures of active labour market policy, including professional and informal education programmes demanded on the labour market, job for first experience, subsidised jobs for disadvantaged young people (incl. disabled, long-time unemployed), incl. services for unemployed with disability, e.g. adaptation of a workplace, assistant, sign language interpreter etc.; support in starting self-employment or business start-up; implementation of initial vocational education programmes, incl. vocational education programmes to acquire the second level of professional qualification within one academic year, vocational secondary education programmes to acquire the third level of a professional qualification within one and a half academic year, and education programmes which are implemented in detention places for acquisition of general basic skills, vocational continued education, professional improvement and the implementation of career support measures to promote vocational education. According to interests and needs of young people, participation in measures should be supported to make a well-founded choice regarding further education and professional area (incl. workshops for young people), as well as support for regional mobility and implementation of motivation programmes. The above-mentioned activities will be implemented in cooperation with employers and professional education institutions, municipalities, associations and foundations, Prison Administration
- (611) **SO 7.2.1. Indicative target group:** Young people who do not study and are not employed up to the age of 29 years (inclusive), providing priority support to the target group aged 15 to 24 (inclusive).
- (612) **SO 7.2.1. Indicative beneficiaries:** SEA, SEDA.
- (613) **SO 7.2.1. Project selection:** see annex “Project selection”

Table No. 2.7.6. (5)

### ESF and YEI common output indicators

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.7.2.1.a	Unemployed, including long-term unemployed	Participants	YEI	19,000	Project data	Once a year
i.7.2.1.b	Inactive, not in education or training	Participants	YEI	9,700	Project data	Once a year
i.7.2.1.c	Long-term unemployed	Participants	YEI	5,700	SEA data	Once a year
i.7.2.1.d	Total participants in YEI supported interventions	Participants	YEI	28,700	Project data	Once a year
i.7.2.1.e	Unemployed, including long-term unemployed	Participants	ESF	2,000	Project data	Once a year

- (614) **7.3. Investment priority:** adaptation of workers, enterprises and entrepreneurs to change
- (615) **SO No. 7.3.1.: To improve labour safety, especially in enterprises of hazardous industries.**
- (616) According to the accident statistics of the State Labour Inspectorate (2010–2012) the number of severe and lethal accidents in companies of hazardous industries account for a major share in the

total number of severe and lethal accidents (76 % on average), as well as about 66 % of all the accidents take place in companies of hazardous industries (according to NACE classifier A – Agriculture, C – Manufacturing, F – Construction, G – Wholesale and retail trade, H – Transportation and storage), compared to the number of severe and lethal accidents in all other industries in total.

- (617) The SO is targeted to the improvement of safety at work, especially within companies of hazardous industries, having high probability of accidents and large numbers of severe and lethal accidents. Results of the study „Working conditions and risks in Latvia, 2013” demonstrate deterioration of the situation in micro and small companies with a number of employees below 24, which is a risk group in terms of compliance with laws and regulations from the point of view of safety at work and legal labour relations. Thus, within the framework of this support, more attention is given to companies with a number of employees below 50 (micro, SME). A monitoring system will allow analysing of the situation regarding working conditions and risks in enterprises, different forms of hidden employment, as well as education and information measures about the use of flexible forms of employment and exercising of the labour rights and safety at work will be implemented.
- (618) As a result a better compliance with labour safety requirements will be ensured in the companies of hazardous industries, their employees will longer preserve their place on the labour market; the situation regarding labour rights and safety at work will improve, the level of preventive culture will raise, the number of violations and the number of accidents in workplaces in companies will drop.

Table No. 2.7.7. (4)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI <sup>87</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.7.3.1.a	Number of enterprises supported in hazardous industries that have implemented labour protection requirements <sup>88</sup>	Less developed regions	%	Small and medium-sized enterprises, micro-enterprises supported	28.5	2012	%	75	SLI data	Once a year

<sup>87</sup> Youth Employment Initiative (YEI)

<sup>88</sup> Have implemented labour protection requirements means that the company has enforced at least the following labour protection requirements: 1) a labour protection management structure has been created according to the Labour Protection Law; 2) a work environment risk assessment has been performed and a plan of measures has been prepared.



**(619) SO No 7.3.2.: To prolong preservation of capacity for labour and employment of elderly employees.**

- (620) Elderly unemployed people (aged 50 and up) are largest risk group among the registered unemployed. The share of this group in the total number of unemployed is increasing – at the end of 2010 it was 10.5 %, at the end of 2011 it was 12.3 %, whereas at the end of 2012, it was 13.4 %. At the end of December 2012, the number of registered unemployed persons above the age of 50 amounted at 37,753, and 56 % of them were long-term unemployed. Specific groups with individual risk factors related to the high risk of unemployment and unstable work were distinguished in the research of the World Bank<sup>89</sup>: persons who are traditionally associated with difficulties to be included into the labour market; groups which are usually not related to the context of labour market problems and on which employment policy is not concentrated. Three out of all specific groups consist of elderly persons with chronic diseases who were also considered a risk group before. However, a high risk of unemployment is also common for elderly persons without any health problems, that possibly could prevent them to work.
- (621) In September 2013, the MW submitted a project application to the European Commission (VP/2013/009) to develop an active ageing strategy. On December 9, 2013, it received a notification that the project had been approved, its results will be available in 2015, and ESF support will be available for the implementation of recommendations.
- (622) The ESF support is planned for assessment of abilities, skills and health conditions of elderly people, for planning of human resources, for informative and consulting support to economic operators for the purposes of stimulating longer employment of elderly people on the labour market. The planned support complements the continued education measures to be performed within the framework of thematic objective 10, which envisages support to the involvement of elderly people into continued education. At the same time, target group demarcation will be ensured. Complementing SOs are also the SO 9.2.4. and the SO 9.2.5. that will improve accessibility to health promotion and disease prevention services, as well as accessibility of health care services, especially to persons who are subject to the poverty and social exclusion risk, including the elderly persons, thus, prolonging their employability.
- (623) As a result, the solutions stimulating longer employment of elderly people in the labour market will be verified and implemented.

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<sup>89</sup> World Bank research “Latvia: Who is Unemployed, Inactive or Needy? Assessing Post-Crisis Policy Options”, [http://www.lm.gov.lv/upload/aktualitates/lv\\_profiling\\_270513.pdf](http://www.lm.gov.lv/upload/aktualitates/lv_profiling_270513.pdf)

Table No. 2.7.8. (4)

**ESF specific result indicator**

ID	Indicator	Category of region or YEI <sup>90</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.7.3.2.a	Number of supported elderly employees with an improved labour market situation six months after leaving	Less developed regions	Number of participants	N/A	416	2012	Number of participants	1500	Inspection	Twice in the programming period.

<sup>90</sup> Youth Employment Initiative (YEI)

### **Investment priority description and indicative actions to be supported**

- (624) Monitoring allows to follow the situation regarding labour rights, labour protection and of the employed people (especially young and elderly employees) by industries, companies, trends and problems in the labour market. The planned monitoring will help to determine appropriate measures for the improvement of the situation, as well as to promptly amend laws and regulations and plan long-term policy of industries, as well as perform preventive actions.
- (625) According to Eurostat data, the level of employment of elderly people (age group from 50 to 64) in Latvia in the period from 2003 to 2012 exceeds the average level in the EU, except 2010, when Latvia's performance dropped to the average EU level. However, taking into account high level of economic activity, the level of unemployment among elderly people (aged 54 to 60) in Latvia also exceeds the average EU level, even twice in 2012. In 2012, the unemployment level in this age group was 14.3 % while the average EU indicator was 7.4 %. Preventive measures and measures promoting awareness of different potentials of this age group will form understanding of existing and potential participants of the labour market, in particular employers in hazardous industries and employees, of labour safety, safe working practices and qualitative workplaces.
- (626) **SO 7.3.1. Indicative actions to be supported:** information-, education-, training- and consultation activities, monitoring of situation and analysis in the area of job conditions and risks, labour rights and labour safety, pilot project on the use of flexible forms of work, creation of electronic and visualised work environment tools and education materials, improvement of knowledge and skills of inspectors of the State Labour Inspectorate. The above-mentioned support will be implemented in cooperation with social partners (employers, organisations and associations of employers) other competent experts, associations and foundations, entrepreneurs, research institutions, educational institutions, as service providers.
- (627) **SO 7.3.1. Indicative target group:** Employers and employees (especially in hazardous industries), students of education institutions, labour protection specialists, State Labour Inspectorate.
- (628) **SO 7.3.1. Indicative beneficiaries:** State Labour Inspectorate.
- (629) **SO No.7.3.1. Project selection:** see annex "Project selection"
- (630) **SO 7.3.2. Indicative actions to be supported:** evaluation of abilities, skills and health conditions of elderly people, planning of human resources, informative and consulting support to employers stimulating longer employment of elderly people on the labour market (healthy ageing, safe working practices, flexible forms of work, personnel policy and career planning and other issues); skill improvement measures; evaluation of working environment and adaptation of workplace, intergeneration transfer measures (mentoring); pilot project: creation of a system which would promote necessary and/or appropriate re-qualification in the same or similar sector of such employees lacking skills, having health problems or other obstacles restricting the performance of job duties. This support will be implemented in cooperation with companies, the State Medical Commission for Expertise of Health and Work Ability, the Social Integration State Agency, research institutions, associations and foundations, the State Labour Inspectorate.
- (631) **SO 7.3.2. Indicative target group:** Elderly employed people, employers.
- (632) **SO 7.3.2. Indicative beneficiaries:** organisation and associations of employers; SEA.
- (633) **SO 7.3.2. influence on HP "Equal opportunities": direct positive influence.** Actions for the implementation of the HP: informative and consultative support to economic operators to promote longer employment of elderly people in the labour market, evaluation of working environment adaptation of workplace; pilot project: creation of a system which would promote necessary rehabilitation and/or appropriate requalification in the same or similar sector of such employees who lack skills, have health problems or other obstacles restricting the performance of job duties.

(634) **SO No.7.3.2. Project selection:** see annex „Project selection”

Table No. 2.7.9. (5)

**ESF common and specific output indicator**

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.7.3.1.ak (CO23)	Number of supported micro, small and medium-sized enterprises	Entrepreneurs	ESF	4,700	Project data	Once a year
i.7.3.2.b	Number of elderly employed people supported	Participants	ESF	3,000	Project data	Once a year

**Performance framework of the priority axis**

Table No. 2.7.22. (60)

Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Description of significance of the indicator
							W	M	Total		
Financial indicator	(F11) Financial indicator PA 7 (ESF)		EUR	ESF	<i>Less developed regions</i>	49 376 694			125 176 648	accounting system of the certifying authority	
Financial indicator	(F12) Financial indicator PA 7 (YEI)		EUR	Youth Employment Initiative	<i>Less developed regions</i>	63 140 803			63 140 803	accounting system of the certifying authority	
Output indicator	i.7.1.1.ak Unemployed, including long-term unemployed (participants) (CO01)	Common indicator	participants	ESF	<i>Less developed regions</i>	42 000			85 000	Project data	The output indicator includes planned investments of SO 7.1.1. that correspond to 77% of

Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Description of significance of the indicator
							W	M	Total		
											total funding within the framework of ESF support planned for the priority axis.
Output indicator	i.7.2.1.ak Unemployed, including long-term unemployed (participants) (CO01)	Common indicator	participants	Youth Employment Initiative	<i>Less developed regions</i>	19 000			19 000	Project data	The output indicator corresponds to 53% of the YEI investments planned for promotion of employment among young people within the framework of SO 7.2.1.

Table No.2.7.24. (7-12)

<i>ESF: Less developed regions</i>											
Categories of intervention		Type of funding		Territory		Territorial delivery mechanisms		ESF secondary themes (ESF only)		Thematic objectives	
Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR
102	83,657,058	1	164 421 427	7	164 421 427	7	164 421 427	8	164 421 427	8	164 421 427
103	61 010 639										

106	19,753,730										
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## 2.8. Education, skills and lifelong learning

- (635) To reduce fragmentation of the higher education system and study programmes, to strengthen strategic specialization of higher education institutions and ensure better governance, to ensure access to qualitative basic education and secondary education for children and young people, to improve accessibility to vocational education and its compliance with the labour market needs, incl. development of work-based studies and cooperation with companies in the implementation of programmes and management of vocational education institutions, as well as to improve professional competencies of employed people, investments from ESF and ERDF are needed that together with the national and municipal funding would help to extend the availability of appropriate financial instruments. Investments in upgrading of material technical base of vocational education, and higher education institutions are planned in line with RIS3 objectives and growth priorities. Support for investments in higher education will be in line with development strategies of HEI that are elaborated or improved taking into account CSR for 2014 as well as recommendations of 2013 and 2014 and conclusions of external evaluation of research and evaluation of quality, co-operation and sustainability of study programmes<sup>91</sup>. In order to ensure conformity of a person's professional and social skills for living and competitiveness in work environment, development of entrepreneurial skills and e-skills will be facilitated at all education levels.
- (636) The purposefulness and complementarity of ESF and ERDF support for facilitating the achievement of the objectives set in strategy “ Europe 2020” and NDP 2020 will be ensured, incl. implementation of EU Council's recommendations of 2013 and 2014, forming synergy and solving purposefully problems defined in PA, Section 1.1 and 1.3 (see the description of „Insufficient quality and unconformity of education with the requirements of labour market” and „Investing in education, training, and vocational training for skills and lifelong learning”).
- (637) **8.1. Investment priority:** Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure.
- (638) **SO No. 8.1.1: Increase number of modernized study programs of STEM, including medicine and creative industries**
- (639) Latvian higher education resources are fragmented, resource-sharing is not developed, int.al. sharing with reaserch institutions. Laboratory and research equipment for provision of qualitative HEI higher level studies still does not correspond to European standards, e-solutions are insufficiently used in study and reaserch process. Library resources for qualitative implementation of study programmes are insufficient compared to the best foreign standards. The availability of databases of scientific research is insufficient for academic and research work. According to the Report (2013)<sup>92</sup> on medium and long-term labor market forecasts one of the direction of action for solving the labor supply and demand conformity is to improve the

<sup>91</sup> Overview of evaluation results of higher education study programmes and proposals for further improvement, development, consolidation, closure resource effectiveness and funding from the state budget of study programmes, grouped in study directions; Council of Higher Education, Riga, 2013, [http://www.aip.lv/ESF\\_par\\_projektu.htm](http://www.aip.lv/ESF_par_projektu.htm).

<sup>92</sup> [http://em.gov.lv/images/modules/items/tsdep/darba\\_tirgus/EMZino\\_21062013.pdf](http://em.gov.lv/images/modules/items/tsdep/darba_tirgus/EMZino_21062013.pdf).

provision with modern equipment, materials and technologies such priority study fields as natural sciences, mathematics and IT, engineering, manufacturing and construction.

- (640) Structural changes of higher education institutions for the purposes of consolidation of study programmes or resources of several higher education institutions require capital investments, because the current fragmented infrastructure, especially in Riga, is a significant obstacle for the creation of the common space for studies. These investments will promote consolidation and sharing of resources, while ensuring complementarity with the investments made into higher education and research infrastructure in the planning period 2007 to 2013.
- (641) Within the framework of the SO synergy with the investments into the development of human resources and infrastructure planned within priority axes “Research, development of technologies and innovation”, “Competitiveness of the small and medium-sized enterprises” and “Employment, labour mobility and social inclusion” will be ensured. Within the framework of SO 8.1.1 upgrade of material and technical base of HEI will be ensured, that is necessary for the implementation of study programs, under which the research activities are also carried out for obtaining the doctoral degree. Primary users of infrastructure will be students and academic staff. While within the SO 1.1.1 framework it is planned to develop R&D infrastructure for carrying out practical research and ensure technology transfer in research institutions according to RIS3, and the primary users of this infrastructure are research staff. Thus demarcation with SO 8.1.1. will be ensured.
- (642) It is planned that in a result of SO 8.1.1 spatially concentrated and improved STEM, including medicine and creative industries, study and scientific work infrastructure will be created.

Table No. 2.8.1. (3)

**ERDF specific result indicator**

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (in 2023)	Source of data	Frequency of reporting
r.8.1.1.a	Share of modernized STEM study programs, including medicine and creative industries, out of total	%	19,6	2013	100	MES data, Project data	Twice per planning period

**(643) SO No 8.1.2.: To improve study environment of general education institutions**

- (644) The network of general educational establishments is fragmented and it does not ensure accessibility of appropriate high quality general education to all the students. Demographic forecasts indicate that the existing network of educational institutions of all levels will not be rationally used in the future. Latvian demographic forecasts are an important prerequisite for organisation of the network of educational institutions over the next seven years. By making the network of educational establishments more effective there is a possibility to use pedagogical and infrastructure resources and ensure access to high quality education in an optimal way.
- (645) Significant reduction in the number of pupils is expected in the secondary education for the period of 2014–2020 due to demography, and this will affect development of the institutional

network in which cooperation of local governments, planning regions, and MES has an important role. To ensure accessibility of high quality and resource-effective education there is necessity for well-considered solutions for resource concentration and restructuring of the availability of high quality education services by assessing the features and development models of each region and planning region.

- (646) According to data of MoES currently there are 27.97% students who learn in general upper secondary education level where the total number of students per class does not exceed 50. The proportional distribution of number of general educational establishments by education levels shall be changed through main concentration of general secondary education (Form 10 to 12) offer in regional cities and centres of municipalities, improving the availability of elementary school education service (Form 1 to 6) as close to the place of residence as possible, as well as supporting integration of vocational education programmes into general education, as a result of consolidation of institutions.
- (647) Within EU funds planning periods 2004–2006 and 2007–2013 general education establishments have received support for improvement of separate infrastructure elements. ERDF support for upgrading natural sciences classrooms in general secondary education establishments covered 27,8% from all general education establishments (72% from general secondary education establishments), 69% general education establishments received support for informatisation (purchase of IT) and 4.46% general education establishments for adjustment of infrastructure for educates with functional disorders. Additionally general education establishments have received support for implementation of energy efficiency, renovation of facades and landscaping within Climate Change Financial Instrument and ERDF. Within EU funds planning period 2014–2020 it is planned to develop missing elements of infrastructure thus creating attractive study environment to ensure quality and up-to-date study process, especially in secondary education level.
- (648) Statistical data indicate that 45 % of gyms in all the general educational establishments need reconstruction or renovation. Students of these schools cannot appropriately do sports, therefore qualitative and wholesome education process is not ensured in the country creating a negative influence on the public health in the long term. Therefore, complex support to the optimisation of the network of educational establishments includes reconstruction and renovation of gyms.
- (649) Within SO 8.1.2. the plan is to provide complex support for optimisation of the network of general educational establishments at regional level, based on strategies of municipalities or associations of municipalities, concentrating resources and improving the learning environment in general educational establishments.
- (650) This will result in the increase in the number of students having access to modernized general education environment.

*Table No. 2.8.2. (3)*

#### **ERDF specific result indicators**

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (in 2023)	Source of data	Frequency of reporting
r.8.1.2.a	Number of	Number	65 <sup>93</sup>	2013	100-115	Monitorin	Twice per

<sup>93</sup> Baseline can change



	fully modernized general education institutions	of establishments				g data of projects	planning period
r.8.1.2. b	Proportion of students who have access to fully modernized general education environment (from total)	%	4.5	2013	20-25	Monitorin g data of projects	Twice per planning period

**(651) SO No. 8.1.3.: To increase number of fully modernised vocational education institutions**

(652) The improvement of quality and efficiency of vocational education according to the needs of industries of national economy, as well as rational and targeted use of available financial resources is significant for the improvement of the structure of national economy. Taking into account ME's medium and long-term labour market forecasts<sup>94</sup>, the population without any vocational education will experience most difficulties finding a job. To ensure the number of necessary professionals for the development of the national economy, the proportion of students of general educational establishments to students of vocational educational establishments should be raised to 50/50 by 2020. To increase attractiveness and competitiveness of vocational education, complex support to the upgrading of the vocational education learning environment is necessary, incl. infrastructure of sports and dormitories, in order to ensure high quality vocational education according to the development trends in industries of the national economy.

(653) In the programming period 2014–2020 the plan is to continue upgrading of vocational educational establishments, especially vocational education competence centres. The plan is to ensure compliance of the learning environment to the development of industries of national economy, granting support to the implementation of such vocational education programmes, which did not receive support in 2007–2013 programming period of structural funds, to complete upgrading of such vocational educational establishments, which have a status of a vocational education competence centre and which were created through reorganisation of several vocational educational establishments, as well as to create new vocational education programmes based on economic needs of the region. The information about upgraded vocational education programmes in 2007–2014 programming period and needs is reflected in the Annex „ERDF investments into upgrading of learning infrastructure for vocational education programmes implemented in Latvia in 2007–2013 and 2014–2020 programming period”.

<sup>94</sup> Informative report on medium and long term forecasts of labour market, Ministry of Economics, 2013. [http://www.em.gov.lv/images/modules/items/tsdep/darba\\_tirgus/EMZino\\_260612\\_full.pdf](http://www.em.gov.lv/images/modules/items/tsdep/darba_tirgus/EMZino_260612_full.pdf);

(654) This will result in the increase of the number of students, which have access to upgraded infrastructure of vocational educational establishments according to the development of industries of national economy.

Table No. 2.8.3. (3)

**ERDF specific result indicators**

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (in 2023)	Source of data	Frequency of reporting
r.8.1.3.a	Proportion of fully modernised vocational education institutions	%	16,33	2014	70-80	Project data, MoES	Twice in the programming period

(655) **SO No. 8.1.4.: To improve the learning environment of the first level professional higher education STEM, incl. medicine and creative industry, programs**

- (656) Number of college students increases<sup>95</sup> every year which is an evidence that colleges as HEI occupy an important place in the higher education system, the education provided by them becomes recognisable and requested on the labour market. Almost one in six students studying in Latvian higher educational institutions is a student of a college. The informative report on labour market medium and long-term forecasts (2012, 2013) shows the need for the increase of supply of level 1 of vocational higher education (college) as one of prerequisites for the improvement of the supply of the labour market and emphasized, that in the coming years, the greatest difficulty finding work will be for people without professional qualifications.
- (657) Having regard to the fact that college level education programmes are shorter than programmes of higher educational institutions, colleges are able to respond faster to changes in supply and demand for workforce and ensure higher employment of graduates (in 2011 the proportion of the persons who obtained level 1 of vocational higher education and registered as unemployed in the same year is only 1.1 %).
- (658) Taking into account the needs of the economy and the labor market in the medium and long-term forecasts, as well as existing investments in the development of college study base, especially supported colleges are those, which implements both the 1st level professional higher education programs and vocational education programs, providing the continuity between the two levels of education.
- (659) To ensure high quality education in STEM, incl. medical and creative industries, incl. related secondary vocational education programmes, renovation or reconstruction of building and upgrading of equipment will be performed in colleges. At the same time, there is insufficient availability of modern computer equipment in colleges – 65 % of computer equipment in state colleges in 10 or more years old.

<sup>95</sup> Enrolment of students in year 2010 – 4867 students (including 2798 students from state colleges), in year 2012 – 5142 students (including 3634 students from state colleges), in year 2013 – 5660 students (including 3322 students from state colleges),

(660) As a result of investments, the number of colleges, which provides 1st level higher professional education, with upgraded study and scientific research base of STEM. will increase.

Table No. 2.8.4. (3)

**ERDF specific result indicators**

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (in 2023)	Source of data	Frequency of reporting
r.8.1.4.a	The proportion of colleges with fully modernized study environment for first-level professional higher education STEM, including medical and creative industries, study programs of the total number of colleges, that implement mentioned priority programs	%	38	2013	61	MoES data, project data	Twice per planning period

**Investment priority description and indicative actions to be supported**

(661) **Higher education** highest level study programmes (master’s and doctoral studies) do not present a sufficiently productive environment for studies and research, including implementation of co-operation with enterprises and development of students’ business ideas. Modernisation of premises of higher educational institutions will be continued for purposes to provide advanced study and research conditions and promoting concentration of resources of HEI and accessibility of education, including creation of more STEM study places. It is planned to provide support for modernisation of the infrastructure, while ensuring spatially concentrated facilities of studies and research work.

(662) The fragmented network of **general secondary educational establishments** is evidenced by the fact that in academic year 2011/2012, in 26 % of general education schools there were less than 100 students, in 19 % of schools there were from 101 to 150 students, while in 16 % of schools there were 151-250 students. Statistical data evidence that in the time period from 2010 the number of pre-school age children has been growing – in 2009/2010 a.y. there were 72,111 pre-school age children, 2010/2011 a.y. there were 75,979 children, while in 2011/2012 a.y. there were 77,795 children, therefore, starting from 2017 the number of children at primary education level will increase. According to Education Development Guidelines 2014 2020 the pre-school and primary school (grades 1 – 6) should be available as close as possible to the place of residence, while the general secondary education and vocational secondary education can be concentrated in regional urban areas and centres of municipalities, therefore support is planned for further optimisation of network of educational establishments at the regional level, incl. purchase of study materials and equipment, as well as improvement of study environment.

- (663) The forecasted decrease of number of educates results in the need to restructure the network of general education establishments thus accessibility of dormitories is an important issue.
- (664) In order to ensure quality improvement of learning natural sciences (mathematics, physics, chemistry, biology, natural sciences) in primary education and taking into account that previous EU funding was invested in upgrading classrooms of natural sciences in secondary schools, it is planned to upgrade class rooms of natural sciences in primary schools (grades 7 - 9) in EU funds planning period 2014–2020. Besides, methodological support is planned to be provided within electronic environment and innovative ICT solutions are planned to be introduced into study process.
- (665) In order to improve education quality and use of modern methodology in education it is planned to support strengthening methodological functions implemented by state gymnasiums, especially in fields of STEM and ICT.
- (666) In addition, taking into account decrease in number of students and related tendency of institutional consolidation, change in subordination of vocational education institutions will be continued, merging (integrating) them with general education establishments. Already four integrated education establishments have been formed within EU funds planning period 2007–2013.
- (667) Investment into infrastructure and implementation of SO No. 8.3.1 and SO No. 8.3.2 will promote positive dynamics of learning achievement of students and will reduce the number of cases of early school leaving. Through support for improvement of methodical work, incl. in STEM and ICT areas, in general education in state gymnasiums the increase in learning achievements of students and support for learning, research and cognition work will be ensured. The improvement of professional competencies of teachers of general educational establishments, i.e. special educational establishments, according to the improved general education curriculum will be promoted.
- (668) According to the Education Development Guidelines 2014 – 2020 ,it is necessary to increase the prestige and attractiveness of **vocational education**. According to ME’s medium and long-term forecasts the deficit of professionals in thematic areas such as engineering sciences, manufacturing and construction (mainly metal working, mechanical sciences and lumber processing areas), natural sciences, mathematics and IT, as well as thematic groups of services (mainly hotel and restaurant services, transport services and personal and property protection areas) will grow at the secondary education level. To increase the prestige of vocational education institutions and the compliance of skills of employed persons to the requirements of the labour market, the infrastructure in priority education thematic areas and groups of programmes is being upgraded.
- (669) **Colleges** offer flexible professional education programs, which can be completed within a comparatively short time (2-3 years), thus providing a possibility to secure operative and high quality solutions for the benefit of economic needs and the labour market. Although Latvia has a relatively low number of students, there are objective factors, which define and will further define the need for such college level programmes, in which professionals are trained according to the specific demand of state or employers; professionals are trained in industries of the national economy which are recognised to be priority areas. To ensure training of specialists for the needs of the labour market in an appropriate environment, infrastructure in colleges which implement first-level professional higher education study programs and vocational secondary education programs in STEM, will be upgraded.
- (670) Based on previously made investments in general, vocational and higher education infrastructure in planning period 2007–2013, investments for further modernization of infrastructure in planning period 2014–2020 are planned. In order to ensure effective and targeted ERDF investments, Action plan for development of education infrastructure mapping (included in annex No11 of Partnership Agreement) is elaborated. Mapping will include

analysis of infrastructure investments at all education levels and needs assessment. Considering ex-post evaluation results of investments in the programming period 2007-2013, operational programme, including baseline values, can be specified.

- (671) Within the framework of investments priority, complementarity with ERDF and ESF investments in general, vocational and higher education will be ensured. Providing a modern learning environment appropriate for new curriculum of general and vocational education, it is planned efficiently achieve the expected results of the quality improvements in education service, as well as decrease the number of early school leaving cases – i.e. SO 8.1.2. complement with SO 8.3.1. and SO 8.3.2.; SO 8.1.3. complement with SO 8.5.1., SO 8.5.2. and SO 8.5.3. For the implementation of adult education, use of the existing infrastructure (education institutions, including vocational education competence centers) is planned. ERDF investments in higher education infrastructure within SO 8.1.1. and SO 8.1.4. will complement ESF investments within SO 8.2.1., SO 8.2.2., SO 8.2.3. with the aim to consolidate and ensure effective use of available resources, to strengthen the excellence of study programs, as well as to strengthen the capacity of academic staff and the governance of higher education institutions. Investments in STEM planned under SO 8.1.2.– upgrading of natural science classrooms in primary education (grades 7-9), introduction of innovative ICT solutions into study process as well as support to implement methodological functions in state gymnasiums, including in STEM, will ensure synergy with SO 8.1.1. that is focused on the development of STEM studies. Implementation of SO 8.1.2. will provide synergy with the RDP 2020 and its subactivity 19.2. "Implementation of actions in accordance with SVVA strategy" and the Operational Programme for Fisheries Development funded priorities.
- (672) **SO No. 8.1.1. Indicative actions to be supported:** support for development of geographically concentrated study and scientific work infrastructure of HEIs to strengthen the strategic specialization, purchase of equipment and devices (including distance learning tools, ICT solutions, software, library resources, as well as access to databases) for STEM, incl. medicine and creative industries fields, study directions. In order to promote HP "Equal Opportunities" implementation, the environment and the availability of information security measures for people with visual, hearing, mobility and mental disorders, as well as environmental accessibility expert advice will be implemented.
- (673) **SO No. 8.1.1. Indicative Planned group:** HEI .
- (674) **SO No. 8.1.1. Indicative beneficiaries:** higher educational institutions, that implement STEM, incl. medicine and creative industries
- (675) **SO No. 8.1.1. Project selection:** see annex "Project selection"
- (676) **SO No. 8.1.2. Indicative actions to be supported:** support will be provided to the improvement of learning environment infrastructure in general educational establishments at different education levels taking into account peculiarities and education service development strategies of every region and planning region and giving possibility for municipalities to qualify for one or several following investments in order to improve the network of general education establishments in the respective territory: equipment of classrooms for natural sciences for the implementation of primary education programmes (grades 7–9); improvement of learning environment in integrated educational establishments (by merging general educational establishment with vocational education establishment), including upgrading of learning tools and equipment; upgrading of dormitories of integrated educational establishments and national or regional level secondary schools and state gymnasiums; creation and upgrading of infrastructure of national level secondary schools and gymnasiums; introduction of innovative ICT solutions into the learning process and arrangement of

ergonomic learning environment in general educational establishments, especially in national or regional level secondary schools and state gymnasiums; development of methodical functions, including STEM and ICT areas, in state gymnasiums; adjustment of sports halls and grounds of general education schools; introduction of innovative ICT solutions in education and ergonomic arrangement of learning environment, upgrading of learning tools and technical equipment for educational establishments implementing education programmes from grade 1 to grade 6. In order to contribute to introduction of HP “Equal opportunities” there will be implemented measures that provide accessibility to environment and information for persons with sight and hearing problems, physical and mental disorders as well as expert consulting of environmental availability.

- (677) **SO No. 8.1.2. Indicative target group:** general education establishments.
- (678) **SO No. 8.1.2. Indicative beneficiaries:** municipalities and their associations. The indicative plan is to allocate EUR 30,000,000 to integrated development of urban environment in development centres of the national and regional importance according to Article 7 of the ERDF Regulation.
- (679) **SO No.8.1.2. Project selection:** see annex “Project selection”. Investment projects will be evaluated in the context with municipality development specialisation and full use of local potentials and synergy with other planned investments and development tools. Integrated solutions which will envisage influence on the achievement of results of more than one SO will have priority support.
- (680) **SO No. 8.1.3. Indicative actions to be supported:** support planned for development and upgrading of the infrastructure of vocational education institutions, especially vocational education competence centres, including infrastructure for sports and dormitories, upgrading of study materials and technical equipment, including development of infrastructure for the implementation of new vocational education programmes in priority education thematic areas and groups of programmes. In order to contribute to introduction of HP “Equal opportunities” there will be implemented measures that provide accessibility to environment and information for persons with sight and hearing problems, physical and mental disorders as well as expert consulting of environmental availability.
- (681) **SO No. 8.1.3. Indicative target group:** vocational educational establishments.
- (682) **SO No. 8.1.3. Indicative beneficiaries:** vocational educational establishments, municipalities. The indicative plan is to allocate EUR 66,801,486 to integrated development of urban environment in development centres of national and regional importance according to Article 7 of the ERDF Regulation.
- (683) **SO No.8.1.3. Project selection:** see annex “Project selection”. Investment projects will be evaluated in the context with municipality development specialisation and full use of local potentials and synergy with other planned investments and development tools. Integrated solutions which will envisage influence on the achievement of results of more than one SO will have priority support.
- (684) **SO No. 8.1.4. Indicative actions to be supported:** support is planned for development of infrastructure of colleges implementing first level professional higher education programmes and vocational education programmes in STEM, incl. medicine and creative industry, incl. renovation of buildings and upgrading of equipment, according to the development of economics sectors. In order to promote HP “Equal opportunities” measures will be implemented that provide accessibility to environment and information for persons with sight

and hearing problems, physical and mental disorders as well as expert consulting of environmental availability.

(685) **SO No. 8.1.4. Indicative target group:** colleges

(686) **SO No. 8.1.4. Indicative beneficiaries:** colleges that implement STEM, incl. medicine and creative industries, 1<sup>st</sup> level HE programmes and vocational secondary education programmes.

(687) **SO No.8.1.4. Project selection:** see annex “Project selection”

Table No. 2.8.5. (5)

**ERDF specific output indicators**

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.8.1.1.a	Capacity of supported higher education infrastructure	Number of persons	ERDF	2 069	Project data	Once a year
i.8.1.2.a	Capacity of supported general educational establishments, including those implementing vocational education programmes	Number of persons	ERDF	45 600	Project data	Once a year
i.8.1.3.a	Capacity of supported vocational education infrastructure	Number of persons	ERDF	10 800	Project data	Once a year
i.8.1.4.a	Capacity of services in supported college education infrastructure	Number of persons	ERDF	1 023	Project data	Once a year
i.8.1.IP (CO35)	Capacity of supported childcare or education infrastructure	Number of persons	ERDF	59 492	Project data	Once a year

(688) **8.2. Investment priority:** Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups.

(689) **SO No. 8.2.1.: Reduce fragmentation of study programs and strengthen resource sharing**

(690) Duplication and fragmentation of higher education study programmes is observed in Latvia which is evidenced by the high number of programmes, which does not match the number of students and its dynamics. In the period from 2006 to 2012, when the number of students dropped by 28 %, the number of proposed study programmes grew to 912 programmes in 2012/2013 compared to 616 programmes in the beginning of 2006/2007.

(691) External evaluation of study programmes<sup>96</sup> emphasises the challenges of quality of study programmes and international competitiveness, including doctoral level. Quality differs in

<sup>96</sup> Overview of results of assessment of higher education study programmes and recommendations for further improvement, upgrading, development, consolidation, closing of study programmes grouped in study areas for purposes of efficient use of

study directions and at the same time unclearly defined programme objectives, outcome of studies, duplication of programmes, uneven resource availability and resource fragmentation, undeveloped sharing of resources, undeveloped implementation of joint study programmes are indicated as common gaps. Employers criticize HE establishments on capacity to develop content of study programmes which result would match the needs of enterprises. It affects possibility to provide lifelong learning and continuing education products that are qualitative, required and corresponding to the needs of economic.

- (692) In the study programme quality assessment it is concluded that students of bachelor's and especially master's level are not sufficiently involved in practical projects and scientific research and demonstrate insufficient level of participation in research conferences, especially STEM, incl. medicine and creative industry, study directions. There are too many doctoral programmes with similar content in the country, which is a threat to their existence in the long term. Due to this reason study programmes are not sufficiently focused on higher investment into research studies, on higher on higher contribution to the development of the Latvian industry.
- (693) In 2012/ 2013 the proportion of foreign students accounted for 3.7 % of the total number of students. Migration system in Latvia regarding foreign students is liberal<sup>97</sup> respectively the small number of therefore students is mainly due to the fact that Latvia has insufficient number of high quality studies in English.
- (694) Investments in the development of study programmes will be evaluated in a context of strategic specialization and development strategies of HE establishments, which int.al. include management improvements (incl. improving effectiveness of study direction councils and development of joint doctoral schools), development plan of academic staff, consolidation of study programmes within study directions. SO 8.2.1. will ensure synergy and complementarity with SO 8.1.1., 8.1.4., 8.2.2. and 8.2.3., based on comprehensive development strategies of HE establishments.
- (695) Investments will improve the quality and competitiveness of higher education study programmes, by consolidating and developing study programmes implemented by HEI, developing joint doctoral study programs un programs in EU languages.

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resources and financing from state budget funds; Higher Education Council, Riga, 2013

[http://www.aip.lv/ESF\\_par\\_projektu.htm](http://www.aip.lv/ESF_par_projektu.htm)

<sup>97</sup> Migration of foreign students in Latvia; European migration network, Riga, 2012

[http://www.emn.lv/wp-content/uploads/Arvalstu%20studentu%20imigracija%20Latvija\\_FINAL.pdf](http://www.emn.lv/wp-content/uploads/Arvalstu%20studentu%20imigracija%20Latvija_FINAL.pdf)



Table No. 2.8.6. (4)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI <sup>98</sup>	Measurement unit	Common outcome indicator	Baseline value (in 2013.)	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.8.2.1.a	Number of closed study programs, which are basis of newly created study programs supported by ESF	Less developed regions	number of programs	NA	0	Number of programs	15	MES data, project data	Twice per planning period
r.8.2.1.b	Number of supported new joint doctoral study programs that have received EQAR accreditation	Less developed regions	Number of programmes	NA	5	Number of programmes	80	SEDA data, project data	Twice per planning period
r.8.2.1.	Number of supported new study programmes in EU languages (except Latvian) that have received EQAR	Less developed regions	Number of programs	NA	60	Number of programs	220	MES data, project data	At the end of implementation of the project, once per year

<sup>98</sup> Youth Employment Initiative (YEI)

ID	Indicator	Category of region or YEI <sup>98</sup>	Measurement unit	Common outcome indicator	Baseline value (in 2013.)	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
	accreditation								

**(696) SO No. 8.2.2: To strengthen academic personnel of HEI in strategic specialisation areas.**

(697) The quality of studies is directly linked with the to academic personnel’s qualification, research work and cooperation with industry. The proportion of academic personnel having a doctoral degree has decreased in the last years, the opportunities to involve qualified foreign academic personnel are limited (low remuneration and mandatory requirement to know Latvian); academic personnel is “ageing”, renewal and replacement of teachers and involvement into continued education is insufficient; there is insufficient intensity of research activity and link of research activities and higher education with national economy and research institutions.

(698) HEI lack an extended and targeted academic personnel development plan for attraction of new teachers and foreign teachers, improvement of qualification of existing teachers. Insufficient knowledge of foreign languages by academic personnel negatively affects the quality of study programmes, especially in the context of internationalisation and modernization of education.

(699) Investments in the strengthening of academic personnel will be evaluated in a context of strategic specialization and development strategies of HEI, which int.al. include management improvements (incl. improving effectiveness of study direction councils and development of joint doctoral schools), development plan of academic staff, consolidation of study programs within study directions. SO 8.2.2. will ensure synergy and complementarity with SO 8.1.1., 8.1.4., 8.2.1. and 8.2.3., based on comprehensive development strategies of HEI.

(700) The investments will result in strengthened academic human resources in HEI.

Table No. 2.8.7. (4)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI <sup>99</sup>	Measurement unit	Common outcome indicator	Baseline value (in 2013)	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.8.2.2. a	Number supported of doctoral students who have obtained the doctoral degree and during 6 months after getting degree work as academic staff in a higher education institution	Less developed regions	%	NA	1914 <sup>100</sup>	Number of persons	378	Project data	At the end of implementation of the project,
r.8.2.2. b	Number of foreign lecturers that during 6	Less developed regions	Number of persons	NA	10	Number of persons	90	Project data	At the end of implementation of the

<sup>99</sup> Youth Employment Initiative (YEI)

<sup>100</sup> Within the framework of similar type of support program, the number of PhD students who have received support and afterwards work as academic staff has not been measured.

ID	Indicator	Category of region or YEI <sup>99</sup>	Measurement unit	Common outcome indicator	Baseline value (in 2013)	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
	months after receiving support continue academic work in higher education institution of Latvia (as a person elected to an academic position or as a foreign/visiting lecturer)								project
r.8.2.2.c	Number of academic personnel having improved their competence	Less developed regions	Number of persons	NA	417	Number of persons	1116	SEDA data, project data	At the end of implementation of the project

(701) **SO No. 8.2.3: To ensure better governance in HEI**

(702) In a strategic management of higher education external stakeholders and groups, including local governments and industry associations, are insufficiently involved. Cooperation of universities in implementation of study programs and research are poorly developed. Management capacity of universities is not appropriate to the goals of institutional excellence.

(703) Effectiveness of study program monitoring should be improved – in academic year 2013 / 2014 there are 901 study programs in universities and colleges, that are managed at the level of study programs with insufficient involvement of employers and professionals in their management.

(704) Within the working document of the European Commission for 2012 on implementation progress of NRP, it is emphasised that Latvia demonstrates insufficient collaboration among education and employers. Also Education development Guidelines 2014-2020 stipulate that strategic management in universities lacks involvement of interested organizations and groups, including municipal and industrial associations. There is a need to strengthen capacity of Study direction Councils by increasing the role of employers and involving relevant professionals in study content development, thus promoting quality of study program curriculum, link with the labor market and internship opportunities, including involvement in the development of basic study programs and process of consolidation of study programs.

(705) HEI must evaluate their own work objectively, drawing more attention to the SWOT analysis and its results. Without optimal representation of all interested parties in the HEI management, while respecting the academic freedom, nowadays it is impossible to reach higher objectivity in critical assessment and improvement of HEI activities.

(706) The number of higher institution branches must be reviewed and integration of universities evaluated - although branches provide access to higher education in the regions, they do not always have sufficient material base and employed highly qualified staff, offer of study programs in branches and their overlap in regions evaluated. Also in the external assessment of

educational programs<sup>101</sup> the different level of quality in the branches is emphasised. On the basis of an individual assessment, integration of college into universities must be evaluated.

- (707) Investments in HEI governance improvement will be evaluated in a context of strategic specialization and development strategies of HEI, which are elaborated considering necessary management improvements to receive state budget funding according to the improved funding model of higher education. SO 8.2.3. implementation ensures synergy and complementarity with SO 8.1.1., SO 8.1.4., SO 8.2.1. and SO 8.2.2.
- (708) As a result of investments, improvements of HEEs governance will be introduced, that are defined in development strategy of HEI, including development of strategic partnerships with the scientific and entrepreneurial sector in governance of study process and implementation of study programs.

Table No. 2.8.7. (4)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI <sup>102</sup>	Measurement unit	Common outcome indicator	Baseline value (in 2013)	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Fr
r.8.2.3. a	The number of HEI that have introduced their development strategies and implemented results oriented governance	Less developed regions	Number of institutions	NA	0	Number of institutions	20	MES Data, project data	At of im ati pro

(709) **SO No. 8.2.4: To provide support for implementation of requirements of EQAR agency**

(710) The EU Council recommendations of 2013 for Latvia determined to step up implementation of the higher education reform, in particular through the establishment of an independent accreditation agency. In order to promote the quality of higher education culture<sup>103</sup> in accordance with the best standards of the EHEA, as well as promote awareness of Latvian higher education, while increasing the reliability of the Latvian higher education, ESF funding is planned for the National Higher Education Quality Assurance Agency for initial operations quality support services and strengthening the capacity of the purpose of gaining entrance EQAR. To qualify for EQAR, higher education quality assurance institution must ensure institutional compliance (Organisational eligibility) and compliance (substance) with ESG standards and guidelines.

<sup>101</sup> Report on the result of assessment higher education programs and suggestions for further improvement of educational programs, grouping areas of education, development, consolidation, closure, efficient use and financing from the central budget; Higher Education Council, Riga, 2013

[http://www.aip.lv/ESF\\_par\\_projektu.htm](http://www.aip.lv/ESF_par_projektu.htm)

<sup>102</sup> Youth Employment Initiative (YEI)

<sup>103</sup> Berings, D. Reflection on quality culture as a substantial element of quality management in higher education.

[http://www.aic.lv/bolona/2010/Sem09-10/EUA\\_QUA\\_forum4/III.7 - Berings.pdf](http://www.aic.lv/bolona/2010/Sem09-10/EUA_QUA_forum4/III.7 - Berings.pdf)

(711) Investments will result in established institution in Latvia, which meet the requirements of EQAR agency.

Table No. 2.8.8. (4)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI <sup>104</sup>	Measurement unit	Common outcome indicator	Baseline value (in 2013)	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.8.2.4.a	The number of institutions in Latvia that meet EQAR agency requirements	Less developed regions	Number of institutions	NA	0	Number of institutions	1	MES data	At the end of implementation of the project

<sup>104</sup> Youth Employment Initiative (YEI)

### Description of the investment priority and indicative actions to be supported

- (712) To improve the quality and competitiveness of higher education and to promote its modernisation and internationalization it is important to significantly improve competencies of academic personnel, stimulate attraction of foreign teachers to the work in HEI of Latvia, as well as to ensure that 20% of the total number of study programs are implemented in one of the EU official languages, which is not the state language<sup>105</sup>.
- (713) In order to reduce **fragmentation** of doctoral study programs and to promote training of qualified high-level specialists who meet the requirements of the labour market, it is planned to develop inter-institutional joint doctoral study programs.
- (714) As it is emphasised in the external assessment of study programs<sup>106</sup>, it is advisable to create wider consortia of higher education to adopt experience of best academic personnel and get access to best infrastructure, by introducing best management practice, developing international collaboration and fostering exportability of the Latvian higher education.
- (715) Globalization, economic integration and greater mobility in higher education, has increased the need of recognition of professional qualifications obtained outside the state. Education development Guidelines for 2014 to 2020 foresee establishment of an internationally competitive national quality assurance agency for higher education and provide support measures to ensure its registration in **EQAR** as the accreditation body till 2018. It is planned to set up National Agency in 2015, covering establishment costs by the state budget. Cooperation with EQAR agency in the process of accreditation will develop quality culture of higher education<sup>107</sup> in accordance with the best standards of the EAIT, at the same time will increase the reliability of Latvian higher education and at the diplomas, as well as will help to establish contacts with foreign partners, thus promoting international cooperation.
- (716) To foster defragmentation of resources and solve quality issues in higher education, complementary ESF and ERDF investments are planned with the aim to consolidate and ensure effective use of resources, to strengthen excellency of study programs, especially in STEM, including medicine and creative industry, to create joint doctoral study programs delivered by several universities and to create exportable study programs in the EU languages to attract foreign students, as well as to strengthen the academic personnel and management of HEI, and provide support for start-up costs of the National Quality Assurance Agency for Higher Education (capacity building and quality measures) to build its capacity for registering in EQAR.
- (717) **SO No. 8.2.1. Indicative activities to be supported:** development, approbation and international accreditation of joint doctoral study programs and study programs in the EU languages, including costs of accreditation to international professional organizations; international publicity of developed and accredited study programs. Within the implementation of activities, the principle of equal opportunities and positive discrimination will be supported, which might attract less represented gender in specific higher education institution and science.
- (718) **SO No. 8.2.1. Indicative target group:** higher education institutions, including colleges.

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<sup>105</sup> Clause 2 part two article 56 of the law On Education

<sup>106</sup> Report on the result of assessment higher education programs and suggestions for further improvement of educational programs, grouping areas of education, development, consolidation, closure, efficient use and financing from the central budget; Higher Education Council, Riga, 2013  
[http://www.aip.lv/ESF\\_par\\_projektu.htm](http://www.aip.lv/ESF_par_projektu.htm)

<sup>107</sup> Berings, D. Reflection on quality culture as a substantial element of quality management in higher education.  
[http://www.aic.lv/bolona/2010/Sem09-10/EUA\\_QUA\\_forum4/III.7\\_-\\_Berings.pdf](http://www.aic.lv/bolona/2010/Sem09-10/EUA_QUA_forum4/III.7_-_Berings.pdf)

(719) **SO No. 8.2.1. Indicative beneficiaries:** HEI and colleges.

(720) **SO No. 8.2.1. Project selection:** see annex „Project selection”.

(721) **SO No. 8.2.2. Indicative activities to be supported:** Support for attraction of foreign lecturers; support for improvement of competencies and skills of academic staff, including internship in companies; support for attraction of new teachers by supporting academic work of doctoral students in higher education. Within the implementation of activities, the principle of equal opportunities and positive discrimination will be supported, which might attract less represented gender in specific higher education institution and science.

(722) **SO No. 8.2.2. Indicative target group:** academic personnel, foreign teachers, PhD students.

(723) **SO No. 8.2.2. Indicative beneficiaries:** higher education institutions, including colleges.

(724) **SO No. 8.2.2. Project selection:** see annex “Project selection”

(725) **SO No. 8.2.3. Indicative activities to be supported:** Support for implementation of development strategies of HEI: support for elaboration, improvement and external evaluation of HEI development strategies; support for operation of study direction Councils, including support for restructuring and updating of study content; support for improvement of effectiveness of HEI internal quality assurance system in accordance with the standards and guidelines for quality assurance in the European Higher Education Area, including support for external evaluation of staff salaries and promotion system and its improvements; support for development of e-solutions, including e-sharing mechanism and inter-institutional collaboration solutions.

(726) **SO No. 8.2.3. Indicative target group:** HEI, including colleges.

(727) **SO No. 8.2.3. Indicative beneficiaries:** higher education institutions, including colleges.

(728) **SO No. 8.2.3. Project selection:** see annex “Project selection”

(729) **SO No. 8.2.4. Indicative activities to be supported:** support to the national quality assurance agency initial operational quality support services and staff training.

(730) **SO No. 8.2.4. Indicative target group:** national quality assurance agency for higher education.

(731) **SO No. 8.2.4. Indicative beneficiaries:** national quality assurance agency for higher education.

(732) **SO No. 8.2.4. Project selection:** see annex „Project selection”.

Tabula Nr. 2.8.9. (6)

### ESF specifiskais iznākuma rādītājs

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.8.2.1.a	Number of joint doctoral study programmes that are elaborated and introduced with ESF support	Number of programmes	ESF	15	Project data	Once a year
i.8.2.1.b	Total number of study programs in the EU languages (except Latvian) that are elaborated and introduced with ESF support	Number of programmes	ESF	80	Project data	Once a year



ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.8.2.2.a	The number of PhD students who have received ESF support for work in higher educational institution	Number of persons	ESF	420	Project data	Once a year
i.8.2.2.b	Number of foreign teachers that have received ESF support for work at higher education institution	Number of persons	ESF	300	Project data	Once a year
i.8.2.2.c.	Number of academic personnel that have received ESF support for improvement of professional competence	Number of persons	ESF	1140	Project data	Once a year
i.8.2.3.a	The number of HEI that have received ESF support for development strategies and implementation of results oriented governance	Number of institutions	ESF	20	Project data	Once a year
i.8.2.4.a	Number of institutions that have received ESF support for fulfillment of EQAR requirements	Number of institutions	ESF	1	Project data	Once a year

(733) **8.3 Investment priority:** Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education, including formal, non-formal and informal learning pathways for reintegrating into education and training.

(734) **SO No. 8.3.1.: To develop competency- based general education curriculum**

(735) By 2020 the quality of education and its compliance with the modern requirements will be improved in general education, introducing competency-based general education curriculum. The improvement of the content of studies and methods is especially important at the stage of completion of basic education and in secondary education (grades 7 to 12) to promote application of skills and mastering of skills needed by the labour market.

(736) As a result competence-based curriculum of studies in pre-school, primary and general secondary education level will be tested and introduced.

### ESF specific result indicators

ID	Indicator	Category of region or YEI	Measurement unit	Common outcome indicator	Baseline value (in 2012)	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.8.3.1.a	Number of approved guidelines and standards in general education that ensure implementation of competency-based curriculum	Less developed regions	the number of guidelines and standards	NA	1	2012	number	3	MES data, project data	At the end of implementation of the project

**(737)SO No. 8.3.2. To increase support for general education institutions to develop students' individual competences**

- (738)The results of OECD PISA 2006, 2009 and 2012 demonstrate that there is comparably low proportional share of students with high achievements in reading, math and nature studies in Latvia. Although Latvia has demonstrated significant progress in nature studies, improvement of competence in reading and math remains important, ensuring the objective defined in the NDP 2020 (lower competence levels in reading in 2017 - 15%, 2020 - 13%) and that defined in the EU 2020, i.e. to ensure that the lowest result in these three competences demonstrated by young people of relevant groups is 15% by 2020.
- (739) Promotion of communication skills, socialization and inclusion of children and young people with special needs and development and suggestion of complex activities relating to inclusion is also important in order to simultaneously promote awareness of limitations and needs of this group by the society. Development of individual abilities and talents of students to promote improvement in training achievements and motivation to continue education and transition to employability is of no less importance.
- (740)Not sufficient attention is paid to satisfaction of different needs of learning at schools. Thus a system for early diagnostics for learning difficulties will be developed and support to prevent these difficulties should be given promoting equal opportunities for all children. In the framework of sub-activity No 1.2.2.4.1.<sup>108</sup> in 2007 – 2013 there was elaborated support system for decrease of social exclusion risk at schools, incl. supporting positive behaviour, implementing socio-emotional education and peer learning to improve reading skills. 25 educational establishments, incl. 2 vocational education establishments were involved into the approbation of the support system covering all regions of Latvia. The programme for decrease of social exclusion provided comprehensive support for all educates at the schools involved into the project by minimizing such education hinderring factors as learning difficulties, learning disorders, lack of family support, socio-emotional problems as well as promoting interinstitutional co-operation by involvement of municipal institutions and parents for the problem solving.
- (741)Improvement of teachers and supporting personnel's competence, incl. development of entrepreneurial skills and ICT skills as well as solution of violence issues, is an important activity for introduction of personalized approach at school. A teacher's education and professionalism affects students' training achievements significantly, which is evidenced by the Latvian experience, results of OECD PISA and TALIS international comparative studies. A great role in study process is pedagogue's ability to motivate cooperation and positive communication among students. Negatively assessed are teachers' skills to increase students' training motivation (total 23% believe that this is quite or very low), mutual cooperation among students skills to create interdisciplinary training content (19%), problem-solving competence (19%), foreign language skills (19%) and critical thinking (18%).
- (742)In the result of provision of complex support to general education establishments for development of students' individual competences as well as relevant and competent personnel a diversity of education service will be provided to improve students' competences and study achievements.

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<sup>108</sup> Development of support system for inclusive education and youth at the risk of social exclusion, required staff training, to ensure continuity of staff and improvement of competence.

Table No. 2.8.10. (4)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.8.3.2.a	Number of general education institutions that have introduced individual approach for development of students' competencies	Less developed regions	number	NA	23	2013	number	200	Project supervision information	At the end of implementation of the project, once a year

**(743)SO No. 8.3.3.: To increase not registered in SEA NEET youth's skills and promote their involvement into education, measures implemented by SEA within the framework of Youth Guarantee, and NGOs or youth centres**

- (744)According to CSB data in 2013 there were 308,4 thousands of youth at age 13 to 25, from them 243,2 thousands were at age 15 to 24, i.e. 12% from the total number of inhabitants in Latvia. CSB data show that in 2013 about 142,8 thousands of youth at age 15 to 24 were inactive (most of them were educates or students studying in full time programmes and did not work), 21,5 thousands searched for a job, 67,1 thousands were employees and 4 thousands were self-employed. According to Eurostat data there was proportional increase of NEET youth at age 15 to 24 in recent years – from 11,4% in 2008 to 14,9% in 2012, while EU-28 average indicator in 2013 was lower – 13% and proportion of NEET youth at age 15 to 29 was 15,6%.
- (745)According to CSB findings on labor force sample survey there were 23,6 thousands of youth at age 15 to 24 who were not in employment, education or training in Latvia in the 1st quarter of 2014 and only 8 thous. from them were registered in SEA as unemployed.
- (746)Up to now, only fragmentary measures to non-registered in SEA NEET youth for specific problems have been implemented, therefore it is necessary to systematize the work with non-registered in SEA NEET, i.e., to involve local governments, NGO`s and foundations (especially youth organizations), as well as other institutions (such as youth centers, employers' organizations, probation services, police, educational institutions, sports, companies, associations of industry, etc.) to develop joint guidelines for work with NEET youth, which will cover a wide range of NEET re-socialization activities focused on skills development of NEET youth and also on training for organizations involved in work with youth, to provide support for non-registered in SEA NEET youth using joint methodology and in high quality.
- (747)Using ESF support will be implemented to reintegrate non-registered in SEA NEET youth (not registered in State Employment Agency (SEA)) into education and work, providing complex approach to reach, motivate and work together with a youth to develop the skills that will promote non-registered in SEA NEET to involve in education and training, in measures implemented by State Employment Agency within the framework of Youth Guarantee, in employment, in activities of non-governmental organizations and youth centers. It will also ensure involvement of representatives from various areas in this process, thus giving comprehensive and the individual needs adequate/appropriate support for non-registered in SEA NEET.
- (748)Implementing support measures for the NEET complementary with SO 8.3.3. will be ensured, including exchange of information and experience.
- (749)As a result skills of non-registered in SEA NEET young people will be developed and their involvement in training, SEA supported measures in the framework of Youth Guarantee, and NGO`s or youth centres activities.

Table No. 2.8.11. (4)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI <sup>109</sup>	Measurement unit	Common outcome indicator	Baseline value (in 2012)	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.8.3.3.a	Number of non-registered in SEA NEETs who have successfully completed their individual support program within the framework of ESF support	Less developed regions	Number of persons	NA	2 554	2013	Number of persons	3 684	Project data	At the end of implementation of the project, once a year

<sup>109</sup> Youth Employment Initiative (YEI)

**(750)SO No.8.3.4.: To reduce early school leaving by implementing preventive and intervention measures**

(751)According to Eurostat data proportion of early school leavers at age 18 to 24 was 9,8% in Latvia, 2013<sup>110</sup>.

(752)

(753)In 2012 early leavers from education at age 18-24 in rural areas were 13.8% and 8.8% in cities. At the respective age female drop out rates in year 2012 was approximately 6.2%, and male rate was twice as high -14.5%. OECD PISA 2012 results show a correlation between learners' socio-economic status and educational achievements. Optimization of the school network can create risks to access to education and increase the rate of early school leavers due to lack of financing.

(754)According to EC report<sup>111</sup> early school leaving correlates with such factors of poverty and the related ones as learning difficulties, discrimination, peer rejection, limited access to education and insufficient regional mobility. The social services of municipalities emphasize that the most significant youth problems are lack of motivation to study and/ or involve into the leisure activities that is followed by behavioural and socialization problems and school absence, deviant behaviour, insufficient parents' care and lack of finances in family, low level of education<sup>112</sup>.

(755)It is planned to develop a plan of prevention and intervention measures for early school leavers risk group of children and young people, including consideration of daily and informal learning as an important tool for learning and self-confidence. The existing monitoring system for early school leavers is not comprehensive, the analysis of the causes of early school leaving effectiveness and compliance of preventive measures is incomplete. Currently available are quantitative (macro) data on early school leaving, eg., CSB – “NBG37”. School leavers, young people aged 18-24 in urban and rural areas by gender (%). SEQs collects data on students at compulsory education age indicating the causes of early school leaving, such as: permanently sick, unknown absence, person with disabilities, adopted abroad, emigration etc. Improvement of accounting system of data for ESL support for students at compulsory education age who are not registered in any educational institution, including linkage with higher education, adult education and interest/leisure education and improvement of NEIS is planned. For NEIS development it is planned to attract structural funds within the framework of investment priority “ICT availability, e-government and services”.

(756)Within EU Funds of programming period 2007–2013 subactivity 1.2.2.3.2. "Supporting educational research" a research on early school leavers is conducted, giving proposals for systemic improvements for data collection, recording, processing and analysis as well as preventive, intervention and compensating measures in Latvia. After receiving research results and activities to be supported . will be defined, respectively, through amendments in SO 8.3.4. Within the implementation of SO 8.3.4 it is planned to ensure synergy with SO 8.3.6, where a survey on early school leavers is planned.

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<sup>110</sup> [http://epp.eurostat.ec.europa.eu/portal/page/portal/europe\\_2020\\_indicators/headline\\_indicators](http://epp.eurostat.ec.europa.eu/portal/page/portal/europe_2020_indicators/headline_indicators)

<sup>111</sup> European Commission, Directorate-General for Employment, Social Affairs and Inclusion „Social Europe. Current challenges and the way forward”, Annual Report of the Social Protection Committee (2012), pp.59.

<sup>112</sup> Informative report on the implementation of Youth Guarantee in Latvia 2014 – 2018, Riga, 2013.  
[http://www.lm.gov.lv/upload/jauniesiem/lmzin\\_jg\\_171213.pdf](http://www.lm.gov.lv/upload/jauniesiem/lmzin_jg_171213.pdf)

Table No. 2.8.12. (4)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI <sup>113</sup>	Measurement unit	Common outcome indicator	Baseline value (in 2012)	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.8.3.4.a		Less developed regions								

<sup>113</sup> Youth Employment Initiative (YEI)



**(757)SO No.8.3.5.: To improve access to career support for students in general and vocational education institutions**

- (758)Career support policy and delivery of career service to a person, are fragmented by sectors and not introduced within a system that links education, employment and social inclusion policy. In order to make career development support system resources efficient and to improve career support measures for individuals, Co-operation Council, an intersectoral information exchange and consultative institution where 13 institutions are represented, incl., MoESm, MoW, SEA, MoE, FTUCL, was established in 2006.
- (759)Career support according to the competence of MoW is focused on the promotion of employment and is available for everyone starting from age 15 and is directed to definite target groups (unemployed, youth, etc.).
- (760)Since 2008 career education issues are included in general education curriculum, and are available in ways of out of school activities (shadowing, excursions, interest groups) and by providing consultations for students, teachers, parents.
- (761)Career support in vocational education establishments is available through individual consultations, organization of open days, measures to identify career possibilities in the chosen branch and measures to get acquainted with the chosen branch.
- (762)Since 2012 a position of educator-career counsellors is included in the list of pedagogical personnel. The number of educator-career counselors in educational institutions is increasing from 66 (2012/ 2013 academic year) to 87 (2013/ 2014 academic year), while in vocational education establishments in 2013/ 2014.academic year were employed 11 career counsellors. Still the number of educator-career counsellors is insufficient.
- (763)SEDA elaborates and publishes informative and methodological materials to help teachers implement career education as well as learning and experience exchange measures and seminars are organized for career support specialists in education establishments providing them with new methods in counseling, in work with parents regarding issues of career choice for their children, and informative seminars about actual tendencies in the development of national economy and changes in employees' qualification requirements.
- (764)Career support measures at education institutions in parallel with basic skills, helps to educatees to understand and make their career decisions in accordance with their interests, abilities etc. Implementing career related activities, some positive changes has been achieved in career support measures, however, the co-operation for career support measures, and also the range of career services offered and their accessibility to students in educational institutions are still insufficient.
- (765)In order to ensure consistent and high-quality career support measures, it is necessary to develop methodological support, improving career information and materials, improving inter-institutional coordination, improve competences of pedagogues in general and vocational education and career education consultants both for implementation of career support measures and also for communication and cooperation, including with employers, SEA, and processing of information.
- (766)Support for a career support measures plan, career education development and service availability and diversification enhancement relating to general and professional education throughout Latvia are planned within the framework of SO. Furthermore, activities relating to career choice for young people, including activities relating to considering professions and jobs, career days, demonstration of the best practices in collaboration with the employers) are provided.

(767) As a result, activities relating to systematic support of career relations will be ensured for students of general and professional educational establishments.

Table No.2.8.13. (4)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI <sup>114</sup>	Measurement unit	Common outcome indicator	Baseline value (in 2012)	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency
r.8.3.5.a	Number of general and vocational education institutions that ensure career support for students	Less developed regions	number	N/A	86	2013	number	328	MoES data, project data	At the end of project implementation each year

**(768) SO No.8.3.6.: To introduce education quality monitoring system**

- (769) There are several education quality estimation processes that do not form unite system in Latvia. Since 1999 there has been introduced a uniform National testing/ examination system and gathering of statistical information is made for general (grades 3, 6, 9, 12) and vocational education (courses 3, 4, incl. results of exams on professional qualification) on actual issues. Since 2005 at the level of general education and vocational education institutions (schools) the quality of education in Latvia is assessed in the context of evaluation of school operation quality (excluding pre-school education establishments) by accreditation process - the accreditation of educational establishments and programmes and certification of their executives is carried out. Since 2009 quality of professional operation of pedagogues is being evaluated (78% pedagogues have received one from five quality degrees). In the current situation, to evaluate impartially the quality of education helps the competitiveness of the international education studies/research, in which Latvia participates (OECD PISA, OECD TALIS).
- (770) Latvia does not have nationally uniformed, measurable and specific education quality indicators which could make opportunity to carry out a comprehensive assessment of the quality of education in every educational establishment and in country as a whole within united system. In order to facilitate the development of the educational policy and evaluation of the education quality should be based on a systematic, long-lasting and continuous methodically justified collection of information. Therefore monitoring system of education quality must be established and introduced which would be based on information, on results of comparative education research, on achievements of educatees at national level and other measurements of school descriptive indicators and analysis of the results of centralized examinations, on school accreditation, assessment of operation quality of pedagogues. To provide an opportunity to align the various studies/ investigations, within the SO support for development of education quality monitoring system, approbation and implementation is planned.
- (771) To ensure development of effective and proof-based educational policy, an educational policy implementation and education quality monitoring system is to be established and introduced

<sup>114</sup> Youth Employment Initiative (YEI)

by ESF support, providing support for educational research, development of monitoring tools, monitoring implementation, analysis of the results and development of recommendations. To identify the quality of the Latvian education system and to compare it with the students' knowledge level in other countries, participation of Latvia in international research is to be ensured.

(772) As a result monitoring for study achievements will be elaborated and introduced.

Table Nr. 2.8.14. (4)

#### ESF specific result indicators

ID	Indicator	Category of region or YEI <sup>115</sup>	Measurement unit	Common outcome indicator	Baseline value (in 2012)	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency
r.8.3.6.a	Number of introduced education quality monitoring systems	Less developed regions	number	N/A	0	2012	number	1	MoES data, project data	At the end of project implementation

#### Description of the investment priority and indicative actions to be supported

(773) The quality of **education** at all levels of education is determined by the content of education that encourages development and reinforcement of persons' knowledge, competence and skills, professional and competent trainers who transfer this training content to students, modern education environment and process of education that promotes comprehension of the content, and the principle of inclusive education that provides for establishment of equal opportunities, regardless of the needs and abilities of students, financial, social status, race, nationality, sex, religion and political beliefs, health condition, place of residence and accessibility of employment in an open, respectful and supporting environment. Competence-based curriculum, especially in mathematics and natural sciences, corresponding methodology and updated study environment shall encourage students' motivation and reduce the number of cases of early school leaving

(774) To ensure accessibility of **career support**, within the career development guidance system improvements of the informational and methodological base are planned, providing training for pedagogues, career counselors, ensuring career consultation of the students of general and vocational education institutions and performance of other career support-related activities in cooperation with the employers, including those ensured with participation of universities to increase students' motivation and interest about natural sciences, as well as decrease stereotypes of professions and increase youth motivation to obtain professions where is observed lack of employees. Main principles to improve accessibility of career support measures will be: 1) career education and support measures are available at school, 2) career education and support measures are ensured by the school team. If necessary, career

<sup>115</sup> Youth Employment Initiative (YEI)

- consultant is attracted, 3) cooperation with local communities and employers in career education and support measures.
- (775) Planned **preventive and compensative measures** relating to the accessibility of education and reduction of early school leaving, including compensative measures for children and youth who have already left school early, shall ensure that a child or a young person returns to education system, continues education in a general or vocational education institution and completes his/her studies or obtains a qualification usable on the labour market and support to participation of youth in interest-education and out-of-school activities to ensure that young persons successfully integrate with both the education system and the labour market. The above activities shall supplement the ones provided for within the thematic objective „Social inclusion, prevention of poverty and any kind of discrimination” and shall ensure complementarity and demarcation with the 'Fund for European aid for the most deprived' (FEAD) and state support programs for 1-3 grade students (free lunches). Identification of target groups of the support activities shall be ensured by municipal social services in collaboration with the specialists of education institutions, taking planned support by the municipalities and ensuring their mutual complementarity.
- (776) The basic education in Latvia is mandatory, and measures are taken at the level of municipalities (schools) to return students to schools, therefore, the proportional share of early school leavers at the level of basic education is small, and the ability of the municipalities to provide support to young people who completed basic education and leave the school at the level of secondary education is limited.
- (777) By development of personalized education service implemented by education establishments in co-operation with parents, NGOs, employers and higher education establishments formation of long term co-operation mechanism will be promoted, including measure for the development of competencies of students, as well as for reduction of number of early school leavers.
- (778) To identify and motivate (particularly, attracting mentors) youth NEET who are not registered with the ESA and do not attend an education establishment (early school leavers), the institutional framework for work with youth created by municipalities shall be used, and the municipalities shall attract youth organizations, partnerships and formations existing in its territory and experienced in work with youth as well as state and municipal establishments. Support system will provide youth with individual support (incl. Formal and informal education methods) by developing the skills to promote the involvement of youth NEETs in training, in events organized by State Employment Agency, in employment, in actions of non-governmental organizations and youth centers.
- (779) **SAM No.8.3.1.: Indicated supported activities:** approbation of competence-based general education (incl. pre-school, special and inclusive education) curriculum, elaboration of methodology and education materials, incl. digital means, diagnostics of learning disabilities. Elaboration of general education curriculum, methodology and study aids, incl. digital means include integration of issues of equal opportunities regardless gender, age, invalidity or ethnicity. Separate education materials and methodology will be elaborated or adjusted for students with special needs.
- (780) **SAM No. 8.3.1 Indicative target group:** National authorities responsible for the development of curriculum and monitoring.
- (781) **SO No.8.3.1.Indicative recipients of financing:** National Centre for Education.
- (782) **SAM No.8.3.1. Project selection:** see annex “ Project selection”

- (783) **SO No.8.3.2. Indicative activities to be supported:** the support for implementation of measures relating promotion of development of students' competences and inclusive education in the general education establishments, including support measures for talent discovery and perfection of educates as well as students with learning difficulties and learning disorders; provision with necessary teachers and support personnel and activities relating to inclusion of young people with special needs, i.e. diagnostics of learning disorders. Support to pedagogues of general education to improve professional competence, incl. development of entrepreneurial, ICT, and other competences and skills, as well as exchange experience of good practices in the implementation of personalized approach. In order to promote introduction of HP "Equal opportunities" educates with special needs are planned to be integrated into general education establishments, i.e. respective raise of professional competences of pedagogues and provision with support personnel; development of skills and competences of educates according to their needs and interests, including decrease of stereotypes about skills and competences according to the gender; issues on equal opportunities integrated into the continuing education of pedagogues to ensure education service for different persons or groups of persons.
- (784) **SO No. 8.3.2 Indicative target group general education:** general education establishments.
- (785) **SO No.8.3.2.Indicative recipients of financing:** municipalities or their unions, education institutions, associations and formations, National Centre for Education.
- (786) **SAM No. 8.3.2. Project selection:** see annex "Project selection"
- (787) **SO No.8.3.3.: Indicative activities to be supported:** activities relating to identifying, motivating and activation of participants of non-registered in SEA NEET youth; non-registered in SEA NEET's profiling, elaboration of individual support programmes for each involved non-registered in SEA NEET, implementation and monitoring of the individual support programme. Compensating individual support measures will not include support that will be provided within FEAD in Latvia during 2014. – 2020.
- (788) **SO No.8.3.3.: Indicative target group:** young people at the age from 15 to 29 (inclusive) who are not in employment, education or training and are nor registered as unemployed in SEA. Compensating measures for NEET youth will be provided regardless gender, invalidity or ethnicity. Formal and informal education measures will include inter alia issues decreasing stereotypes about skills and competences according to the gender.
- (789) **SO No.8.3.3.: Indicative beneficiaries:** Agency of International Programs for Youth, in collaboration with municipalities.
- (790) **SO No. 8.3.3. Project selection:** see annex "Project selection"
- (791) **SO No.8.3.4. Indicative activities to be supported:** precise activities to be supported will be defined after research.
- (792) **SO No.8.3.4. Indicative target group:** will be defined after research.
- (793) **SO No.8.3.4. Indicative beneficiaries:** will be defined after research
- (794) **SO No. 8.3.4. Project selection:** see annex "Project selection".
- (795) **SO No.8.3.5. Indicative activities to be supported:** implementation of career education support measures in the education establishments, including career consultations to students in all regions and cities of Latvia, as well [support for organization of educates professional skill championships and participation in international competitions](#); support of elaboration and testing of a career support measure plan, incl. methodological and informative materials;

- support to improvement of professional competence of career pedagogues in general and vocational education establishments.
- (796) Content of methodological and informative materials as well as training of personnel working in educational system, pedagogues and career consultants will include inter alia issues about equal opportunities regardless gender, age, invalidity or ethnicity ensuring service for different persons or person groups. Elaboration of methodological materials and implementation of measures will include issues about equal opportunities regardless gender, especially in the choice of professional study field or profession, thus decreasing segregation of labour market.
- (797) **SO No.8.3.5. Indicative target group:** general, incl. special, and vocational education institutions.
- (798) **SO No.8.3.5. Indicative beneficiaries:** State education development agency, general, incl. special, and vocational education institutions, municipalities.
- (799) **SO No. 8.3.5. Project selection:** see annex „Project selection”.
- (800) **SO No.8.3.6. Indicative activities to be supported:** elaboration and introduction of education quality monitoring at all levels of education by supporting national research and participation in international research.
- (801) **SO No. 8.3.6. Indicative target group:**state institutions, which are responsible for development of curriculum, monitoring, evaluation of education quality, as well as responsible for international research/ investigation on education and science policy.
- (802) **SO No.8.3.6. Indicative beneficiaries:** the Ministry of Education and Science with rights to delegate to subordinate authority.
- (803) **SO No.8.3.6. Project selection:** see annex „Project selection”.

Table No. 2.8.14. (5)

**ESF common and specific output indicators**

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.8.3.1.a	Number of guidelines and standards in general education that tested and introduced with ESF support	number of guidelines and standards	ESF	3	Project data	Once a year
i.8.3.1.b	Number of competence-based methodic and study materials for students (incl. students with learning disorders) and teachers that are elaborated with ESF support	Number methodic and study materials	ESF	61	Project data	Once a year
i.8.3.1.c	Number of methodic and study materials for students with mental disorders that are elaborated with ESF support	Number methodic and study materials	ESF	15	Project data	Once a year
i.8.3.2.a	Number of general education establishments that have received ESF support for development and introduction of personalized study approach to develop educatees' individual competences	Number of establishments	ESF	200	Project data	Once a year
i.8.3.3.a	Number of NEET youth not registered in SEA who have participated in ESF supported measures	Number of persons	ESF	5 262	Project data	Once a year

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.8.3.4.	Content of indicators depend on analyses of reasons for ESL		ESF			
i.8.3.5.a	Number of general and vocational education establishments that have received ESF support for career education and career development support	Number of establishments	ESF	328	Project data	Once a year
i.8.3.6.a	Number of supported international research	Number of research	ESF	5	Project data	At the end of implementation of the project
i.8.3.6.b	Number of supported national research	Number of research	ESF	9	Project data	Once a year



- (804) **8.4.investment priority:** Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences.
- (805) **SO No. 8.4.1.: To develop professional competence of employees.**
- (806) According to the data of the CSB in 2013 31% of the working population had a low education level with complete or incomplete basic or general secondary education<sup>116</sup>. Some professions already struggle to meet the growing demand with a suitably qualified workforce (IT industry, programmers). At the same time, there are areas where excess of labour force is observed (management staff, sales agents, etc.), as a result, the people with the appropriate training and experience has to work at a lower level jobs<sup>117</sup>. Also, there are differences in labor market at regional level. According to the data of the CSB<sup>118</sup> in Riga region it reached 62.8%, while the employment rate in Latgale was only 51.5%.
- (807) To decrease the risk of structural unemployment according to the MoE estimations<sup>119</sup> by 2020 retraining shall be necessary for ~20% (120 thousand) economically active people who completed a primary school or with a lower level of education. Demand for highly skilled professionals will grow rapidly, while the demand of jobs with low education level will decrease by more than one -fourth.
- (808) According to the data provided by the CSB in 2011, as the reasons preventing people from starting training: education was too expensive (53%), time schedule (35.0%) and family circumstances (30.8%). Essential differences are observed in regions – 35,7% adults in Riga region and 17,3% adults in Riga suburb region with different education levels participate in different formal and informal education activities. In adult education activities in 2013 were involved 11% of the population with higher education and only 2.7% of the population with basic education or with incomplete education were involved in formal and non-formal educational activities.
- (809) To avoid labor skills mismatches in the labor market demand and to promote employees competitiveness and labor productivity growth according to the labor market requirements, employees should have opportunities to develop competence in quality formal education and non-formal education during lifetime.
- (810) As in adult education policy are involved several parties: local governments (planning regions), the ministries (MoE, MoES, MoW), private entrepreneurs, the implementation of the support measures are aimed at specific target groups and specific training areas and types. To prevent the existing fragmentation of responsibilities and functions, MoES has developed a model of adult education policy. Within this model an advisory council will be establish, that will include ministries and organizations involved in adult education, provide a total adult

<sup>116</sup>[http://data.csb.gov.lv/pxweb/lv/Sociala/Sociala\\_\\_ikgad\\_\\_nodarb/NB0350.px/table/tableViewLayout1/?rxid=cdbc978c-22b0-416a-aacc-aa650d3e2ce0](http://data.csb.gov.lv/pxweb/lv/Sociala/Sociala__ikgad__nodarb/NB0350.px/table/tableViewLayout1/?rxid=cdbc978c-22b0-416a-aacc-aa650d3e2ce0)

<sup>117</sup> The Informative report on the labor market medium and long-term forecasts; [http://www.em.gov.lv/files/tautsaimniecibas\\_attistiba/EMZino\\_150814.pdf](http://www.em.gov.lv/files/tautsaimniecibas_attistiba/EMZino_150814.pdf)

<sup>118</sup> [http://data.csb.gov.lv/pxweb/lv/Sociala/Sociala\\_\\_ikgad\\_\\_nodarb/?tablelist=true&rxid=cdbc978c-22b0-416a-aacc-aa650d3e2ce0](http://data.csb.gov.lv/pxweb/lv/Sociala/Sociala__ikgad__nodarb/?tablelist=true&rxid=cdbc978c-22b0-416a-aacc-aa650d3e2ce0)

<sup>119</sup> The Informative report on the labor market medium and long-term forecasts; (Darba tirgus prognozes balstās uz EM izstrādātajiem tautsaimniecības attīstības un demogrāfijas scenārijiem, kuru pamatā ir Latvijas vidēja un ilgtermiņa izaugsmes mērķi, kas noteikti Latvijas stratēģiskos plānošanas dokumentos – *Latvijas ilgtspējīgas attīstības stratēģijā „Latvija 2030”, Latvijas Nacionālajā attīstības plāns 2014.-2020.gadam, Latvijas nacionālā reformu programmā „ES 2020” stratēģijas īstenošanai.*)

educations system monitoring. The adult education management each in their own field will be implemented by three ministries- MoES, MoE, MoW. At territorial aspect the implementation of adult education will be ensured by planning regions, which will perform a coordinating function, conscious adult education needs and opportunities.

- (811) Training will be ensured to encourage competitiveness of employed and growth in labour efficiency to comply with the labour market requirements, ensuring that employees effectively and quickly receive support for their own career development and for improvement of professional competence. The support for employed professional competence development will be implemented in cooperation with associations of industry, thus providing that acquired knowledge and skills are relevant to the labor market needs and rapid technological change increasing employee's opportunities for career growth within and across sectors.
- (812) As a result of investments, the number of the employed who have raised qualification or requalified according to changing labour market circumstances has increased.

Table No. 2.8.15. (5)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI <sup>120</sup>	Measurement unit	Common outcome indicator	Baseline value (in 2012)	Baseline year	Measurement unit for baseline and target value	Target value (in 2022)	Source of data	Frequency of reporting
r.8.4.1.a	Number of employed people at age 25 + who have improved competencies after participation in ESF supported training (excluding employees with low education level)	Less developed regions	Number of persons	NA	6517	2013	Number of persons	14 568	Project data	At the end of implementation of the project, once a year
r.8.4.1.b	Number of employed people with low level of education at age 25 + who have	Less developed regions	Number of persons	NA	1342	2013	Number of persons	9934	Project data	At the end of implementation of the project, once a year

<sup>120</sup> Youth Employment Initiative (YEI)

ID	Indicator	Category of region or YEI <sup>120</sup>	Measurement unit	Common outcome indicator	Baseline value (in 2012)	Baseline year	Measurement unit for baseline and target value	Target value (in 2022)	Source of data	Frequency of reporting
	improved competencies after participation in ESF supported training									

## The description of priority investments and indicative activities to be supported

- (813) To ensure coordinated training of adults, following the rapid changes in the labour market and needs of the regions and country in general, support to adult education is planned according to mid-term and long-term labour market forecasts. To ensure adult learning services throughout Latvia regional financing quotas shall be determined in proportion to the number of employed people in the relevant region.
- (814) Until December 2014, it is planned to develop an action plan of Education development guidelines 2014 – 2020 which will reflect implementation measures of the adult education model, including the target group and distribution of responsibilities of involved institutions.
- (815) To develop professional competence of employees, depending on the needs of regional and economical development, encourage competitiveness of the employed according to long-term and mid-term labour market forecasts elaboration of implementation plan for training and requalification for the employed will be ensured, including support mechanism for involvement of people at risk of social exclusion. Adult education, including formal and informal education, shall be ensured by education institutions, including general secondary education institutions, professional secondary and higher education institutions (vocational education competence centres are a priority), municipal adult education centres, private education centres and associations, formations and enterprises. Both resident and remote training is planned, including evening courses, ensuring distance learning, with efficient cooperation with entrepreneurs (regions are a priority) focused on practical activities, providing for comprehension of a relevant competence within the shortest possible time. Learning shall be ensured as close to the place of residence and work as possible, optimizing the use of the adjacent learning infrastructure, wide range of offered programs and accessibility of trainers available in the existing school environment, as well as an opportunity to collaborate with persons involved in business activities, including immediate understanding of needs and ensuring places for practical training. In addition, interregional collaboration for more efficient and friendly adult education offer shall be strengthened.
- (816) Within SO adult education will be implemented according to the needs of regional and national economics, taking into account individual interests and previous qualification. Content of the training, type and supply will be adjusted to individual needs of employee and their opportunities.
- (817) **SO No. 8.4.1.: Indicative activities to be supported:** The support of improvement of professional competence of employed persons and comprehension of non-formal education programs is provided, including acquisition of work necessary contemporary skills (i.e. digital/ e-skills, IC) support to career consulting services to eliminate non-compliance of the workers' qualification to the labour market demand in a timely manner, to encourage the workers' competitiveness and increase in labour efficiency in compliance with the labour market requirements, including support mechanism for involvement and training people at risk of social exclusion (providing additional support measures, such as child care, transportation costs, required support staff). The training will be ensured regardless gender, age (from 25 taking into account demarcation with other SOs), invalidity or ethnicity, measures for decrease of gender stereotypes). SO will be implemented in collaboration with the planning regions, municipalities, the Employers' Confederation of Latvia and Latvian Chamber of Commerce and Industry
- (818) **SO No.8.4.1. Indicative target group:** employed from age 25, incl. with low basic skills, education in speciality where lack of labour force is observed or education in speciality, where labour offer exceeds the demand. The supported target group includes the persons who are not

covered by the support provided for by 3.2 investment priority “To support SME capacity to achieve growth on regional, state and international markets and involve in innovative processes” SO No. 3.2.1. “To increase the proportion of exported high added value products and services”, 7.2. investment priority “Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee” SO No 7.2.1. “To increase the employment of young people not in employment, education or training and to facilitate their participation in education within the framework of Youth Guarantee”, 7.3 investment priority „ Adaptation of workers, enterprises and entrepreneurs to change.” SAM No.7.3.2. SO „ To prolong preservation of capacity for labour and employment of elderly employees.”, 9.1. investment priority “Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability” , SO 9.1.2. To increase the integration of former prisoners into society and labour market ; and 9.2. investment priority “Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest” and SO 9.2.6. “To improve accessibility to qualified health care and health care support persons”.

(819)**SO No.8.4.1. Indicative recipients of financing:** SEDA.

(820)**SO No.8.4.1. Project selection:** see annex “Project selection”

Table No. 2.8.17. (5)

**ESF specific output indicator**

ID	Indicator	Measurement unit	Source of fundig	Target value (in 2022)	Source of data	Frequency of reporting
i.8.4.1.a	Number of employed persons at age from 25 that are involved in training with ESF support, excluding employed with low level of education	Number of persons	ESF	25 693	Project data	Once a year
i.8.4.1.b	Number of employed persons at age from 25 with low level of education that are involved in training with ESF support	Number of persons	ESF	12 934	Project data	Once a year

- (821) **8.5.investment priority:** Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training (VET) systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes.
- (822) **SO No.8.5.1.: To increase number of qualified VET students through participation in work-based learning and practice in enterprise**
- (823) Within vocational education three types of teaching practice are being implemented: practical and laboratory work according to the curriculum within various study subjects during all study period, practical training, incl. practice that is organized in the 2<sup>nd</sup> and 3<sup>rd</sup> year, and qualification practice, which in accordance with the educational program is usually organized in the 3<sup>rd</sup> and 4<sup>th</sup> year. According to the data of MES, in 27% of cases practical training in companies are organized, qualification practice - 94% of cases. In order to build students' understanding of their future profession, it is necessary to provide students with the opportunity to participate in practice in the enterprise before the qualification practice.
- (824) WB vocational education is one of the priorities of education and employment policy in Latvia. The implementation of pilot projects for work-based learning was launched in study year 2013/2014. The gained experience is planned to be used in the nearest future for introduction of WB and practice based approach (elements) in vocational education in collaboration with social partners. Introduction of work based learning in Latvia has to take into account the aspect of regional and branch development ensuring presence of respective enterprises for the implementation of practical study as well as closeness of respective vocational education establishment for learning theory. In academic year 2014/ 2015. it is planned that more than 20 vocational educational institutions involve at least 500 students and in collaboration with 177 employers will continue to pilot projects.
- (825) According to the EC recommendations of 2013 and 2014, the reform in vocational education and training sector is in implementation process, improve the quality of vocational education and training, including by strengthening apprenticeship. In order to ensure systematic implementation of WB study, which will be consolidated in the Latvian legislation, requires an implementation of larger-scale pilot projects, which cover a larger number of professions, vocational education establishments and enterprises. Within 1<sup>st</sup> year pilot projects development of WB the main factors hampering the further development have been identified, e.g. insurance of students in practical training and placements, lack of motivation of companies, geographical availability of practical training places and training practices and lack of training for practical training supervisors<sup>121</sup>.
- (826) Within SO support for measures is planned which will be developed and with a help of approbation pilot projects will solve the above mentioned problems and will arrive to the optimal conditions and the most appropriate Latvian WB training offer, also will contribute to increase involvement of enterprises ensuring practice that meets qualification requirements, especially in the first years of learning programs.
- (827) The implementation of SO will ensure synergy and complementarity with the opportunities offered by The European Alliance for Apprenticeships and ERASMUS+.

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<sup>121</sup> Source: Informative report by MoES „On opportunities to implement work-based learning in the context of vocational education of Latvia”



(828) As a result, the competitiveness of persons who obtained professional qualification in the labour market will be increased, ensuring that their skills meet the labour market demands.

Tabula Nr. 2.8.18. (4)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI <sup>122</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2022)
r.8.5.1.a	Number of ESF supported students who have received qualification certificate or certificate confirming professional training after participation in work-based learning or apprenticeship and within 6 months after gaining qualification are employed	Less developed regions	%	NA	68	2013	%	70-80
r.8.5.1.b	Number of ESF supported students who have received qualification certificate or certificate confirming professional training after participation in practical training and praxis in enterprises and within 6 months after gaining qualification are employed (from total)	Less developed regions	%	NA	68	2013	%	70-73

(829) **SO No.8.5.2.: To ensure conformity of vocational education to European qualifications framework.**

(830) Implementation of work based learning is planned in the context of the ongoing reform of vocational education and training curriculum. The reform aims to create high-quality VET curriculum taking into account the needs for development of sectors of national economy thereby developing work-based learning, as well as frequently evaluate and update the vocational education curriculum in accordance with the updated branch qualifications framework.

<sup>122</sup> Youth Employment Initiative (YEI)

- (831) To develop the content of vocational education, within the framework of 2007–2013 ESF sub-activity 1.2.1.1.1. “Development of sectoral qualification system and restructuring of vocational educational” , based on sub-activities previously conducted 12 research results of economic sectors (ie description of sectors and professional qualifications structure of industries), approximately 33% of the required content (ie, 61 professional Standard (basic professions) and 19 requirements of professional qualifications (related professions and specializations) has been developed /updated. Currently 56 vocational education programs with a modular approach is being developed, which are based on the definition of the outcomes. Modular education programs will provide an opportunity for students to get in the most convenient way or to continue education and gain new professional qualification. Such a flexible scheme to acquire new professional qualification provides higher competitiveness and mobility of labor force accordingly to the changing labor market requirements and ensuring learning of skills throughout their lives.
- (832) According to the EU Council recommendations of 2013 and 2014, national framework of qualifications will be introduced, level descriptions have to include an indication of professional qualifications acquired thereby ensure the transition to an approach based on learning results to be achieved.
- (833) As a result there will be developed VET curriculum that will meet the changing requirements of the labor market

Tabula Nr. 2.8.19. (4)

#### ESF specific result indicators

ID	Indicator	Category of region or YEI <sup>123</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2022)
r.8.5.2.a	Number of supported and approved vocational standards and basic vocational qualifications requirements	Less developed regions	Number of standards and basic requirements	NA	80	2014	Number of standards and basic requirements	160

**(834)SO 8.5.3.: To ensure efficient management of VET institutions and improve professional competencies of the involved personnel**

- (835) According to mid-term and long-term labour market forecasts in 2014<sup>124</sup> the greatest problems to find a job will have inhabitants without profession in the following years. Forecasts show that labour force supply will exceed its demand in profession groups of higher qualification and lower qualification. Several mid-qualification profession groups will not be sufficient, for instance – agriculture, forestry and fishery, devise operators. Thus support of

<sup>123</sup> Youth Employment Initiative (YEI)

<sup>124</sup> Informative report on mid-term and long-term labour market forecasts, 2014, MoE, [http://em.gov.lv/files/tautsaimniecibas\\_attistiba/EMZino\\_150814.pdf](http://em.gov.lv/files/tautsaimniecibas_attistiba/EMZino_150814.pdf)

EU funds for the development of VET is important for increase of role of labour market in VET and promote transition from education to employments as well as improve the quality of VET.

- (836) To develop the competence of personnel in vocational education, within the framework of 2007 - 2013 ESF sub-activity 1.2.1.1.2. "Enhancement of competence of personnel in vocational education", competence enhancement for teachers in vocational education to acquire theoretical learning modules (a total of 1 428 participants) was provided, as well practical exercises in seminars, exchange of experience implemented, events organized by industry, as well as internships in local and foreign enterprises and vocational training competence centers (in total the practical section of 1 827 participants participated).
- (837) As one of the most effective way of professional skill improvement within 2007–2013 programming period, teachers and internship supervisors exchange was recognized, because during the internships it is possible to gain practical knowledge and develop skills, best practice exchange and adoption in work of teaching and school management, therefore, that kind of practice will be continued also in the future, organizing internships in Latvian and in abroad.
- (838) , Improving the pedagogical and professional competence of vocational education pedagogues, practice tutors and craftsmen should be improved, will be promoted i.e. for successful introduction of inclusive education and also vocational education reforms and correspondence to the needs of the growth of national economy. The renewal of pedagogues of professional subjects is to be developed by engagement branch specialists in the implementation of vocational education programmes.
- (839) As a result, the effectiveness and quality of activities of vocational education institutions shall be increased to develop strategic partnership with the representatives of the branch in the management of educational institution and improve professional competence of vocational education pedagogues, pedagogic competence of practice tutors as well as ensure pedagogical renewal.

Table No. 2.8.19. (4)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI <sup>125</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2022)	Source of data	Frequency of reporting
r.8.5.3.a	Number of persons who have obtained qualification after participation in the ESF training for improvement of professional competencies (teachers, administrators, practice teachers and craftsmen, who have raised their professional competencies)	Less developed regions	Number of persons	NA	1 933		Number of persons	4 428	Project data	Once a year

<sup>125</sup> Youth Employment Initiative (YEI)

### **Description of the investment priority and indicative actions to be supported**

- (840) Investments under funds of Cohesian Policy in vocational education are planned within the ongoing reform of content in vocational education, implementing the Supplement to to ESF Operational Programme "Human Resources and Employment" 1.2.1.1.1. subactivity "Development of sectoral qualification system and restructuring of vocational educational" project, as well as observing EU Council recommendation of 2014, which makes it necessary to improve the quality of vocational education, including the strengthening of traineeship. CP funds planned to focus on 1) development of content of vocational education, completing the update of profession standards, introducing the modular approach of learning and elaborating the necessary teaching and training materials for successful implementation of the program, 2) support the implementation of the work based learning and traineeships, employer's conducted practical training and praxis and 3) improvement of the competence of personnel involved and support for introduction of changes of vocational education management.
- (841) To ensure compliance of the people's skills to the labour market demand, vocational education institution capacity relating to the work with adult people and cooperation with employers is to be strengthened in the management of vocational education and implementation of vocational education programmes. According to the Law on Vocational Education in order to ensure the successful implementation of the working environment based learning (dual education elements) system in the education system, it is necessary to create a new collegial governance body in state and local governments founded vocational education institutions – convent, which would operate in vocational education institution with monitoring and advisory functions, providing a situation in which would provide demand of employers and transition to the work-based environment education system. For the successful implementation of changes in management it is necessary to provide support for involved parties.
- (842) Improvement of the quality of vocational education depends on several factors - the vocational education programme and training infrastructure program eligibility topical labour market requirements, as well as qualification of vocational education teachers, to be able to teach learners with actual methods the advanced content of professional education and to be able to educate students on the newly purchased equipment and demonstrate hardware.
- (843) For the successful implementation of the vocational education content reform, draft amendments to the Law on Vocational Education are made and approved by the Cabinet on August 12, 2014, and which contribute to the attractiveness of vocational education and employers' increased engagement. The amendments, including 1) contain rules on professional qualifications levels to the Latvian Qualifications Framework levels (which, in turn, correspond to the European Qualifications Framework); transition to an approach based on learning (achieved) results, 2) set up sectoral councils and competence; 3) contain rules on establishing training institutions convent and its competence, enabling the successful implementation of the work based learning system in the education system; 4) provide that the Cabinet shall determine the procedures for the organization and implementation of the work-based learning environment.
- (844) With the help of CP funds intended to increase vocational education teachers' professional skills in accordance with the changing labor market demands and technological developments, as well as the updated content of vocational education. In addition, to ensure more and better teaching practice and qualifying practice, and increase the involvement of employers in the implementation of vocational education, it is planned to raise pedagogical competence of practice managers.

- (845) Professional standard, basic professional qualification, vocational training programs and qualification exam content development in accordance with the national qualifications framework will be finalised in cooperation with the social partners within this investment priority, linking it with the European Qualifications Framework. This will result in improved professional education curriculum structure, and also ensured the participation of the social partners in development and implementation of professional standards, programs and qualification exams. It is also intended to provide praxis for vocational education students by introduction of work-based learning in collaboration with the sectoral councils, the social partners and the industry, as well as to promote vocational learning with master craftsman (traineeship). Implementation of the activities will result in improvement of quality of VET curriculum, students' motivation to complete their studies and obtain a professional qualification, thus promoting students' faster employability and involvement into labour market.
- (846) It is also expected to improve vocational education staff work skills and enhance professional education capacity.
- (847) The proposed support of SO 8.5.1., SO 8.5.2. and SO 8.5.3. in synergy with SO 8.1.3., which provides full investment in the modernization of vocational education institutions, provides integrated support to ensure the availability of vocational education, raising prestige and improving the quality. Investment result should enable flexible introduction of vocational education, which is more appropriate principles of lifelong learning (for different target groups) and respond more quickly to changes in the labor market (employers' involvement, order, program development), as well as promoting students' employability and entering the labor market.
- (848) ESF and ERDF investments will result in increased prestige of vocational education.
- (849) **SO No.8.5.1. Indicative activities to be supported:** support of the implementation of work - based training and apprenticeships, providing to cover expenses of students' insurance, students' personal safety equipment and transport and dormitory costs for accessing the employer during WB training if it takes place outside administrative territory of VET institution as well as compensation to entrepreneur for ensuring WB training; support for practical training at enterprise providing to cover expenses of students' insurance, students' personal safety equipment and transport and dormitory costs for accessing the employer during WB training if it takes place outside administrative territory of VET institution as well as compensation to entrepreneur for ensuring practice ensuring incl. entrepreneurial and e-skills.
- (850) In order to promote implementation of HP "Equal opportunities" integration of students with special needs into vocational education institutions is planned, i.e. corresponding raise of professional competences of pedagogues and provision with support personnel; development of competences and skills according to individual student's needs and interests, i.e. decreasing stereotypes about skills regarding gender.
- (851) **SO No.8.5.1. Indicative target group:** students of vocational education programs.
- (852) **SO No.8.5.1. Indicative beneficiaries:** National Centre for Education, Latvian Confederation of Employers, the Free Trade Union Confederation of Latvia, Latvian Chamber of Commerce and Industry, Latvian Chamber of Crafts, vocational education institutions, municipalities.
- (853) **SO No.8.5.1. Project selection:** see annex "Project selection"
- (854) **SO No.8.5.2. Indicative activities to be supported:** support to research of industry and elaboration of sectoral qualification structure, profession standards and specialisation basic requirements, VET basic programmes and content of professional qualification exams; support

to elaboration of modular VET programmes, teaching and training materials, including testing materials and introduction of work based learning in vocational education.

- (855) In order to contribute to HP “Equal opportunities” elaborated teaching and training materials will promote comprehension about equal opportunities regardless gender, especially in the choice of professional study field or profession thus decreasing segregation of labour market.
- (856) **SO No 8.5.2. Indicative target group:** National Centre for Education , vocational education institutions.
- (857) **SO No.8.5.2. Indicative beneficiaries:** National Centre for Education, Latvian Confederation of Employers, the Free Trade Union Confederation of Latvia, Latvian Chamber of Commerce and Industry, Latvian Chamber of Crafts, vocational education institutions, municipalities.
- (858) **SO No.8.5.2. Project selection:** see annex “Project selection”
- (859) **SO No.8.5.3.: Indicative activities to be supported:** Support measures for improvement of professional competence of pedagogues involved in vocational training, incl. incl. acquisition of new curriculum elaborated in SO 8.5.2., incl. acquisition of e-skills and internship, methodological support and training for new teachers; support to improvement of pedagogical competence of vocational practice coaches and craftsmen; improvement of competence of heads of educational institutions relating to the management of adult education process; support for capacity building of representatives of the branch relating to the management of vocational education institutions by involvement in estimation of curriculum, organization of practices and management of study process.
- (860) Continuing education for pedagogues, practice tutors and craftsmen include inter alia issues about equal opportunities regardless gender, age, invalidity, ethnicity or other ways of discrimination to ensure education service for different persons or person groups.
- (861) **SO No.8.5.3. Indicative target group:** vocational education subject pedagogues, practice tutors, craftsmen, administrators of vocational education institutions, representatives from relevant sectors.
- (862) **SO No.8.5.3.: Indicative beneficiaries:** National Centre for Education, vocational education institutions, Latvian Confederation of Employers, the Free Trade Union Confederation of Latvia, Latvian Chamber of Commerce and Industry, Latvian Chamber of Crafts, municipalities.
- (863) **SO No.8.5.3. Project selection:** see annex “Project selection”

**Table No. 2.8.21. (5)**

**ESF specific output indicators**

ID	Indicator	Measurement unit	Source of funding	Target value (in 2022)	Source of data	Frequency of reporting
i.8.5.1.a	The number of students of vocational education who have participated in work-based learning or apprenticeship within the framework of ESF support	Number of persons	ESF	3 150	Project data, MES data	Once a year
i.8.5.1.b	The number of students of vocational education who have participated in practical training within the framework of ESF support	Number of materials	ESF	11 025	Project data, MES data	Once a year
i.8.5.2.a	The number of elaborated profession standards/professional qualification basic requirements within the framework of ESF support	Number of profession standards	ESF	160	Project data	Once a year
i.8.5.2.b	The number of elaborated modular VET programmes within the framework of ESF support	Number of programmes	ESF	184	Project data, MES data	Once a year
i.8.5.3.a	Employees who have received ESF support for training(teachers,	Number of persons	ESF	5775	Project data	Once a year



ID	Indicator	Measurement unit	Source of funding	Target value (in 2022)	Source of data	Frequency of reporting
	administrators, practice managers, craftsmen)					

Table No. 2.8.19. (6)

**Performance framework of the priority axis**

Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Explanation of relevance of indicator
							W	M	Total		
Financial indicator	(F14) Financial indicator PA 8 (ERDF)		EUR	ERDF	<i>Less developed regions</i>	123 635 102			326,424,456	Accounting system of the certifying authority	
Financial indicator	(F15) Financial indicator PA 8 (ERDF)		EUR	ESF	<i>Less developed regions</i>	63 652 675			280,588,820	Accounting system of the certifying authority	
Output indicator	Capacity of supported childcare or education infrastructure (CO35)	Common indicator	Persons	ERDF	<i>Less developed regions</i>	16 264			59 492	Project data	Output indicator includes investments planned in SO No. 8.1.1, 8.1.2, 8.1.3, and 8.1.4 for upgrading and improving the infrastructure of education.

Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Explanation of relevance of indicator
							W	M	Total		
											Output indicator covers 100% of total investments in priority axis within the framework of ERDF support.
Output indicator	i.8.2.1.b Total number of study programs in the EU languages (except Latvian) that are elaborated and introduced with ESF support)	Number of supported study programmes in EU languages (except Latvian) developed by ESF support. Support planned for study programmes of all levels of higher education (college, Bachelor, professional studies, Master, professional Master, 2 <sup>nd</sup> level professional, Doctor). Support for introduction of study programmes in EU languages include costs of internationally recognized accreditation and international publicity	Number of programmes	ESF	Less developed regions	16			80	Project data	Output indicator includes investments planned in SO No. 8.2.1 for provision of development of common study programmes Output indicator covers 2,93% (8 219 400 EUR) of total investments in priority axis within the framework of ESF support.

Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Explanation of relevance of indicator
							W	M	Total		
Output indicator	i.8.2.2.b Number of foreign teachers that have received ESF support for work at higher education institution	Foreign teachers that have received ESF support for work at HE establishment. Foreign teacher – foreign lecturer according to the Law of HEI, Article no.40 (visiting professor, associate visiting professor, visiting docent, visiting lecturer or visiting assistant)	Number of persons	ESF	<i>Less developed regions</i>	50			300	Project data	Output parameter includes SO No. 8.2.2 planned investments for engagement of students and teachers for the work in higher education. Output indicator covers 8,09 % (22 687 155 EUR) of total investments in priority axis within the framework of ESF support.
Output indicator	i.8.2.3.a The number of HEI that have received ESF support for development strategies and implementation of results oriented governance	HE institutions that have received ESF support for improvement, elaboration and introduction of development strategies results oriented governance	Institutions	ESF	<i>Less developed regions</i>	10			20	Project data	Output indicator includes SO No. 8.2.3 planned investments for improvement, elaboration

Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Explanation of relevance of indicator
							W	M	Total		
											and introduction of development strategies. Output indicator covers 7,13 % (20 000 000 EUR) ESF (total funding) investments in priority axis
Output indicator	i.8.3.1.b Number of competence-based methodic and study materials for students (incl. students with learning disorders) and teachers that are elaborated with ESF support	Number of competence-based methodic and study materials for students (incl. students with learning disorders) and teachers that are elaborated with ESF support	Number of methodic and study materials	ESF	Less developed regions	10			61	Project data	Output indicator includes SO No.8.3.1. planned investments for elaboration of teaching and methodological materials. Indicator covers 3,45% (8 551 987 EUR) of total investments in priority axis within the

Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Explanation of relevance of indicator
							W	M	Total		
											framework of ESF support
Output indicator	i.8.3.1.a Number of guidelines and standards in general education that are elaborated, tested and introduced with ESF support	Number of guidelines and standards in general education (pre-school education guidelines, state standard in primary education and state standard in general secondary education) that are elaborated and tested with ESF support	Number of guidelines and standards	ESF	<i>Less developed regions</i>	3			3	Project data	Output indicator includes SO No.8.3.1. planned investments for elaboration of teaching and methodological materials. Indicator covers 2,31% (7 616 784 EUR) of total investments in priority axis within the framework of ESF support
Output indicator	i.8.3.2.a Number of general education establishments that have received ESF support for development and introduction of personalized study	Number of general education establishments that have received ESF support for development and introduction of personalized study	Number of establishments	ESF	<i>Less developed regions</i>	180			200	Project data	Output indicator includes SO 8.3.2. planned investments for

Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Explanation of relevance of indicator
							W	M	Total		
	introduction of personalized study approach to develop educatees' individual competences	approach to develop educatees' individual competences									development of personalized approach. Indicator covers 10,16% (28 517 288 EUR) of total investments in priority axis within the framework of ESF support
Output indicator	i.8.3.3.a Number of NEET youth not registered in SEA who have participated in ESF supported measures	Number of NEET youth not registered in SEA who have participated in ESF supported measures (at least one of the following motivation and activation steps is made: NEET youth's identification and motivation to participate into project, NEET youth's profiling, elaborated individual programme of measures and implemented individual programme of measures) within ESF support	Number of persons	ESF	Less developed regions	3 683			5 262	Project data	Output indicator includes SO 8.3.3. planned investments for development of skills of non-registered SEA NEET youth and promotion to involve into education, labour market and NGOs or youth

Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Explanation of relevance of indicator
							W	M	Total		
											centres. Indicator covers 3,21 % (9 000 000 EUR) of total investments in priority axis within the framework of ESF support
Output indicator	i.8.3.5.a Number of general and vocational education establishments that have received ESF support for career education and career development support	Number of general and vocational education establishments that have received ESF support for career education and career development support (implementation of individual and/ or group measures, e.g. consultations, first job place, career days, etc.)	Number of establishments	ESF	Less developed regions	295			328	Project data	Output indicator includes SO 8.3.5. planned investments for implementation of career support measures. Indicator covers 8,23 % (23 080 688EUR) of total investments in priority axis within the framework of ESF support



Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Explanation of relevance of indicator
							W	M	Total		
Output indicator	i.8.4.1.a Number of employed persons at age from 25 that are involved in training with ESF support, excluding employed with low level of education	Number of employed persons with vocational secondary or higher education at age from 25 that are involved in training with ESF support, excluding employed with low level of education	Number of persons	ESF	<i>Less deveopled regions</i>	11 562			25 693	Project data	Output indicator includes SO 8.4.1. planned investments for improvement of professional competence of employed adults. Indicator covers 6,63% (18 599 675 EUR) of total investments in priority axis within the framework of ESF support
Output indicator	i.8.5.1.a The number of students of vocational education who have participated in work-based learning or apprenticeship within the framework of ESF	The number of students of vocational education who have participated in work-based learning or apprenticeship within the framework of ESF support	Number of persons	ESF	<i>Less deveopled regions</i>	1 260			3 150	Project data	Output indicator includes SO 8.5.1. planned investments for employers' conducted training in VET.

Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Explanation of relevance of indicator
							W	M	Total		
	support										Indicator covers 3,91% (10 968 576 EUR) of total investments in priority axis within the framework of ESF support

Table No. 2.8.23. (7-12)

<i>ERDF: Less developed regions</i>											
Categories of intervention		Type of financing		Territory		Territorial delivery mechanisms		ESF secondary themes (ESF only)		Thematic objectives	
Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR
49	50,002,825	1	277,460,786	1	131,269,593	7	180,658,336	N/A	N/A	10	277,460,786
50	89,068,648			2	104,674,399	1	96,802,450				
51	138,389,313			3	41,516,794						

Table No.2.8.24. (7-12)

<i>ESF: Less developed regions</i>											
Categories of intervention		Type of financing		Territory		Territorial delivery mechanisms		ESF secondary themes (ESF only)		Thematic objectives	

Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR
115	123,704,587	1	238,500,493	7	238,500,493	7	238,500,493	8	238,500,493	10	238,500,493
116	56,657,333										
117	22,979,380										
118	35,159,193										

## 2.9. Social inclusion and combating poverty

- (864) Investments in the thematic objective “Promoting social inclusion, combating poverty and any discrimination” will contribute to the achievement of poverty reduction objective defined by the EU 2020 strategy. To provide support and availability of qualitative community based services to children and young people, disabled persons and their families, as well as to prevent disabled persons from being institutionalized and to facilitate transition from the institutional to community based care, both the ESF and ERDF investments are necessary. Along with the national and municipal funding, the ESF and ERDF will ensure the availability of respective tools for development of infrastructure, services and human resources in support to individuals and families.
- (865) Thus, the ESF and ERDF support under this priority axis will promote the implementation of EU Council’s recommendations of 2013 and 2014, as well as the achievement of the objectives defined by EU 2020 and NDP 2020 in the context of labour market, social inclusion and combating poverty, forming synergy and better targeted solution of defined problems described in the PA Section 1.1 and 1.3 (see the description of „Promoting stable and quality working places and supporting labour force mobility” and „Promoting social inclusion and combating poverty and any kind of discrimination”).
- (866) **9.1. Investment priority:** active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
- (867) **SO No. 9.1.1.:** To facilitate inclusion of disadvantaged unemployed people in the labour market.
- (868) At the end of 2012 the average duration of joblessness of registered unemployed reached 17.1 months (at the end of 2008 – 7.4 months), therefore the duration of joblessness of 44.5 % of the number of unemployed registered in the SEA at the end of 2012 exceeded one year. Elderly job seekers and people with a lower education level are more affected by the risk of long-term unemployment
- (869) By coordinating targeted active labour market policy measures along with social services and implementing them in cooperation with municipalities, providers of social services, social economic operators, associations and establishments will help to activate and include long-term unemployed and other not working groups of persons with weak linkage to labour market into labour market.
- (870) The implementation of these measures is planned in a synergy with SO 9.2.1. planning to support partnerships between social services, social workers, the SEA and its employees. Complementarity is envisaged with the SO 9.2.4. and the SO 9.2.5. that will improve accessibility to health promotion and disease prevention services, as well as accessibility of health care services, especially to persons who are subject to the poverty and social exclusion risk, thus decreasing risks of incapacity for work and facilitating return to the labour market.
- (871) This will result in a higher employment rate among more disadvantaged unemployed persons, who are integrated in the employment after the provision of the support.

Table No. 2.9.1. (4)

**ESF common and specific result indicators**

ID	Indicator	Category of region or YEI <sup>126</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value
r.9.1.1.a k (CR04)	Participants in employment, including self-employment, upon leaving	Less developed regions	Number of participants	Unemployed , including long-term unemployed (CO01)	1,067	2012	Number of participants
r.9.1.1.b	Participants of the activity in education/training, gaining of qualification, or in employment, including self-employment 6 months after their participation in the activity	Less developed regions	Number of participants	Unemployed , including long-term unemployed (CO01)	1,067	2012	Number of participants

(872) **SO No. 9.1.2.: To increase the integration of former prisoners into society and labour market.**

(873) Application of efficient resocialization measures which are suitable right for the needs of a prisoner and risks of his criminal behaviour during the serving of sentence in prison and SPS is a significant pre-condition for the integration of a person into society, and including legal employment after imprisonment.

(874) There is no a possibilities to receive professional orientation, which is systematic and reacting towards changes in labour market, and support for carrier planning during the imprisonment, therefore measures of professional orientation and support for carrier planning will be implemented as a part of prison sentence. Activities implemented within the framework of SAM will generate synergy with measures, which are provided for the employment, work force mobility and social inclusion priority, as well synergy with the education investments priority, providing support for the acquisition of general basic skills, vocational further education, professional development and professional orientation events for the facilitation of vocational education in penal institutions (SO No 7.2.1., SO No 8.1.2., SO No 9.1.3.).

(875) There are specific measures existing in Latvia for providing support to former prisoners in society, who maintain risks of criminal behaviour after the end of prison sentence, therefore in order to achieve the re-socialization target, including integration into labour market, it is necessary to continue re-socialization of a former prisoner into society (the support provided by local social services is not directed towards reducing the risk of criminal behaviour). Therefore an opportunity will be created for prisoners and former prisoners to receive peer support already in the penal institution and afterwards, the former prisoners will have an opportunity to participate in the accredited support programmes in society, which are directed towards the prevention of risks of criminal behaviour, special cross-institutional cooperation (MAPPA)

<sup>126</sup> Youth Employment Initiative (YEI)

groups will be established in society, which will continue to provide specific support for former prisoners also after the end of execution of the penalty. There will be also specific support measures implemented for employment of former prisoners after serving of prison sentence. This will result in the increase of numbers of those prisoners and former prisoners who are involved in job searching or employment after receiving the resocialisation support.

- (876) As a result of implementation of SO the number of prisoners and former prisoners, who are involved in the labour search or employment after the receipt of re-socialization support, will increase

Table No. 2.9.2. (4)

**ESF specific result indicator**

ID	Indicator	Category of region or YEI <sup>127</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value
r.9.1.2.a	Former prisoners engaged in job searching after release from prison and receiving support	Less developed regions	Number of participants	NA	1,093	2012	Number of participants

- (877) **SO No 9.1.3 To increase the efficiency of the re-socialization system**

(878) The resocialization model of convicted persons covered by Resocialization concept of persons, punished with deprivation of liberty, covers the time period with the person spends in prison and under the supervision of SPS. Upon recognising the need to provide also support for the former prisoners after serving a sentence and results of the study<sup>128</sup> performed in Latvia, the concept will be revised, elaborating the current resocialization system in penal institutions and SPS and providing the re-socialization stage of former prisoners into society, which will be based to the combination of the available state, municipal and public resources in order to decrease the criminal risk for former prisoners. Resocialization programmes existing in the penal institutions do not cover all risks of criminal behaviour of prisoners, therefore in order to help prisoners to achieve better results of resocialization, including to integrate into society and labour market, the evaluation and improvement of the current resocialization programmes, including a programme implemented by the SPS, acquisition of new programmes will be performed with a support of ESF, establishing respective resocialization programmes for all risks of criminal behaviour.

(879) EU Council recommendations of 2014 on dangerous offenders provide an obligation for states to establish a system for work with dangerous offenders, including period after release from prison, providing also a specific evaluation of a prisoner. Therefore the efficiency of the current risk and needs assessment (RNA) tools will be studied and improved, specialised RNA tools and psychometry tests will be implemented as well as employees of the penal institutions and

<sup>127</sup> Youth Employment Initiative (YEI)

<sup>128</sup> Ķīpēna K., Zavackis A., Ņikišins J. Recurrence of criminal offences of persons, who have served a sentence. *Jurista Vārds*, 27.08.2013., No 35 (786), page 12-17. Available also at: <http://www.juristavards.lv/doc/259267-sodu-izcietuso-personu-noziedzigo-nodarījumu-recidivs>;

probation will be trained on the use of these tools, achieving the precise study of risk and needs of a prisoner, application of the most appropriate resocialization measures, which will create necessary pre-conditions for more successful integration of these persons into labour market (in synergy with 9.1.2 SAM).

(880) In the existing training system for employees of penal institutions it is not possible to ensure the preparation of staff in sufficiently high quality<sup>129</sup> - there are no programmes available for training employees of different categories, no specific training and testing methods are used during the training process, capacity of the Study centre staff is too short for the implementation of modern trainings. Systematic joint training of employees of penal institutions and probation is not taking place on those specific issues, common for both institutions, there are no professional stability measures for employees of both institutions. Therefore the current training system for employees of penal institutions and SPS will be improved by ensuring involvement of high quality trainers, necessary quality and quantity of trainings, methods, duration and frequency as well as establishing joint trainings for employees of both institutions and regular events for facilitating professional stability.

(881) As a result the current resocialization system will be improved and it will be supplemented with a new stage - support system into society.

### ESF specific result indicator

Table No 2.9.3. (5)

ID	Indicator	Regional category or YEI <sup>130</sup>	Unit of measurement	Total outcome indicator	Initial value	Year of initial value	Unit of initial and target value
r.9.1.3.a	Number of improved instruments of risk and need assesment (RNA), which are introduced in practice	Less developed regions	RNA instruments	NA	0	2014	RNA instruments
r.9.1.3.b	Number of specialists of penal institutions and probation increasing professional competency, who are working with prisoners and former prisoners	Less developed regions	Number of persons	NA	187	2013	Number of persons

(882) **SO No 9.1.4.: To facilitate integration of people at risk of discrimination into society and labour market.**

(883) People at risk of poverty, social exclusion and discrimination are those individuals or groups of persons, who are not able to integrate with community and labour market due to disability,

<sup>129</sup> Such requirements are made by, for example, Recommendation Rec (2014) 4 of the European Council on electronic monitoring, Recommendation Rec (2014) 3 of the European Council concerning dangerous offenders, Recommendation Rec (2006) 2 of the European Council on the European prison rules etc.

<sup>130</sup> Youth employment initiative (YEI)

insufficient education and skills, ethnic origin, sexual orientation, insufficient language knowledge, territorial exclusion or other conditions, thus being unable to exercise their rights and use their opportunities. ESF support is envisaged for persons with disability, elderly persons and groups of population, who are subject to discrimination risks, as well as for training of employees of state, municipal institutions and NGO's on various discrimination issues in order to reduce prejudices and stereotypes existing in the community and to promote integration into the community. Disabled persons face more difficulties to integrate into labour market without assistance, in particular, taking into account that almost half (47%) of them have basic education or general secondary education. As regards pre-retirement-age people, 63% believe that discrimination against the population over the age of 55 is widespread in Latvia, only 2.5% of the Latvian employers give preference to employees over the age of 50<sup>131</sup>. Roma people have the lowest educational level-85% have primary or lower educational level<sup>132</sup>, and employers in Latvia critically assess the opportunities for Roma people to get a job – 26% believe that it will be problematic for Roma people to find a job<sup>133</sup>. As for people with a different sexual orientation, 26% of the Latvian population considers that discrimination against LGBT people is widespread in Latvia<sup>134</sup>.

- (884) By implementing measures within specific objective an enlarged possibilities of acquisition of profession for persons with serious disabilities and mental disorders will establish preconditions for those persons to integrate into labour market. Provision of assistive technologies for children and improvement of functioning evaluation system will allow to compensate more effectively the functional restrictions, which is precondition for acquisition of education and integration into society.
- (885) Measures under the SO 9.1.4. will provide support to motivation of inactive persons and their participation in the society and labour market, and will tackle stereotypes and prejudices towards people at risk of social exclusion and discrimination (including persons with disabilities, older people, the Roma people, as well as sexual minorities).
- (886) The implementation of specific objective is planned in a synergy with SO No 9.3.1., where complementary ERDF investments are envisaged for developing and equipping of the fund for assistive technologies (technical aid tools) and laboratory for functioning evaluation.
- (887) As a result, the number of persons with functional disorders and other persons at risks of social exclusion or discrimination, who will be engaged in education or employment after receiving of support, will increase.

Table No.2.9.4.. (6)

**ESF specific result indicator**

ID	Indicator	Category of region or YEI <sup>135</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value
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<sup>131</sup> Research report „Assessment of economic potential of the pre-retirement age people” (2013), available at: [http://www.nva.gov.lv/docs/30\\_53467172815903.14600513.pdf](http://www.nva.gov.lv/docs/30_53467172815903.14600513.pdf)

<sup>132</sup> Population counting results 2011. CSB, 2012

<sup>133</sup> Mihails Hazans. Ethnic Minorities in the Latvian Labour Market, 1997–2009// How Integrated is Latvian Society? An Audit. Ed. Nils Muižnieks. Rīga: Latvijas Universitāte, 2010. – 148.p.

<sup>134</sup> Eurobarometer; [http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_393\\_fact\\_lv\\_lv.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_393_fact_lv_lv.pdf)

<sup>135</sup> Youth Employment Initiative (YEI)



ID	Indicator	Category of region or YEI <sup>135</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value
r.9.1.4.a k (CR05)	Disadvantaged participants engaged in job searching; education/ training, gaining a qualification, in employment, including self-employment, upon leaving	Less developed regions	Number of participants	Economically inactive persons	1254	2012	Number of participants

## Description of investment priorities and indicative activities to be supported

- (888) Social services are emphasised not only as the support tool for the use of basic rights of an individual and creation of dignified living conditions, but also as a tool for facilitation of potential of individuals and integration into society.
- (889) One of the measures set by the National Reform Programme (NRP) for reduction of the level of poverty is facilitation of participation of persons subject to the risk of social exclusion into labour market. Therefore the ESF will support work with long-term unemployed persons and social groups subject to different kind of discrimination – disabled persons, persons in the age of pre-pension, ethnic minorities, including Romas, people with poor state language knowledge etc., in order to ensure the integration of persons into society and their contribution to national economy by integrating them into labour market. In order to achieve the target of NRP, it is planned to improve the local social service and cooperation with the State Employment Agency (NVA), however the involvement of local communities for facilitation of participation of persons by using such resources as schools, associations and foundations, libraries, culture centres and other culture institutions in order to help the above mentioned target groups to align with the society and labour market, serves as an additional significant component.
- (890) The existing social service and social support system does not provide valuable support to the former prisoners (limited to restricted social services), besides this system does not work with prevention of those risks of criminal behaviour, which remain for former prisoner after release from prison or completion of supervision in the SPS, as well as does not solve those risks, appearing for a person, when facing uncontrolled life in society after the long-term isolation and a stigma of the former prisoner - difficulties to find a legal employment, return to environment, where the criminal offence has been committed, criminal friends, loss of family support etc.
- (891) The resocialization effect achieved during the imprisonment is decreasing<sup>136</sup>, if it is impossible for a former prisoner to receive such a support, which decreases the risks of criminal behaviour, during the first period after release. Therefore new support programs will be created for former prisoners with aim of decrease of a new crime risk as pre-condition for a former prisoner to successfully integrate into society and labour market.
- (892) The current range of resocialization programmes does not cover all risks of criminal behaviour, besides a regular assessment is necessary on whether targets set by the following specification of programmes is achieved. Significant part of the re-socialization system is the risk and needs assessment (RNA) of the convicted person. Taking into account the above mentioned, the compliance of the RNA tools used by penal institutions and probation will be studied, the respective tools will be improved and the new ones obtained.
- (893) The existing training system of employees of penal institutions is not able to ensure the preparation of staff corresponding to requirements<sup>137</sup>, because the respective programmes for training employees of different categories are not available, similarly, specific methods, enabling to determine the compliance of a person to the work with prisoners, are not used during the training process, the capacity of the Training centre staff is not sufficient. Similarly, systematic joint training of employees of penal institutions and probation is not taking place on

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<sup>136</sup> The study "Indicators of recurrence, procedure for determination and application thereof in the work of the SPS and Prison Administration" (A.Judins, Riga, 2011). Edition is available on internet at [www.politika.lv](http://www.politika.lv) and [www.probacija.lv](http://www.probacija.lv). The study shows that approximately two thirds of the former prisoners, who had served the punishment in full in a penal institution and committed a new criminal offence, committed the new crime right within the first 300 days after liberation from the institution of deprivation of liberty.

<sup>137</sup> Such requirements are made by, for example, Recommendation Rec (2014) 4 of the European Council on electronic monitoring, Recommendation Rec (2014) 3 of the European Council concerning dangerous offenders, Recommendation Rec (2006) 2 of the European Council on the European prison rules etc.

those specific issues, common for both institutions, there are no measures for ensuring professional stability of employees. Therefore the current training system for employees of penal institutions and SPS will be improved by ensuring involvement of high quality trainers, necessary quality and quantity of trainings, methods, duration and frequency as well as establishing joint trainings for employees of both institutions and regular events for facilitating professional stability.

- (894) **SO No. 9.1.1. Indicative actions to be supported:** subsidized working places for disabled and disadvantaged unemployed people, integrated professional fitness identification and skill improvement activities, measures to activate long-term unemployed persons with a support for solution of social situation, motivation and job searching, support in the implementation of social business<sup>138</sup> and creation of working places (incl. purchase of equipment), specialist (psychologists, etc.) consultations, mentoring, support for regional mobility, reduction of employment, incl. support to overcome addiction. The above-mentioned activities will be provided in cooperation with employers, incl. social businesses, municipalities, associations and foundations, the Social Integration State Agency.
- (895) **SO 9.1.1. Indicative target group:** disadvantaged unemployed, long-term unemployed and elderly unemployed people.
- (896) **SO No. 9.1.1. Indicative beneficiaries:** SEA
- (897) **SO No. 9.1.1. influence on HP „Equal opportunities”: direct positive influence.** Actions for the implementation of the HP: adaptation of workplaces, support personnel and wage subsidy compensating lower productivity for employment of disabled persons; specialist (psychologist, rehabilitologist, etc.) consultations.
- (898) **SO No. 9.1.1. Project selection:** see annex “Project selection”
- (899) **SO No. 9.1.2. Indicative actions to be supported:** integrated measures for determination of professional suitability and improvement of skills for prisoners, measures for carrier planning of prisoners and former prisoners, specific support measures for employment of former prisoners, implementation of new support measures for former prisoners (involvement of former prisoners in the cross-institution cooperation groups (MAPPa), implementation of support programmes for former prisoners), implementation of voluntary work with prisoners in penal institutions and continuation in society, support measures for families of former prisoners, measures for maintenance of positive social links with former prisoners. Activities will be implemented in cooperation with the SPS, associations and foundations.
- (900) **SO No. 9.1.2. Indicative target group:** prisoners and former prisoners, families of former prisoners.
- (901) **SO No. 9.1.2. Indicative beneficiaries:** Prison Administration. Activities will be implemented together with SPS and NGOs.
- (902) **SO No. 9.1.2. influence on OP “Equal opportunities”: direct positive influence.** All activities are targeted to population groups at risk of poverty and social exclusion – prisoners and former prisoners. Support activities (for example - determination of professional suitability, measures for carrier planning) include specific activities, which reduce prejudices

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<sup>138</sup> Definition of social enterprise is taken from the Article 2(1) of the Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation (“EaSI”) and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion, available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0238:0252:en:PDF>

on certain areas of gender, support will be provided to the persons with disabilities, older people, also to persons from different ethnic groups.

- (903) **SO No. 9.1.2. Project selection:** see annex "Project selection"
- (904) **SO No. 9.1.3. Indicative actions to be supported:** Improvement of resocialization programmes (development of the standard for resocialization programmes, including manual, establishment of accreditation system for resocialization programmes, measures for selection of programme managers, training and certification, quality check of the current programmes, adjustment or development of missing programmes); development of measures for determination of integrated professional suitability and improvement of skills for prisoners, measures for carrier development of prisoners and former prisoners; establishment of certification system for the support programme of former prisoners (including development of certification criteria and methodology); development of new training programmes for employees of penal institutions, implementation of testing methods of employees, training of the staff involved in the work with prisoners and former prisoners (employees of penal institutions, probation, local government, non-government and religious organisations) and strengthening professional stability; improvement of the risk and needs assessment tool (validity research, improvement), attraction of new specialised risk and needs assessment tools; implementation of psychometric tests, measures for informing public and popularization of the good practice in order to change stereotypes on former prisoners. Activities will be implemented in cooperation with the SPS.
- (905) **SO No 9.1.3 Indicative target group:** Employees of the Prison Administration and SPS, employees of other involved institutions (municipalities, associations and foundations, and religious organizations).
- (906) **SO No 9.1.3 Indicative beneficiaries:** Prison Administration
- (907) **SO No 9.1.3 Project selection:** see Annex "Project selection"
- (908) **SO No. 9.1.4. Indicative actions to be supported:** development and provision of services for social inclusion of persons with functional disorders – development and implementation of professional rehabilitation programmes, certification of skills, development and implementation of functioning evaluation system and assistive technologies (technical aid tools) exchange system; assessment and development of disability expertise system for children; development and provision of support to people at risk of social exclusion and discrimination, information of individuals about possibilities to participate in public activities and motivation to participate in the labour market, informative activities promoting cooperation and mutual understanding with providers of social services and employers, information and education measures on discrimination and difference. The above-mentioned activities will be provided in cooperation with associations and foundations as subcontractors.
- (909) **SO No. 9.1.4. Indicative target group:** population at risk of social exclusion and discrimination – persons with disabilities, ethnic minorities, incl. Roma, people with insufficient knowledge of state language and others, employers, employees of state and municipal institutions.
- (910) **SO No. 9.1.4. Indicative beneficiaries:** Society Integration foundation, Social Integration state Agency, Limited Liability Company "National rehabilitation centre "Vaivari"", State Medical Commission for Expertise of Health and Work Ability.
- (911) **SO No. 9.1.4. influence on OP "Equal opportunities": direct positive influence.** Actions for the implementation of the OP: all envisaged activities within the specific objective are focused towards integration of population groups at risk of poverty, social exclusion and discrimination into society and provision of equal opportunities. This includes information and

education activities on discrimination (in particular, based on gender, age and disability) and difference issues, development of functioning assessment laboratory and assistive technologies exchange fund.

(912) **SO No. 9.1.4. Project selection:** see annex “Project selection”.

Table No. 2.9.5. (5)

### ESF common and specific output indicators

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.9.1.1.ak (CO01)	Unemployed, including long-term unemployed	Participants	ESF	25,000	Project data	Once a year
i.9.1.2.a	Number of prisoners and former prisoners receiving resocialization measures and support	Number of participants	ESF	16000	Project data	Once a year
i.9.1.3.a	Number of trained specialists of penal institutions and probation, who are working with prisoners and former prisoners	Number of persons	ESF	1400 employees of the State Police of the Ministry of Interior and 250 employees of the State Probation Service, who are working with the customer	Project data	Once a year
i.9.1.3.b	Number of RNA tools improved by support of ESF	RNA instruments	ESF	6	Project data	Once a year
i.9.1.4.a	Number of supported disadvantaged persons	Participants	ESF	6,200	Project data	Once a year

(913) **9.2. Investment priority:** enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest.

(914) **SO No. 9.2.1.:** To increase the efficiency of social services, and the professional skills of employees and inter-institutional cooperation for work with persons in risk situation.

- (915) Existing demographic challenges: ageing of community, decrease in the birth rate and population capable of work, migration, as well as high poverty and social exclusion indicators and restricted state and municipal financial resources create challenges for the social security system and define the need for such a system of social services which is aimed at the maximum restoration of the social and economic potential of individuals and integration of persons into the community and the labour market.
- (916) ESF support will increase the practical quality of professional social work with persons who are in risk situations, thus ensuring effective support to the population in crisis situations, reducing the risk of social exclusion and promoting integration of persons capable to work into labour market. The proposal is to implement the quality management criteria in social services, improve interinstitutional and interprofessional cooperation (incl. with health institutions, law enforcement institutions, SEA, etc.), to introduce burden criteria and output indicators for practical social work, to ensure supervision, to develop training programmes and train social workers to work with topical target groups of clients of social services, to implement a pilot project combining social services of small municipalities, to develop social work in the community, to implement regular professional competences improvement activities for social workers. Inter-institutional and inter-professional cooperation will be promoted also in fields of protection of the rights of the child and violence prevention, including development and implementation of measures for children with interaction difficulties, behavioural problems, and enlarging knowledge of specialists and providing training for society groups in order to identify the social risks in early stages, to comprehend the cause of social risks and to cooperate in solution of the situation. Thus, implementation of SO 9.2.1. synergically supplements achievement of SO 9.2.2. results, because the quality of social work, proficiency of the staff and inter-institutional cooperation will preventively decrease the risk for children to become in extra-familial care.
- (917) Regular poverty monitoring and evaluation of political instruments efficiency will support the development, supervision of implementation and evaluation of efficiency of prompt, targeted and situational analysis-based poverty reduction and social inclusion policy, especially the development of supporting policies for persons with disabilities, supervision of implementation and evaluation of efficiency.
- (918) This will result in an increase in practical quality of professional social work practice, proficiency of personnel in social and protection of rights of the child fields and inter-institutional cooperation of employees for working with persons at risk situations.

Table No. 2.9.6. (4)

**ESF specific result indicator**

ID	Indicator	Category of region or YEI <sup>139</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.9.2.1.a	The number of social workers, who have improved their professional competence	Less developed regions	Number of persons	N/A	782	2013	Number of persons	1,400	MoW data	Once a year
r.9.2.1.b	Number of specialists who raised their qualification in the field of children protection rights	Less developed regions	Number of persons	N/A	600	2013	Number of persons	5,825	Data of State Inspectorate For Protection Of Children's Rights	Once a year

<sup>139</sup> Youth Employment Initiative (YEI)

- (919) **SO No 9.2.2.: To increase the availability of social services at home equivalent to the high-quality services of institutional care and availability of services close to family environment for children and people with disabilities.**
- (920) Insufficient range of community-based services, services which are only provided in isolated environment, as well as insufficient focus on individual needs of each service beneficiary are considered to be the main obstacles for persons with functional disorders and other groups of persons subject to social exclusion risk to fully enjoy their rights to be equal with other members of society. This situation affects not only persons in need of social services, but also their family members, who are often forced to leave the labour market and thus lose their qualification, often unable to return to the labour market after a lengthy involuntary absence to ensure family care to such persons.
- (921) Within the framework of deinstitutionalisation of social care institutions for children the target is to reduce the number of those children staying in social care institutions over 3 months (aged up to 3) or longer than 6 months (aged 4 to 18) by at least 60 %. The plan is to reduce the number of places in social care institutions for persons with mental disorders funded by the state, and 700 clients of these institutions will live in the community, which will result in closing of three branches of the State Social Care Centres. Supporting personnel services for persons with restricted capacity due to mental disorders will help former clients of long-term social care institutions to integrate into the community, and will also reduce the need of these persons to be placed in a care institution. Services for families with children having different functional disorders will stimulate involvement of parents of these children into labour market and will reduce the risk of social exclusion of these families. To ensure successful deinstitutionalisation process, the ESF will support the creation and provision of community based social services, existing financial motivation mechanisms for the development of alternative services will be reviewed, as well as the principle “money follows the client” will be introduced.
- (922) SO No. 9.2.2. will be implemented in synergy with SO No. 9.3.1., where with the support of ERDF providers of familial care services for childrens in extra-familial care will be developed, infrastructure for community based social rehabilitation services for children with disabilities will be developed, as well as infrastructure for provision of community based services for persons with mental disorders will be developed (e.g. day care centres, group housing, dwellings, specialised workshops).
- (923) This will result in provision of availability of community based social services to persons with mental disorders, provision of services close to family environment at the same time reducing the number of clients of institutional care.



Table No. 2.9.7. (4)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI <sup>140</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.9.2.2.a	Number of people with mental disorders starting independent life out of long-term social care and social rehabilitation institution	Less developed regions	Number of clients	NA	79	2012	Number of clients	700	MW data	Once a year
r.9.2.2.b	Reduction in number of children in institutional care	Less developed regions	Number of children	NA	1,799	2012	Number of children	720	MW data	Once a year
r.9.2.2.c	Number of closed long-term social care and social rehabilitation institutions/affiliates	Less developed regions	Number of institutions/affiliates	NA	1	2011	Number of institutions/affiliates	3	MW data	Twice the programming period

<sup>140</sup> Youth Employment Initiative (YEI)

- (924) **SO No. 9.2.3.: To support the development and implementation of prior (cardiovascular, oncology, perinatal and neonatal period care and mental health care) health network development guidelines and quality assurance system, especially for improvement of health of people at risk of social exclusion and poverty**
- (925) The SO should be implemented together with SO 9.2.2., 9.2.4, 9.2.5, 9.2.6., 9.3.1. and 9.3.2 which will ensure the implementation of the objectives defined within the SO.
- (926) Health networks guidelines will be developed and implemented within the framework of the SO which will improve the patient flow, define optimum health care organisation at different levels improving availability of qualitative health services, as well as development of integrated approach and multisectoral cooperation between providers of health care services (incl. in the context of deinstitutionalisation and social inclusion).
- (927) In addition to the development and implementation of health networks development guidelines, the SO will also provide for the development and implementation of a quality system to ensure and supervise qualitative operation of health care institutions in different areas of treatment, evaluating possibilities to improve collaboration between health care system participants and municipalities, which will improve the availability of qualitative health care services within priority areas of health care (cardiovascular, oncology, perinatal and neonatal period and mental health) in general. The development and implementation of a quality system in inpatient health care institutions will promote positive dynamics at the level of emergency health care with equal dynamics at other levels of care.
- (928) This will result in the development and implementation of health networks development guidelines and the quality system to ensure availability of qualitative health care services, especially to the persons subject to social exclusion and poverty risk within priority areas of health care (circulatory, oncology, perinatal and neonatal period and mental health).

Table No. 2.9.8. (4)

**ESF specific result indicator**

ID	Indicator	Category of region or YEI <sup>141</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.9.2.3.a	Number of developed and implemented health network development guidelines	Less developed regions	Number	NA	0	2012	Number	4	Project data	Once a year
r.9.2.3.b	Number of developed and implemented quality assurance systems	Less developed regions	Number	NA	0	2012	Number	1	Project data	Once a year

<sup>141</sup> Youth Employment Initiative (YEI)

- (929) **SO No. 9.2.4.: To improve accessibility to health promotion and disease prevention services, especially to persons who are subject to the poverty and social exclusion risk.**
- (930) The ESF support is intended for the implementation of complex health promotion activities which would educate about possibilities to improve and preserve health (for example, organisation of classes for interest groups, education of young people through peer programmes on healthy lifestyle habits, participation in interactive educational activities, organisation of measures popularising specific activities or possibilities in municipalities, etc.) for persons subject to the poverty and social exclusion risk.
- (931) Within the framework of the SO, the implementation of up to 70 % of result-oriented measures is planned with assistance of municipalities, associations and establishments as project implementers, getting community-based access to target groups and considering individual problems of each target group and their solutions. Within the framework of preventive examination programmes in primary health care (including regarding tertiary prevention) it is planned to implement measures in connection with problems in priority areas of health care (cardiovascular, oncology, perinatal and neonatal period and mental health), by emphasising significance of prevention where the role of general practitioners is very important at the prophylactic stage. . In the frames of SO there will be measures implemented that will strengthen opportunities for inhabitants to take care of their health before getting ill to reduce risks that cause health problems. In the frames of these measures it is planned for example that GP (also nurses at GP praxis) individually or in the informative lectures will educate patients about importance and opportunities of healthy lifestyle and lifestyle habits that allow to maintain health and to avoid diseases (e.g. obesity, physical activity, chronic disease prevention, psycho emotional stress avoiding, depression and addiction substances usage etc.). Also, there will be prophylactic examinations carried out in the GP praxis, especially paying attention to for example measuring blood pressure and pulse, heart auscultation, BMI and other measures. This will result in reduction in illnesses, disability and premature mortality, especially providing support to the people who are subject to poverty and social exclusion risk, including rural population, disabled, elderly inhabitants, needy persons, etc.
- (932) This will result in the increase of the portion of the population who have changed their lifestyle habits to be healthier (for example, have reduced the amount of salt consumed, have increased consumption of vegetables, have cut the consumption of alcohol, have become more physically active), as well as in the increase in the number of those people who are subject to the poverty and social exclusion risk who have visited their general practitioner for disease prevention or health promotion purposes that will promote people to maintain their health longer and avoid illnesses.

Table No. 2.7.16. (4)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI <sup>142</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.9.2.4.a	Number of inhabitants in six target groups (see OP Paragraph 966) that were subject to preventive examination at the GP	Less developed regions	Number of inhabitants per a year	NA	309 567	2013	%	356 002 – 371 480	NHS data	Once a year
r.9.2.4.b	Number of people in six target groups (see OP Paragraph 966), that have changed their eating habits or other lifestyle habits due to health problems as a result of ESF health promotion activities in the last year.	Less developed regions	Number	NA	70 541	2012	%	75 000 – 100 000	Inventory/ Research	Once a year

<sup>142</sup> Youth Employment Initiative (YEI)

- (933) **SO No. 9.2.5.: To improve accessibility to health care and health care support persons who provide services in priority health sectors, to inhabitants outside Riga.**
- (934) Taking into account the disparities among regions and local municipalities that exist in terms of income, economic activity and accessibility to services, different quality of life is provided for inhabitants of different territories. Analysis of the availability of doctors in comparison to EU countries show that in Latvia the difference in regional placement is one of the biggest where doctors work mostly in capital city.<sup>143</sup> In Riga there are 66,4 doctors per 10 000 inhabitants, in Riga region – 15,7, in Zemgale – 18,0, in Kurzeme – 20,6, in Latgale – 21,1, in Vidzeme – 21,8.<sup>144</sup> Provision of nurses per 10 000 inhabitants tendency is similar<sup>145</sup> – there are more nurses in Riga (71,7) and in Latgale (48,7) and in other regions this indicator varies from 30 – 37,3. The difference is smaller in GPs placement – in Riga there are 7,7 GPs per 10 000 inhabitants but in regions around 6. Age structure of the doctors is ageing – most part of the doctors are 50 – 54 years old (16,7%), pension age doctors and older are 13,4% while younger than 35 years are 12,8% but 35 – 39 years old are 8,7%<sup>146</sup>. Age structure of the health care specialists in regions is with a stronger aging tendency than in capital because in Riga there are the biggest educational establishments and hospitals that is also the study base and for many also working place.
- (935) To ensure accessibility of medical persons in regions, it is important to introduce measures to attract health care personnel to work in the regions according to the identified human resource development needs, for example introducing the business trip system (appointing doctors to provide services in institutions outside Riga where he / she does not perform professional duties on permanent basis) and covering moving allowances to persons to work outside Riga and covering the expenses connected to the education and passing the experience to the younger colleagues to persons who take up the commitment to work outside Riga. SO will be implemented based on the health network development guidelines in four priority health sectors elaborated in the frames of SO 9.2.3.<sup>147</sup> and it is important to carry out targeted measures<sup>148</sup> (to develop relevant health sector networks and to provide personnel attraction measures to the regions) that would promote attraction of particularly young doctors to choose to start and continue their professional practice in regions. Thus, the accessibility of health care services, incl. the availability of screening programmes, and early diagnostics of diseases where the care stage of general practitioners is important, will be improved, by providing timely health care services in a possibly early stage of disease. This will reduce the territorial exclusion risk for the inhabitants that is connected with limited accessibility to health care services due to lack of health care personnel.
- (936) The result will be that the accessibility to necessary medical persons will be provided thus improving accessibility to health care services to inhabitants outside Riga including who are subject to the poverty and social exclusion risk will be ensured, thus reducing also territorial exclusion.

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<sup>143</sup> MoH data

<sup>144</sup> MoH data, based on health care personnel register data on 01.01.2013

<sup>145</sup> MoH data

<sup>146</sup> Centre for Disease Prevention and Control of Latvia “Statistical yearbook of health care in Latvia 2012”, 2013

<sup>147</sup> Precise support measures will be included in the „Human resource development strategy in health sector for 2015-2020”, thus including synergy with other health care human resource issues (e.g. measures implemented by municipalities and measures that are implemented in cooperation with health sector educational bodies (universities))

<sup>148</sup> Detailed mapping and the needs of the territories outside Riga will be included in the health network development guidelines elaborated in the frames of SO 9.2.3.

Table No. 2.7.17. (4)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI <sup>149</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value
r.9.2.5.a	The number of supported health care persons who work in the territorial units outside Riga a year after support	Less developed regions	Number of persons	NA	0	2012	Number

- (937) **SO No. 9.2.6.:** To improve accessibility to qualified health care and health care support personnel.
- (938) To ensure compliance of personnel's qualifications and skills to the requirements laid down in health networks development guidelines, cooperation mechanisms and taking into account the rapid development of medical science it is necessary to provide life-long learning training accessibility to personell involved in health care and health care support processes within the priority areas of health care (circulatory, oncology, perinatal and neonatal period and mental health).
- (939) The support to the personnel involved in the health care process is planned in the frames of improving efficiency of the health care system by providing improvement of skills and competencies of personnel, thus complementing other investments in public health and providing complex support to health care quality increase.
- (940) In the frames of SO there will be cooperation among providers of health and social services improved (cooperation between social workers and GPs, specialists etc.) including provision of training for social workers. The measures are in close synergy with the targets of deinstitutionalization (including in the frames of mental health) and integrated planning of development of services will be ensured. In the frames of SO the support will be provided for training of human resources and professional growth for health care and health care support personnel as well as the pharmacy care services providers, ensuring compliance of skills and qualification of personnel with the demands set for priority (heart and circulatory, oncology, prenatal and neonatal and mental health) health sectors in health network development guidelines and also with the needs of the human resource development set in the planning documents. In the frames of SO there will be qualification improvement activities for health care and health care support persons provided according to the health network guidelines elaborated in the frames of SO 9.2.3., providing compliance of the skills and competencies of the personnel to the demands of the guidelins. Further regular maintainance of the qualification will be provided according to the set procedure that health care person once per five years carries out resertification from their own or employers financing.

<sup>149</sup> Youth Employment Initiative (YEI)

<sup>150</sup> The indicator target value is a subject to modifications according to „Human resource development strategy in health sector for 2015-2020”

(941) As a result there will be improved qualification of health care and health care support personnel and pharmacy care services providers thus improving quality and accessibility of health care promotion and health care services.



Table No. 2.7.17. (4)

**ESF specific result indicators**

ID	Indicator	Category of region or YEI <sup>151</sup>	Measurement unit	Common outcome indicator	Baseline value	Baseline year	Measurement unit for baseline and target value	Target value (in 2023)	Source of data	Frequency of reporting
r.9.2.6.a	Number of persons providing health care, health care support and pharmaceutical care with improved professional qualification in the frames of life-long learning activities	Less developed regions	Number	NA	47 685	2012	Number	75 685 – 77 685	Project data	Once a year

<sup>151</sup> Youth Employment Initiative (YEI)



## Investment priority description and indicative actions to be supported

- (942) **Social care:** To resolve identified weaknesses and gaps in the social care work, the „Framework for development of the professional social work 2014–2020” envisages creation of a unified system where each client of a municipal social service would be provided a comprehensive assessment of his/her social situation by a professional social worker and targeted support to resolve client’s social problems in each case involving appropriate resources.
- (943) Support for the transfer from long-term care institutions to life in the community will provide independent life opportunities to the persons who are able to include into the community through receipt of appropriate support services. The support to deinstitutionalisation will allow to significantly reduce the number of places in long-term social care and social rehabilitation institutions for persons with mental disorders (at the beginning of 2013 the state budget funded 4911 places in long-term social care and social rehabilitation institutions for persons with mental disorders who have reached the full age). At the same time, the extension of the accessibility of services at the place of residence will be targeted to those persons, who would qualify for care services in an institution. The support from EU funds for transition from institutional care to community based care has been planned considering European Common Guidelines and Toolkit on the of European Union funds for the transition from institutional to community based care<sup>152</sup>. The planning of development of services will be coordinated between two sectors, including with health care networks and health care providers.
- (944) In 2012, 1793 children lived in institutions in Latvia, to whom living in family-like environment should be ensured. In Latvia, the possible alternatives to parents’ care (care in family) until the moment when the child is able to return to parents, is adopted or the full age is attained is care in a foster family, with a guardian or extra-family care institution. At the end of 2012 there were 4083 guardians, 325 adopting parents and 582 foster families in Latvia<sup>153</sup>. Investments from CF funds will reinforce the movement of alternative families, will improve the extra-familial services provided to children, as well as will promote family like services in extra-familial care institutions and preparedness of young people for life after extra-familial care. Having regard to the fact that leaving children unattended, improper care and violence in the family are causes for extra-familial care of children, preventive measures will be implemented in the community and understanding of professionals will be changed. If no support is provided to families to resolve crisis situations, the phenomena not desirable for the community such as crime, alcohol, drugs, violence to oneself and others, will spread. The investments from CF funds will promote education of professionals and community, while the development and implementation of programmes for workings with families at risk situations (incl. children with deviant behaviour) will reduce the risk of leaving children unattended and the risk of improper care.
- (945) According to the information provided by the SMCAHCWA, in 2012 primary disability was found in 938 children below 18 years of age. Social services for disabled children should be focused to, first, provision of necessary support to disabled children for their integration into the community and primarily in the general education system which would encourage improvement of the quality of their life in the future and would increase high quality employment possibilities. Secondly, social services should allow parents of these children be

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<sup>152</sup> <http://deinstitutionalisationguide.eu/>

<sup>153</sup> Report on the work of Orphan’s Court in 2012, <http://www.bti.gov.lv/lat/barintiesas/statistika/?doc=3204&page=>

involved into the labour market thus reducing the risk of poverty of their families, increasing their level of income and improving the quality of life of children.

- (946) **Health care:** To resolve identified weaknesses and gaps in the health sector, the plan is to develop health networks in priority areas<sup>154</sup> of health also taking into account Council recommendation for Latvia 2014-2015 “Improve the cost-effectiveness, quality and accessibility of the health care system”. The purpose of health networks development guidelines is to develop an effective and sustainable system to improve the accessibility of high-quality services and to reduce the average time taken diagnosis. Taking into account high level<sup>155</sup> of illnesses, hospitalisation and mortality ratios within framework of priority health areas<sup>156</sup>, it is important to upgrade primary health care for early diagnostics and treatment.
- (947) In the area of health care in Latvia inequality is noted due to socio-economic factors, which is evidenced by various health indicators of various population groups. Poverty is a factor influencing health, since lack of financial means is a significant factor restricting access to health care services. In the survey performed by EU SILC in 2012 10.4 % of respondents in Latvia have responded that they are unable to afford medical examinations, which is the highest indicator among the EU countries<sup>157</sup>. This means that low income households are more exposed to the risk of not receiving necessary medical care than others.
- (948) The primary health care level that consulting for illness prevention would be available by the general practitioner, especially emphasising work carried out with population subject to social and territorial exclusion and poverty risk. The development of health networks guidelines within priority<sup>158</sup> areas of health care (circulatory, oncology, perinatal and neonatal period and mental health) will be based on the arrangement of the patient flow and an optimum health care organisation at different levels (general practitioners, professionals, etc.), as well as large attention will be given to decreasing regional inequality within context of access to health care. Within the framework of each health network, respective health care institutions will undertake the full care cycle (i.e. prevention, diagnostics, treatment, palliative care, health promotions, disease prevention, rehabilitation, etc.).
- (949) By improving access to early diagnostics and treatment, the pace of growth of illness level in the long term, disability and early mortality will decrease.
- (950) Ageing of the community is a significant challenge within the area of social services and health care. The increase of average length of life of population in itself is not considered as a factor influencing demand for social services, however increase in chronic diseases, overall health condition of population, low level of years lived in good health in Latvia<sup>159</sup> (compared to EU average indicator) causes risk that in the future demand for long-term health care services will increase. Therefore targeted services of promotion of health and prevention of diseases shall be ensured especially to population subject to poverty and social exclusion risk, by promoting healthy lifestyle, popularising healthy lifestyle habits and reinforcing prevention of diseases, thus improving the health conditions of these persons.
- (951) When the data availability of doctors by regions are analysed in comparison to other EU countries, it may be concluded that the situation in Latvia is significantly different in terms of regional location of doctors, where doctors are mostly working in the capital city in comparison to other EU countries<sup>160</sup>. Furthermore, the average availability of nurses in Latvia, is

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<sup>154</sup> cardiovascular, oncology, perinatal and neonatal period care and mental health

<sup>155</sup> CDPC data

<sup>156</sup> cardiovascular, oncology, perinatal and neonatal period care and mental health

<sup>157</sup> EUROSTAT data

<sup>158</sup> cardiovascular, oncology, perinatal and neonatal period care and mental health

<sup>159</sup> CDPC data

<sup>160</sup> MH data

considerably below the average indicators in EU countries <sup>161</sup>. CF funds will allow improving of territorial accessibility of services provided by health care personnel for rural residents, who are in a less favourable situation to receive timely health care services. When planning the development of health care human resources, providers of outpatient services will be emphasized, especially attraction and development of providers of outpatient services to regions, as well as the measure to reduce differences in the regional location of medical and medical support personnel. This will allow improving of accessibility of services in more distant regions to reduce territorial exclusion.

- (952) **SO No. 9.2.1. Indicative actions to be supported:** creation of a quality management and waging system, development and pilotation of social work programmes (methodology), training, supervision, methodical management, improvement of professional competence, incl. assessment, preparation of guidelines and professional literature, social work with groups, pilot project on merging the social services of small counties, development and implementation of services, as well as training of specialists in fields of working with children, who has interaction difficulties and behavioural problems and working with cases of family violence, monitoring and studies of the poverty situation, incl. in the context of employment, evaluation and improvement of disability determination system for under aged persons. The measures to be supported will be implemented in municipalities, as well as cooperation with associations and establishments in the social work area (Association of Heads of Municipal Social Services of Latvia, Association of Social Work Professional of Latvia, Social Workers Society, etc.), planning regions, Latvian municipal associations, higher educational institutions as subcontractors.
- (953) **SO No. 9.2.1. Indicative target group:** Social policy makers, social workers, state and municipal specialists who work with domestic violence cases and need knowledge in the field of protection of the rights of the child; persons at social risk situations.
- (954) **SO No. 9.2.1. Indicative beneficiaries:** MoW State Inspectorate For Protection Of Children's Rights.
- (955) **SO No. 9.2.1. Project selection:** see annex "Project selection"
- (956) **SO No. 9.2.2. Indicative actions to be supported:** To reduce the number of long-term care institutions and prevent children, disabled children and persons with mental disorders from getting into these institutions – assessment of client's individual needs and development of support plans: development of deinstitutionalisation plans, information and education measures to change the attitude of the community, increase of the number of foster families and guardians, creation of family like care services for children in extra-familial care institutions, preparation of SSCC for the transfer to the life in the community, creation and provision of community based services to persons with mental disorders for independent life in the community, social care and rehabilitation services for disabled children and their family members, development and implementation of an individual budget model, training for professionals on providing of community based services, development and implementation of personal support services for persons with mental disorders; evaluation of results and clients' surveys The above-mentioned activities will be implemented in cooperation with municipalities and providers of social services, associations and establishments.
- (957) **SO No. 9.2.2. Indicative target group:** children and young people in extra-familial care, potential guardians, adopting parents, foster families, persons with mental disorders who have reached the full age who receive services in long-term social care institutions, as well as

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<sup>161</sup> MH data

persons at potential risk to get into a SSCC, children with functional disorders and their family members.

(958) **SO No. 9.2.2. Indicative beneficiaries:** Planning regions, MoW.

(959) **SO No. 9.2.2. influence on HP “Equal opportunities”:** direct positive. Actions for the implementation of the HP: The purpose of all the activities of this specific objective is to integrate population subject to poverty, social exclusion and discrimination into the community and provision of equal opportunities. Including community based services for persons with mental disorders, social rehabilitation services for disabled children and their family members.. The content and information of trainings for professionals should include issues of non-discrimination, gender equality, rights of persons with disability, and diversity.

(960) **SO No. 9.2.2. Project selection:** see annex “Project selection”

(961) **SO No. 9.2.3. Indicative actions to be supported:** Development and implementation of health networks guidelines within priority areas of health care (cardiovascular, oncology, perinatal and neonatal period and mental health), especially supporting primary health care, determining the order of the flow of patients, as well as development and implementation of a related quality system which is responsible for unified quality criteria in different medical profiles. The following main measures are envisaged within the framework of the health networks development guidelines and the quality system:

- Health care network development planning, including ensuring accessibility of health care services and infrastructure, patient flow planning, planning of health promotions measures, health care level selection criteria and health care clinical guidelines;
- Identification of necessary information system, envisaging a solution for effective exchange of information between health care levels and accumulation of information (data), to provide data analysis and ensure quality;
- Health care human resources development planning, which also includes trainings for human resources and planning of attraction to regions, incl. work with groups of population subject to social, territorial exclusion and poverty risk, according to the development of health networks. Coordinated planning of services will be ensured, especially as concerns deinstitutionalisation and social inclusion.

(962) **SO No. 9.2.3. Indicative target group:** National Health Service, Health Inspectorate, Disease Prevention and Control Centre, medical institutions, municipalities.

(963) **SO No. 9.2.3. Indicative beneficiaries:** National Health Service.

(964) **SO No. 9.2.3. Project selection:** see annex “Project selection”

(965) **SO No. 9.2.4. Indicative actions to be supported:** implementation of health promotion and disease prevention measures in priority areas of health care (circulatory, oncology, perinatal and neonatal period and mental health), especially for population subject to poverty and social exclusion risk (needy persons, children, disabled, elderly people<sup>162</sup>, etc.), including information measures about the significance of disease prevention and healthy lifestyle in staying healthy, trainings for health promotion coordinators and responsible officials, organisation of trainings for interest groups, education of young people through peer programmes on healthy lifestyle habits, participation in interactive educational lessons, organisation of measures popularising specific activities or possibilities in municipalities, research, etc.

(966) **SO No. 9.2.4. Indicative target group:** Latvian population, especially groups of population subject to poverty and territorial social exclusion ( persons subject to the risk of territorial

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<sup>162</sup> People of retirement age

- exclusion – people living in places with low density of population; needy and low-income persons; unemployed persons; disables persons; persons above age 54; children).
- (967) **SO No. 9.2.4. Indicative beneficiaries:** state administration institutions, associations and establishments, municipalities, economic operators
- (968) **SO No. 9.2.4. Influence of the specific objective on HP „Equal opportunities”** direct positive influence. Actions for the implementation of the HP: disease prevention, consultations for disadvantaged population groups: persons with disabilities, needy persons, seniors and other persons subject to risk of social exclusion and poverty and other actions to ensure equal opportunities; measures aimed at reducing disparities between life expectancy for women and men; tackling the stereotypes and perceptions about gender roles and behavior in relation to health care and lifestyle, particularly highlighting men as a target group.
- (969) **SO No. 9.2.4. Project selection:** see annex „Project selection”
- (970) **SO No. 9.2.5. Indicative actions to be supported:** Support for attraction of medical and medical support persons (general practitioners, professionals, nurses, etc.) and providers of pharmaceutical care services to work outside Riga: regional business trip system, moving allowances, training etc.
- (971) **SO No. 9.2.5. Indicative target group:** medical and medical support personnel and providers of pharmaceutical care services.
- (972) **SO No. 9.2.5. Indicative beneficiaries:** municipalities, medical institutions, state institutions
- (973) **SO No. 9.2.5. Project selection:** see annex „Project selection”
- (974) **SO No. 9.2.6. Indicative actions to be supported:** Elaboration and implementation of qualification improvement training programmes including improvement of specific skills related to necessary knowledge and skills for implementation of four priority networks including for example medical and medical support personnel, social work specialists (related to the ability of a social worker to identify the need for involvement of medical personnel). In the content of health and social sector human resource training there will be integrated the issues related to equal opportunities – independent from sex, age, disability, ethnical group and other types of discrimination.
- (975) **SO No. 9.2.6. Indicative target group:** medical and medical support personnel, social care providers and providers of pharmaceutical care services.
- (976) **SO No. 9.2.6. Indicative beneficiaries:** Ministry of Health, certified universities
- (977) **SO No. 9.2.6. Project selection:** see annex „Project selection”

Table No. 2.9.12.. (5)

### ESF common and specific output indicators

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.9.2.1.a	The number of Social workers who participated in supervisions and improved their professional competence	Participants	ESF	2,000	Project data	Once a year
i.9.2.1.b	Number of specialists,	Participants	ESF	5,825	Project data	Once a year

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
	who attended training in the field of protection of the rights of the child					
i.9.2.2.a	Number of persons with mental disorders, who receive ESF supported community based social care services	Number of persons	ESF	2,100	Project data	Once a year
i.9.2.2.b	Number of children with functional disorders who have received ESF supported social services	Number of persons	ESF	3,400	Project data	Once a year
i.9.2.2.c	Number of individual assessments carried out for adult persons with mental disorders	Number	ESF	2,100	Project data	Once a year
i.9.2.2.d	Number of individual assessments carried out for children in institutional care	Number	ESF	1,760	Project data	Once a year
i.9.2.2.e	Number of closed long-term social care and social rehabilitation institutions/affiliates	Number	ESF	3	Project data	Once in a planning period – on 31.12.2016.
i.9.2.3.a	Number of health network development guidelines supported for development and implementation	Number	ESF	4	Project data	Once a year
i.9.2.3.b	Number of stationary health care institutions that provide emergency health care services where quality assurance system	Number	ESF	21	Project data	Once a year



ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
	and health network development guidelines are elaborated and implemented					
i.9.2.4.a	Number of inhabitants in six target groups (see OP Paragraph 966), who have taken part in ESF supported illness prevention activities	Number of participants	ESF	100 000	Project data	Once a year
i.9.2.4.b	Number of inhabitants in six target groups (see OP Paragraph 966) who ESF supported health promotion measures	Number of persons	ESF	500 000	Project data	Once a year
i.9.2.5.a	Number of attracted health care specialists in regions who have received support to promote their attraction to work in territories outside Riga	Number	ESF	1420 <sup>163</sup>	Project data	Once a year
i.9.2.6.a	Persons working in health and social care sectors who have received training within life-long learning activities in health sector	Number	ESF	82 685	Project data	Once a year

(978) **9.3. Investment priority:** Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, and promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services

<sup>163</sup> The indicator target value is a subject to modifications according to „Human resource development strategy in health sector for 2015-2020”

(979) **SO No. 9.3.1. Developing the infrastructure of services for family like care of children and persons with disability for independent life and integration into the community**

(980) The creation of a „home for young people” within a children care institution is one of the ways to help young people in extra-familial care to acquire skills necessary for independent life. In those homes teenagers are provided the possibility to acquire knowledge and skills which are significant for starting successful independent life and appropriately integrating into the community after reaching the full age. This also reduces the potential risk for these young people to become clients of social services, because they have acquired skills for independent life.

(981) With complementary ESF and ERDF support, the deinstitutionalisation process will be supported, including by creation of services similar to SOS Children’s Villages, providing a family like service to children in extra-familial care (one group accommodates no more than 8 children) outside the institution or any other municipal institutions (integrating into the public environment).

(982) To ensure the shift of persons with mental disorders from long-term care institutions into life in the community, investments to social infrastructure in municipalities will be made thus creating the opportunity for the institutions to provide alternative social care and rehabilitation services. As a result of that, persons with mental disorders who have left their SSCC will be provided a place of residence and support services in the municipality, as well as the risk to get into SSCC due to insufficient support in the municipality will decrease.

(983) To improve self-care skills of persons with functional disorders, improve communication and ease the education process, a functioning evaluation system and an assisting technology (technical aid tools) exchange fund will be created for educational establishments. Investments into social infrastructure (community day centres) will support the involvement of families with functional disorders, will increase involvement of parents of such children into labour market and will reduce the risk of social exclusion of these families.

(984) SO No 9.3.1. will be implemented in synergy with SO No. 9.2.2., where with the support of ESF the deinstitutionalisation plans will be developed. By assessing individual needs of the clients, existing coverage of community based services and transformation possibilities of care institutions, the plan will envisage actions and necessary investments for progress of services infrastructure within regions. Whereas, in synergy with SO No.9.1.4. furnishing of premises and purchasing of equipment will be ensured in order to develop technical aid tools exchange fund and functioning evaluation laboratory<sup>164</sup>.

Table No. 2.9.13. (3)

**ERDF specific result indicators**

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (in 2022)	Source of data	Frequency of reporting
r.9.3.1.a	Increase of share of people with mental disorders who live outside institutions and for whom	%	20	2012	26-45	MoW data	Once a year

<sup>164</sup> According to the health network development guidelines elaborated in the frames of SO 9.2.3. the necessity of amendments in the OP will be evaluated.

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (in 2022)	Source of data	Frequency of reporting
	community based services are available						

(985) **SO No. 9.3.2.: Improving access to quality health care, especially to population subject to the social and territorial exclusion and poverty risk, developing the health care infrastructure**

(986) The implementation of the SO will allow ensuring of access to quality health care services within priority areas of health care (circulatory, oncology, perinatal and neonatal period and mental health), developing technical provisions in health care and creating infrastructure for the implementation of a quality system. The improvement of quality of health care services by developing health care infrastructure within the SO will take place in close interaction with SO 9.2.3, while the health networks development guidelines for priority health areas will define competences of and required technical provisions for each level of care, including by stipulating conditions of accessibility of services to groups subject to the risk of social exclusion and poverty and setting the criteria and principles for health care infrastructure development and placement (mapping). At the same time, the mapping developed within the framework of SO 9.2.3<sup>165</sup> will ensure a location framework for health development networks ensuring interconnection of ERDF and ESF SOs within priority areas of health care (circulatory, oncology, perinatal and neonatal period and mental health). The accessibility of services within SO 9.2.3, SO 9.2.4., 9.2.5., and SO 9.2.6. is closely related to the territorial aspect which will be used in the detailed development of health development networks for priority health areas to ensure that health services are equally high quality for urban and rural population, as well as groups subject to social exclusion and poverty risk, envisaging an effective and sustainable system that a respective level of services is provided close to patient's place of residence or access of patients to services of higher specialisation in a distant institution from their home is improved. As a result access to quality health care services will be ensured, incl. to population groups subject to poverty and social exclusion risk.

Table No. . 2.9.14. (3)

#### ERDF specific result indicators

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (in 2022)	Source of data	Frequency of reporting
r.9.3.2.a	The relative difference of outpatient visits in regional areas and big cities	Number	3.9	2012	2.5 – 2.8	CDPC	Once a year

<sup>165</sup> It is planned to elaborate the mapping latest by the end of January

## Investment priority description and indicative actions to be supported

- (987) **Social care:** At the end of 2012, there were 40 state, municipal and other organisations housing social care centres for children and 1793 children in extra-familial care stayed there of which 364 children below 3 years of age<sup>166</sup>
- (988) Planned investments into social infrastructure in municipalities which ensure transfer of children and persons with mental disorders from long-term care to life in the community. At the same time, a functioning evaluation system and an assisting technology (technical aid tools) exchange fund will be created for educational establishments to improve skills of persons with functional disorders, improve communication and ease education process.
- (989) **Health care:** When statistical indicators are analysed<sup>167</sup>, it may be concluded that previously implemented reforms in the health sector (including using investments from EU funds) improved the health condition of the community, for example, standardised mortality rates per 100,000 inhabitants have dropped since 2008 (including from main causes of death: circulatory diseases, malignant tumours, external causes of diseases), despite the fact that the state funding for the health sector decreased during the economic crisis. Reforms performed provided for the restructuring of health care financing by care levels and health care institutions, while investments into the infrastructure and development of human resources allowed maintaining of the accessibility of services and improving of their quality. Within the framework of the SO the plan is to ensure a continuation and succession for the reform in the health care, thus increasing efficiency and productivity of the health care.
- (990) The support will improve the quality of health care services, improve accessibility of timely diagnostic and treatment services, as well as reinforce outpatient (incl. primary) and inpatient care. Furthermore, an improvement in the accessibility of high quality health care services will reduce illnesses, disability and premature mortality, including by giving attention to the increase of accessibility of services (also emphasising resolution of environment accessibility problems) to disabled, rural inhabitants, seniors and representatives of other groups subject to social exclusion and poverty risk.
- (991) Within priority areas of health care (circulatory, oncology, perinatal and neonatal period and mental health), the planning of investments according to the analysis of the needs of health care sectors will ensure succession for current investments (including supported transfer from inpatient to outpatient services) and sustainability. Reinforcement of additional services in regional hospitals should be based on the improvement of accessibility and quality of local inpatient and outpatient services considering the cost efficiency aspect, thus ensuring timely available and high quality services to the population in the entire territory of Latvia, especially to the groups subject to social and territorial exclusion and poverty risk.
- (992) **SO No. 9.3.1. Indicative actions to be supported:** investments into social infrastructure in order to provide community based services for persons with mental disorders – development and improvement of day care centres, group housing, dwellings and specialised workshops; development of infrastructure of community based social rehabilitation services for children with functional disabilities, creation of „homes for young people”, creation of family-like service for children in out-of-family care (one group accommodates no more than 8 children) outside the institution, creation of the functioning evaluation laboratory and the assisting

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<sup>166</sup> MW data, Reports on provision of long-term social care and social rehabilitation services in 2012, <http://www.lm.gov.lv/text/2486>

<sup>167</sup> According to the SSCC data, since 2006 mortality rates from main causes of death (circulatory diseases, malignant tumours), mortality rates from external and other causes per 100,000 have decreased

technology (technical aid tools) exchange fund. The above-mentioned activities will be implemented in cooperation with municipalities and associations and establishments as subcontractors.

- (993) **SO No.9.3.1. Indicative target group:** children and young people in out-of-family care, people with mental disorders who have reached the full age and who receive services in long-term social care institutions or are at risk of getting into institutional care, people with disability, people with anticipated disability, families with a child having functional disorders.
- (994) **SO No. 9.3.1. Indicative beneficiaries:** planning regions, state owned Limited Liability Company „National Rehabilitation Centre „Vaivari”. The indicative plan is to divert EUR 15 300 000 to integrated development of urban environment in development centres of national and regional importance according to Article 7 of the ERDF Regulation.
- (995) **SO No. 9.3.1. influence on OP „Equal opportunities”:** direct positive. Actions for the implementation of the OP: investments into social infrastructure in municipalities, creation of „homes for young people”, creation of family like service for children in extra-familial care (one group accommodates no more than 8 children) outside the institution, creation of the functioning evaluation laboratory, the assisting technology (technical aid tools) exchange fund, measures to ensure accessibility of environment and information to persons with visual, hearing, movement and mental disorders, consultations of environment accessibility experts.
- (996) **SO No. 9.3.1. Project selection:** see annex „Project selection”
- (997) **SO No. 9.3.2. Indicative actions to be supported:** improvement of technical provisions of medical institutions within priority areas of health care (cardiovascular, oncology, perinatal and neonatal period and mental health) (incl. development and equipment of rooms) at all care levels including the implementation of a quality system.
- (998) **SO No. 9.3.2. Indicative target group:** health care workers (patients and health care personnel), people at risk of social exclusion and poverty, incl. disabled, rural inhabitants, seniors, needy people, etc.).
- (999) **SO No. 9.3.2. Indicative beneficiaries:** medical institutions, National Health Service.
- (1000) **SO No. 9.3.2. influence on HP „Equal opportunities”:** direct positive influence. Actions for the implementation of the HP: investments in health care infrastructure, measures to ensure accessibility of environment and information to persons with visual, hearing, movement and mental disorders; consultations of environment accessibility experts.
- (1001) **SO No. 9.3.2. Project selection:** see annex „Project selection”

Table No. 2.9.15. (5)

#### ERDF specific output indicators

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
i.9.3.1.a	Number of developed and/ or improved places for children care in family environment	Number of places	ERDF	654	Project data	Once a year
i.9.3.1.b	Number of developed and / or improved places for providing of	Number of places	ERDF	2,100	Project data	Once a year

ID	Indicator	Measurement unit	Source of funding	Target value (in 2023)	Source of data	Frequency of reporting
	society based services for persons with mental disorders					
i.9.3.2.a	Number of improved medical institutions where the infrastructure for the provision of health services has been developed	Number of medical institutions	ERDF	775	Project data	Once a year
i.9.3.2.b (CO36)	Number of inhabitants who have access to improved health care services	Number of persons	ERDF	2 023 825	Project data	Once a year

## Performance framework of the priority axis

Table No. 2.9.16. (6)

Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Description of significance of the indicator
							W	M	Total		
Financial indicator	(F16) Financial indicator PA 9 (ESF)		EUR	ESF	<i>Less developed regions</i>	86 060 737			264 895 004	accounting system of the certifying authority	
Financial indicator	(F17) Financial indicator PA 9 (YEI)		EUR	ERDF	<i>Less developed regions</i>	53 957 741			227 502 880	accounting system of the certifying authority	
Output indicator	i.9.1.1.ak Unemployed, including long-term unemployed (participants) (CO01)	common indicator	participants	ESF	<i>Less developed regions</i>	12 500			25 000	Project data	The output indicator includes planned investments of SO 9.1.1. which correspond to 33.7% of the total funding planned for Priority Axis 9 within the framework of ESF support
Output indicator	i.9.2.2.a Number of persons with mental disorders, who receive ESF supported community based social care	Number of people with mental disorders who received state budget financed	Persons	ESF	<i>Less developed regions</i>	630			2 100	Project data	The output indicator includes planned investments of SO 9.2.2. which

Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Description of significance of the indicator
							W	M	Total		
	services (I32)	services in long term social care and social rehabilitation institutions and moved for living in particular municipality, and receive ESF supported individualised community based social care services, and number of persons with mental disorders who are at potential risk of getting into a SSCC and who continue to live in municipality and receive ESF supported individualised community based social care services									correspond to 9.20% of the total funding planned for Priority Axis 9 within the framework of ESF support



Indicator type	ID. Name of indicator	Definition	Measurement unit	Fund	Category of region	Milestone in 2018	Target value			Source of data	Description of significance of the indicator
							W	M	Total		
Output indicator	i.9.2.4.a Number of persons in six target groups (see OP Paragraph 966) who have taken part in ESF supported illness prevention activities	Number of persons in six target groups (see OP Paragraph 966) who have taken part in ESF supported illness prevention activities	Participants	ESF	<i>Less developed regions</i>	20 000			100 000	Project data	The output indicator includes planned investments of SO 9.2.4. which correspond to 21.01% of the total funding planned for Priority Axis 9 within the framework of ESF support
Output indicator	i.9.3.2.a Number of improved medical institutions where infrastructure for the provision of health services has been developed	Number of medical institutions that have received support within the SO	Medical institutions	ERDF	<i>Less developed regions</i>	0			775	Project data	The output indicator corresponds to 78.67% of the total funding planned for Priority Axis 9 within the framework of ESF support
Key implementation step	9.3.2.a Concluded agreements with beneficiaries, % of the total SO funding (S932)	Concluded agreements with beneficiaries, % of the total SO funding	%	ERDF	<i>Less developed regions</i>	30				Project data	

Table No. 2.7.23. (7-12)

<i>ERDF: Less developed regions</i>											
Categories of intervention		Type of funding		Territory		Territorial delivery mechanisms		ESF secondary themes (ESF only)		Thematic objectives	
Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR
53	152,136,253	1	193,377,447	1	129,583,574	7	178,077,447	N/A	N/A	9	193,377,447
55	41,241,194			2	35,307,083	1	15,300,000				
				3	28,486,790						

Table No.2.7.24. (7-12)

<i>ESF: Less developed regions</i>											
Categories of intervention		Type of funding		Territory		Territorial delivery mechanisms		ESF secondary themes (ESF only)		Thematic objectives	
Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR	Code	million EUR
109	92,040,832	1	225,160,750	7	225,160,750	7	225,160,750	8	225,160,750	9	225,160,750
112	133,119,918										



**ESF specific conditions (if applicable)**  
**Transnational cooperation**

- (1002) To promote exchange of information and experience, adoption of the best practices and methods and to encourage development and implementation of common solutions, the ESF support for transnational cooperation shall be provided within the framework of priority axes „Competitiveness of small and medium-sized enterprises”, „Employment and labour mobility”, “Social inclusion and combating poverty” and „Education, skills and lifelong learning”, ensuring flexible approach, providing that the activities shall be integrated within SO of the OP.
- (1003) Transnational cooperation shall ensure a wide range of opportunities for comparison, assessment of results and ideas, establishment of unified standards, engagement of experts. Exchange of experience, adoption of practical approach and integration for promotion of development and implementation of innovative measures. Furthermore, implementation of international collaboration shall strengthen and increase the capacity of involved establishments and organizations relating to the implementation of collaboration and generation of common solutions.
- (1004) Expenses relating to international collaboration shall be defined as applicable, particularly, expenses relating to the exchange of information, experience, results and the best practices as well as development of additional methods and coordinated or common activities. Separate ESF financing for international collaboration is not assigned, but expenses relating to the above support of international collaboration shall be approved along with implementation of relevant projects if necessity given that such financing for the project is reasonably grounded. To prevent the risk of double financing, ESF project implementers shall confirm that certain activities are not or shall not be financed from other EU policy instruments and with the use of other foreign financing.
- (1005) There is no special monitoring or management structure planned for international collaboration. Its implementation and coordination shall involve responsible establishments, social partners and cooperation partners from other sectors.
- (1006) To promote competitiveness of the Baltic Sea Region, sustainable development and increase in well-being of the region, special attention shall be paid to implementation of the ESF international collaboration within BSRS. Supplementing the support provided within other EU policy instruments, ESF financing shall contribute to promotion of strengthening, social and economic development of the region, implementing measures within the framework of main directions: „Competitiveness of small and medium-sized enterprises” within the framework of „Employment and labour mobility”, “Social inclusion and combating poverty” and „Education, skills and lifelong learning”.

Table No.2.1.

**Description of the priority axis**

Priority axis	Description
Competitiveness of small and medium-sized enterprises	<p>Transnational cooperation can be implemented within the framework of a unified advanced training system for personnel of law-enforcement agencies, organizing third-party lecturers' workshops and lectures for target audience and supporting practical training at the relevant institution or educational centres of other EU Member States.</p> <p>The essence of transnational cooperation is aimed at adjusting of the existing mechanisms to the conditions in Latvia for generation of common resolutions that can be used not only in Latvia, but also in other Member</p>

Priority axis	Description
	States, therefore, reducing total implementation cost.
Employment and labour mobility	Transnational cooperation with the aim to encourage employment can be implemented through organization and participation, implementation of an advanced transformation system in the labour market and promotion of labour mobility, ensuring organization and participation of international conferences and workshops, research and assessment of labour market transformation system and its organizational model in other countries.
Social inclusion and combating poverty	Transnational cooperation with the aim to promote social inclusion can be implemented through exchange of experience, participation in workshops, studying and adopting other countries' experience in provision of services, development of social work programs (methods); implementation of deinstitutionalization.
Education, skills and lifelong learning	<p>Transnational cooperation for support of vocational education can be implemented by strengthening the capacity of education institutions in adult education, supporting practical training in foreign institutions and enterprises and exchange of experience; ensuring practical training for the students of vocational education establishments, providing an opportunity to participate in practical training abroad.</p> <p>International collaboration for support of higher education can be ensured for mobility of research personnel, adoption of the best practice, by implementing collaboration with foreign research institutions, involvement of foreign teachers.</p>

### **Social innovations**

- (1007) In September 2013, the MoW applied for the EU Programme for Employment and Social Solidarity (PROGRESS 2007-2013) to attract financing for the project „ Latvia: Developing a Comprehensive Active Aging Strategy for Longer and Better Working Lives”. In 2013, a notification was received from the EC, confirming that the application for the project was approved. The objective of the project was developed on the evidence-based Latvian active ageing strategy, which would promote longer and better working lives, taking the significant demographic changes into account. Recommendations developed within the project were planned to be implemented within SO 7.3.2. In its turn, within the framework of SO 9.2.2. it is planned to verify whether implementation of a separate budget for children with mental disorders is a viable alternative that can substitute the traditional service provision model, increase customer satisfaction and improve the quality of life and eliminate acceptance of new customers to the long-term care institutions. The results shall be used for implementation of ESF project in 2014-2020 programming periods, decreasing the number of people living in social care institutions, by supporting alternative service provision by the institutions at home.
- (1008) RIS3 is a national strategy for economic development of targeted investments in research and innovation focused on areas of knowledge, where the country has comparative advantage or the existing assets on which basis such advantages can be achieved. One of the objectives is implementation of commercialization of innovations (including eco and social innovations). In accordance with RIS3, support of development of innovative social services within the special support objective „to increase competitiveness of creative industry establishments” of the 3rd priority axis „Competitiveness of small and medium-

sized enterprises” shall be provided, therefore, promoting social changes and resolution of social problems.

### **ESF selected thematic objectives No. 1 to 7**

(1009) As to achievement of thematic objectives No. 1-7 for ESF contributions, Latvia decided not to contribute in secondary ESF thematic objectives, establishing ESF support to the thematic objectives No. 8-11, therefore, ensuring maximum support to employment and contributions in development of human resources.

## 2.10. Technical assistance “ESF support for implementation and management of CP Funds”

- (1010) **SO No.10.1.1.: to increase CP funds evaluation capacity.**
- (1011) Taking into account evaluation experience from the 2007–2013 planning period there are several issues that are identified to be solved within the context of the 2014–2020 planning period. Despite the fact that Latvia is one of the few EU Member States, where the process of evaluation recommendations implementation is regulated, its functionality is distorted by the low quality of the recommendations. The low quality of evaluation recommendations arises due to both structural (high rate of staff turnover) and institutional (distribution of functions and duties) factors that have limited the public administration possibilities to specialize in the formulation of evaluation tasks and drafting of technical specifications. Also, lack of the service provider specialization of CP related issues are often contributed to too general conclusions and too simplified recommendations and solutions offered, as the result it has not been possible learning from mistakes.
- (1012) Not a less important lesson from the 2007–2013 planning period-is a need to link the evaluation with monitoring and planning cycle. 2007–2013 planning period evaluation plan timetable and performed evaluations have provided limited evidence base upon which the 2014–2020 planning period operational programme could be formed. Thus, not in all cases it has been possible to demonstrate achievements of investment to the society. Taking into account legal framework and experience, more attention is planned to devote to evaluation process complementarity with other stages of CP funds investment implementation cycle (planning, implementation, monitoring) in the 2014–2020 planning period.
- (1013) Within the specific objective it is planned to provide ~~the~~ support for implementation of 2014–2020 planning period evaluation plan, including the evaluations of the sectorial policy which have so far been carried out in isolation. It is planned that the evaluation plan will include sectorial specific evaluations regarding CP funds investments, at the same time delivering higher quality of the evaluations.
- (1014) As a result, it is expected that the proportion of the evaluation recommendations, which are fully implemented, will increase.

Table No. 2.10.1. (12)

### ESF specific result indicators

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (in 2023)	Source of data	Frequency of reporting
r.10.1.1.a (RTP1)	Proportion of fully implemented recommendations	%	80	2014	85	Recommendations implementation plan (Managing authority)	Every two years
r.10.1.1.b (RTP2)	Number of persons involved in implementation, evaluation or monitoring of CP funds that have raised capacity in	Persons	25	2014	40	Project data	Each year

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (in 2023)	Source of data	Frequency of reporting
	evaluation during the calendar year						

(1015) **SO No. 10.1.2.: to raise awareness of the cohesion funds, providing support for information and communication activities**

(1016) In order to ensure the EU Cohesion Policy in 2014-2020 programming period stated objectives, it is necessary to provide a specific result-oriented and cost-effective information and publicity measures for implementation. Although in general publicity opinion about the information access regards to CP funds in the previous programming period was successful, as evidenced by the research data (respondents who admits that there is sufficient information on the CP funds 2007– 35% 2012 – 21.3%) there are a number of issues which can be improved in new programming period.

(1017) It is sufficient to provide qualitative information in time to beneficiaries and funds management institutions involved as well as for society as a whole. In 2007–2013 programming period, there was carried a number of structural reforms to the provision of a communication function, significantly reducing the number of human resources involved in providing communication about CP funds. It had impact on a balanced communication activities planning (CP funds were secured communication unequally, depending on the institution, while in other cases, CP fund information activities overlapped).

(1018) Providing assessment of EU Funds Communication Strategy 2007–2015, a number of shortages, which do not provide the full and traceable information on the progress made during the reporting period, have been identified. First, the objectives and outcomes identified the lack of linkage. Secondly, it is not specified which activities and which set indicators are designed to achieve the objective. Third, the Strategy sets out the outcome and impact indicators, which are named on the indicators, but initially lacking a certain outcome indicators. It is therefore necessary to ensure the quality of the communication strategy, in which should include measurable and comparable data, performance indicators to ensure the planning year, just revised strategy for the target group and their link with the planned figures.

(1019) Strategic information and publicity objectives will be defined in the "CP Funds Communication Strategy 2014 to 2022." Strategy would rely on the "2007 to 2013 programming period, the European Union funds NSRF priorities, measures and implementation of activities of ex-post communication activities to be evaluated" and on the findings and recommendations of the EC.

(1020) As a result awareness of target audience on availability of CP funds and information of CP funds impact on Latvian economics will increase.

Tabula Nr. 2.10.2. (12)

**ESF specific result indicators**

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (in 2023)	Source of data	Frequency of reporting
r.10.1.2.a (RTP3)	The public assessment shows that the EU funds has positive impact on	%	79,5	2013	85	Public opinion poll	2018, 2022



ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (in 2023)	Source of data	Frequency of reporting
	Latvian economic and social development						
r.10.1.2.b (RTP4)	Proportion of population believing that available information on EU funds is sufficient	%	72,8	2013	75-80	Public opinion poll "Information of society about EU funds acquisition in Latvia"	2018, 2022

### **The description of priority investments and indicative activities to be supported**

#### ***Evaluation and research***

- (1021) In order to ensure cost and results effective and successful implementation of CP funds 2014–2020 planning period and focus on results, it is planned to carry out several evaluation activities covering the whole CP funds implementation system, the implementation of priority axes and related issues, strategic assessments for sectoral policies, their mutual interactions, as well as to analyze the issues that are actual during CP funds projects implementation period.
- (1022) It is planned within the framework of 2014–2020 planning period that evaluations assessing effectiveness, efficiency and impact of each priority axis, supplemented by sectoral thematic evaluations and individual evaluations of national policy will be ensured in order to establish broader evidence base and fulfill the requirements of General Regulation. Evaluation of priority axes evaluation period will be determined according to the actual implementation progress and the time when the first expected specific objectives results.
- (1023) It is expected that the 2014–2020 planning period CP fund investment efficiency, effectiveness and impact evaluation will be performed within the permanent system in connection with CP funds investments implementation time table, thus ensuring the usability of the evaluation results of further improvement of the CP funds investment planning and implementation.
- (1024) In the beginning of the planning period within the framework of the permanent evaluation before the CP funds start-up, it is planned to carry out ex-ante evaluations of the specific objectives in order to draft reasonable and smart future CP funds investment implementation and social–economical impact prediction based on the previous CP funds investment implementation. In the middle of the planning period it is planned investments efficiency and effectiveness evaluation, allowing to conclude about the implementation mechanisms cost-effectiveness and the ability to achieve outcomes of the specific objective. After the investments implementation at the end of the planning period, it is planned ex-post evaluation, evaluating investment efficiency, effectiveness and impact in order to improve CP funds investment planning based on evaluations results evidence base.
- (1025) Taking into account that the 2007–2013 planning period existing evaluations results on the impact of CP funds are limited, at the beginning of 2014–2020 planning period, ex-post evaluation of the 2007–2013 planning period investments impact and cost-effectiveness is planned.

(1026) In order to ensure the evaluations quality it is planned that regular and systematic training of the employees involved in evaluations will be performed providing employees with the necessary skills for qualitative evaluation tasks formulation and quality supervision of the evaluation process. Evaluation capacity building measures are essential to ensure the quality of both evaluation and recommendations for needs within policy planning and implementation.

### ***Information and communication***

(1027) The public administration institutions involved in CP funds management, implementation, evaluation and monitoring will annually establish an annual communications plan based on the communication objectives in communication strategy, thereby determining the priority of each institution communication lines of the calendar year. There will be increased focus on institutional equivalent communicating, thus achieving a balanced in each sector objectives.

(1028) In order to ensure a balanced communication activities of 2014 to 2020 programming period, this problem could be partially solved on the basis of structural reforms – in communication there will be less number of authorities involved, the communication will be centralized, administration of communication activities will be simplified.

(1029) In 2014–2020 programming period the CP Fund website [www.esfondi.lv](http://www.esfondi.lv) will be transformed, creating a user-friendly and simple tool that will be supplemented with interactive tools, thus improving the information accessibility to the website users (potential beneficiaries, CP funds management institutions involved in EU fund administration).

(1030) In 2014–2020 programming period it is planned to use as much as possible the latest communication tools (web solutions, mobile applications, etc.), thus making the EU funds communication efficient, modern and ensuring the reach of the target audience.

(1031) There will be developed a practical and for CP funds specifics suitable Internet developed communication tools, such as project search engine for the new programming period. Flat map with projects information; discussion forums among certain groups (e.g. the recipients of funds, funds of applicants) and discussion forums for certain funds acquisition stages (e.g. preparation of reports, audits, project closing time).

(1032) It is planned to enhance the quality of paid media publications, ensuring the media with qualitative materials, the contacts of the project among the beneficiaries. In case of necessity, to perform the trainings to the media representatives.

(1033) A common media content analysis will be provided, thereby producing a performance indicator monitoring, and information on the overall tone of the media in relation to CP funds. Such monitoring is currently suspended, at the moment some of the administrative authorities are purchasing an individual monitoring of the content, which is not active enough. In 2014 to 2020 planning period it is planned to recover centralized monitoring.

(1034) In 2014 to 2020 planning period it is planned to continue the Communications Steering Group meetings (at least one meeting every quarter). The meeting agenda include organizational issues, experience sharing - sharing of best practice in the field of communication, jointly develop interpretive methodology issues, exchange of information on innovations from the EC working groups etc.

(1035) In order to ensure qualitative communication provided it is planned to assure regular and systematic training for the personnel involved in CP funds communication, providing them with the skills that are required for qualitative communication planning and implementation. The professional improvement for specialists involved in communication are significant to be able to provide new and innovative solutions to ensure the CP fund communication.

- (1036) **SO No. 10.1.1. indicative activities to be supported:** evaluation performance, evaluation report translation, support for the participation in intergovernmental research projects on Cohesion policy issues, support for ex-ante evaluation regarding sectorial policies in context with ex-ante conditionalities, support for evaluation capacity building measures, support for methodological guidelines for CP funds impact and effectiveness evaluation, support for thematic evaluation consultative working party functions.
- (1037) **SO No. 10.1.1. indicative target group:** governmental authorities involved in CP fund management, implementation, evaluation and monitoring; cooperation partners.
- (1038) **SO No. 10.1.1. indicative beneficiaries:** governmental authorities involved in CP fund management, implementation, evaluation and monitoring and their employees.
- (1039) **Project selection:** see Annex “Project selection”
- (1040) **SO No.10.1.2. Indicative eligible activities:** support for the information and publicity campaigns, support for interactive communication solutions and web solutions, publicity assessment report purchase, annual evaluation reports, Purchase of development, support for communication capacity strengthening, support for participation in interstate communication groups on issues of EU funds, support for EU funds on the EU funds Communication Working Group (CWG) functions.
- (1041) **SO No.10.1.2. Indicative target group:** government departments participating in CP funds management, implementation, evaluation and monitoring process, business partners, potential beneficiaries, the general public.
- (1042) **SO No.10.1.2. Indicative beneficiaries:** government departments participating in CP funds management, implementation, evaluation and monitoring process.
- (1043) **Project selection:** see Annex “Project selection”

Tabula Nr. 2.10.3. (13)

### ESF specific output indicators

SO	Indicator	Measurement unit	Target value (in 2023)	Source of data
i.10.1.1.a (ITP1)	Number of priority axes with impact evaluation once per planning period	number	9	Data from projects monitoring
i.10.1.1.b (ITP2)	Number of persons involved in implementation, evaluation, monitoring of CP funds that have participated in evaluation capacity building measures	Persons	120	Project data
i.10.1.2.a (ITP3)	Annual obligatory <sup>168</sup> publicity measures	Number	9	Project data

<sup>168</sup> According to Regulation (EU) No 1303/2013 the Member State or the managing authority shall be responsible for at least organising one major information activity a year

Tabula Nr. 2.10.5. (14-16)

<i>ERDF: Less developed regions</i>											
Categories of intervention		Categories of intervention		Categories of intervention		Categories of intervention		Categories of intervention		Categories of intervention	
Code	Code	Code	Code	Code	Code	Code	Code	Code	Code	Code	Code
122	15 300 000	1	21 420 041	7	21 420 041						
123	6 120 041										

## **2.11. Technical assistance “ERDF support for implementation and management of CP Funds”**

- (1044) **SO No.11.1.1.: to support and improve the preparation, implementation, monitoring and control of the CP Funds.**
- (1045) To ensure smart and inclusive growth, by the use of CP Funds to plan to achieve the objectives defined in NRP and the goals for growth of Latvia set out in NDP 2020, effective implementation of CP funds has to be established. Therefore, results-based CP Funds management and control system based on principles of sound financial management, proportionality and partnership, which provide the lowest administrative burden for beneficiaries, has to be improved. In the mid-term assessment for the 2007 – 2013 programming period<sup>169</sup> it was concluded that the management system of CP Funds in general successfully ensures the function of implementation, management and monitoring, as well as provides an opportunity to react to changes in external environment and economic situation.
- (1046) Recommendations within the framework of the CP Funds 2007 – 2013 assessment regarding the effectiveness of the implementation system in the 2014–2020 programming period are attributable to an increase in the level of centralization, more precisely for implementation authorities specifying the procedure of the operational activities, better coordinating activities performed within the functions of control.
- (1047) The management system of the funds contains a broad range of institutions controlling the disposition of funds but the coordination of control among the institutions involved in the system is weak, and controlling bodies do not rely on each other’s evaluation. Controls mainly were focused on the verification of the correctness of expenditure but there should be greater emphasis on the results of monitoring and target-based controls, as a result the control system for the 2014 – 2020 programming period will be designed by optimizing the inter-institutional controls and more focusing on the results of inspections.
- (1048) Also, Latvia has to strengthen the capacity in the area of public procurement, technical specifications of transportation and environment, state aid, fraud combating and prevention of corruption. To ensure the above, contribution in advancement of knowledge of the participating employees and experts (in both governmental and non-governmental sector), including participants of MC will be provided, as well as the availability of competent employees and experts for management of CP funds has to be ensured.
- (1049) To reduce the high employee turnover, which according to the available data in individual institutions reaches even 25%, and to ensure involvement of motivated experts, efficient and target-oriented human resource management strategy is needed.
- (1050) Resource of technical assistance will allow to continue the work on optimization and simplification of management and control system of CP funds without interruptions between the programming periods, ensuring its sustainability and maximum return. In the case of necessity it is planned to use financial resources of Technical assistance for ensuring effective and the most successful closure of the CF funds 2007-2013 program period operational programme.
- (1051) As a result, CP funds management system will be improved, inter alia providing faster processing of payments and administrative barriers for beneficiary and administrators of CP funds will be reduced, approaching to the one-stop agency model. As well as increasing the

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<sup>169</sup> „Mid-term evaluation on implementation efficiency of NSRF priorities, measures and activities in the EU funds programming period 2007-2013”

capacity of the institutions involved in the administration of CP funds in order to ensure the preparation, implementation, control and monitoring and post monitoring of CP funds.

Table Nr. 2.11.1. (12)

### ERDF specific result indicators

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value ( in 2023 )	Source of data	Frequency of reporting
r.11.1.1.a (RTP5)	Employee turnover	%	25	2012	16	Staff data	Annually
r.11.1.1.b (RTP6)	Number of staff of CP funds management, implementation and monitoring , which increased their competences after receiving support	number	0	2013	500	Staff data	Annually

### The description of priority investments and indicative activities to be supported

- (1052) Considering that the management and control system for CP funds 2007-2013 programming period is well functioning, there are no major changes planned in new period. It is planned to invest technical assistance finances to improve functions of a particular areas of relevant management and control system of the CP funds, including finances for monitoring and assessment and implementation of functional management control system, including support for associations and formations to raise their capacity and ensure monitoring functions to make the implementation of CP funds more effective.
- (1053) To ensure strengthening and growth of administrative capacity of establishments of the CP funds, measures taken in 2007-2013 programming period shall be provided to establishments for the performance of functions stipulated in the General Regulation (Managing Authority and Certifying Authority) including management, monitoring, assessment, informational and control activities in order to help them to improve, simplify and ensure CP fund management and its efficiency.
- (1054) An important task relating to the establishment of sustainable management system is to attract and to keep highly-qualified specialists, supporting increase in capacity of establishments and improvement in the employers' knowledge and skills. To strengthen managing capacity for personnel involved in administration of CP funds single human resources plan shall be made, which will provide common approach to trainings by using inter alia knowledge and practice in corruption and fraud risk identification and prevention by law enforcement institutions, cooperation with these institutions will be expanded. This will identify common needs and common vision of possibilities, directions of competence lifting lines and tendencies, using and enhancing existing knowledge and competence.
- (1055) Simultaneously, support to cooperation partners relating to strengthening of the capacity will be provided within the principle of partnership (partners in the MC) to support trainings with an aim to improve the knowledge of partners in CP funds implementation, monitoring and detection and prevention of corruption and fraud risks. Based improvements in the capacity of

partners handing over support, knowledge and cooperation to partner organizations, the role and capacity of partners will be built significantly in the fraud combating and anti-corruption field related to the implementation of CP funds. In order to identify and mitigate corruption and other risks, there will be developed the National anti-fraud strategy for CP funds and CP funds risk management strategy including also anti-fraud and anti-corruption risk identification and mitigation measures, that will be implemented and funded in the framework of Technical Assistance.

- (1056) The CP fund management and control system shall be improved to make it more safe, reliable and be able to respond to the external circumstances (decrease in budget and other factors) and changes in internal environment (changes in priorities, redistribution of functions and other factors) that allow not to lose focus on defined objectives and results at the same time.
- (1057) Accounting of functions/obligations to be performed and funding source for monitoring, ex-post monitoring and closure function for 2007-2013 programming period will be clearly separated by order and stipulated in the employee's job description thus providing clear approach for this amount of functions and funding source, excluding the risk of double financing.
- (1058) To provide ensuring a smooth transition from one period to another based on achievements of 2007-2013 programming period will be provided effective solution in use 2014-2020 programming period includes application of good practices, learning from other member states and teaching of staff respective fields, and also perform other activities to provide other activities results defined in OP.
- (1059) **Indicative activities to be supported:** support for strengthening of capacities of establishments involved in CP fund implementation system, including wages and measures relating to growth of capacity and qualification; training for institutions and cooperation partners involved in CP fund management; support to improvement of CP fund planning, management and control system; support to monitoring of CP funds; support to post monitoring of CP fund 2007-2013 programming period; support the implementation of control measures, including financial control.
- (1060) **Indicative target group:** governmental authorities involved in CP fund management, implementation and monitoring, ex-post monitoring, cooperation partners.
- (1061) **Indicative beneficiaries:** governmental authorities involved in CP fund management, implementation, monitoring and post-monitoring and their employees.
- (1062) **Project selection:** see Annex "Project selection"

Table Nr. 2.11.2. (13)

#### ERDF specific output indicators

ID	Indicator	Measurement unit	Target value (in 2023)	Source of data
i.11.1.1.a (ITP4)	Number of persons who wages are co-financed by TA	Number (fulltime equivalent)	225	Project monitoring data,
i.11.1.1.b (ITP5)	Number of staff of CP funds of management, implementation and monitoring who participated in trainings	number	500	Project monitoring data

Table Nr. 2.11.3. (14-16)

ERDF: Less developed regions											
Categories of intervention		Type of funding		Territory		Mechanism for achieving territorial		Secondary themes (only ESF)		Thematic objectives	
Code	mill. EUR	Code	Mill.EUR	Code	Mill.	Code	mill. EUR	Code	Mill.	Code	Mill.

					EUR				EUR		EUR
121	39 180 553	1	39 180 553	7	39 180 553	N/A	N/A	N/A	N/A	12	39 180 554





## 2.12. Technical assistance “CF support for implementation and management of CP Funds”

- (1063) **SO No.12.1.1: to improve the preparation, implementation, monitoring control, audit and to support e-cohesion of the CP Funds.**
- (1064) Recommendations within the framework of the CP Funds 2007–2013 assessment<sup>170</sup> regarding the effectiveness of the implementation system for the 2014–2020 programming period are attributable to an increase in the level of centralization, more precisely for implementation authorities specifying the procedure of the operational activities, better coordinating activities performed within the functions of control.
- (1065) In order to provide the ECom with a reasonable assurance that expenditures submitted for reimbursement are legal and regular, the Audit Authority should be able to conduct the audit with a proper accuracy, in compliance with appropriate high quality standards and in the most efficient manner, at the same time minimizing administrative burden for beneficiary and controlling institutions. To provide these requirements staff of the Audit Authority are trained, motivated and they have been given adequate equipment and IT tools.
- (1066) The capacity in the area of public procurement, technical specifications of transportation and environment, state aid, fraud combating and prevention of corruption will be strengthened, inter alia, contributions will be made in advancement of knowledge of the participating employees and experts (in both governmental and non-governmental sector), including participants of MC has to be provided, as well as the availability of competent employees and experts for management of CP funds has to be ensured.
- (1067) To reduce the high employee turnover, which according to the available data in some institutions reaches even 25%, and to ensure involvement of motivated experts, efficient and target-oriented human resource management strategy is needed.
- (1068) The management information system of the CP funds will be adjusted in line with the administrative changes and will be ensured that data exchange both from the beneficiaries to the institutions responsible for the management and control till 31<sup>st</sup> of December 2015 could be done electronically, where possible. For project applicants there still will be possibility to submit a project application documents in both paper and electronic form, but there will be a variety of measures to increase the number of applicants who submits project documentation electronically. From improvements made to the system there is expected a great influence on reducing administrative burden, simplification of CP fund administration, improvement of the information accessibility and transparency, thus giving possibility to speed up achievement of the objectives by reducing costs and allowing to focus on results.
- (1069) Resource of Technical assistance will allow to continue the work on optimization and simplification of management and control system of CP funds without interruptions between the programming periods, ensuring its sustainability and maximum return. In the case of necessity it is planned to use financial resources of Technical assistance for ensuring effective and the most successful closure of the CF funds 2007-2013 programin period operational programme.
- (1070) As a result, a more efficient and persuasive CP funds management system, inter alia providing faster processing of payments, will be developed and administrative barriers for beneficiary and administrators of CP funds will be reduced, approaching to the one-stop agency model, as well as increasing the capacity of the institutions involved in the administration of CP funds in order to ensure the preparation, implementation, including HP, control, monitoring, auditing and ex-post monitoring.

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<sup>170</sup> „Mid-term evaluation on implementation efficiency of NSRF priorities, measures and activities in the EU funds programming period 2007-2013”

Table Nr. 2.12.1. (12)

**CP specific result indicators**

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (in 2023)	Source of data	Frequency of reporting
r.12.1.1.a (RTP7)	Employee`s turnover	%	25	2012	16	Staff data	Annually
r.12.1.1.b (RTP8)	Projects in which electronic data exchange system is used, share from the overall projects submitted in the exact calendar year	%	0,2	2013	50	Monitoring data	Annually
r.12.1.1.c (RTP9)	The number of audit days devoted average to one project auditing <sup>171</sup>	working days	70	2013	50	Project data, monitoring data	Annually
r.12.1.1.d (RTP10)	The number of staff of CP funds management, implementation and monitoring who have increased their competence after receiving final payment	number	0	2013	500	Staff data	Annually

**The description of priority investments and indicative activities to be supported**

(1071) To provide smart and inclusive growth, achieve the objectives defined in NRP and 2020 the objectives for Latvian growth, which are planned to be achieved by the CF funds investments, effective implementation of CP funds has to be made. Therefore the result based CP funds management and control system should be improved based on the sound financial management, proportionality and partnership principles to ensure less administrative burden to beneficiaries.

(1072) Correspondingly, as the CP funds managements and control system is well functioning there is no major changes planned in the next planning period. Technical assistance means are to be used to improve functions in particular areas of a relevant management and control system of the CP funds, including finances for monitoring and assessment, as well as support functions of management control system, including support for associations and formations to raise their

<sup>171</sup> Working days, which one auditor spends only for audit measures (not.incl. time for other tasks, training, incapacity for work, vocation, holidays)

capacity and ensure monitoring functions to make the implementation of CP funds more effective.

- (1073) Funds management system includes a wide range of supervisor institutions to control the use of funds but correlative coordination of these controls by institutions are weak and there is lack of reliance to each other's assessments. Controls are mostly focused on the eligibility of expenditure controls, but they need to be more focused on the controls for monitoring the results and compliance of objectives.
- (1074) Management and control system for the 2014-2020 programming period shall optimise controls between involved authorities to emphasise on verifications of achievement of objectives and results defined.
- (1075) To ensure strengthening and growth of administrative capacity of the CP funds institutions, measures taken in 2007-2013 programming period shall be continued, and Technical assistance financing shall be provided to institutions for the performance of functions stipulated in the General Regulation (managerial, auditing, certification), including management, monitoring, assessment, informational and control activities in order to help them to improve, simplify and ensure CP fund management and its efficiency.
- (1076) To make more effective action of Audit Authority, its employees will be trained, motivated and they will be put at the disposal of adequate equipment and IT tools.
- (1077) Cohesion Policy fund information system will be significantly improved and electronic data exchange platform will be made for information exchange between administrative authority and a funding recipient to improve management of Cohesion Policy funds and to reduce administrative burden for the funding recipient. It is planned that data exchange platform will be ready during the first quarter of 2015. It is planned to use exchange platform also for project application phase. Applicants and/or funding recipients (except public sector) will have possibility to choose between submission of project documents in electronic data exchange platform or in paper form. Electronic data exchange platform will provide efficiency improvements for applicant / funding recipient and will allow to devote more administrative authority resources for result oriented monitoring. New Cohesion Policy fund management and control system will be reliable and will give ability to quickly respond on external factors (budget cuts and other factors) and internal environment (change of priorities, redistribution of functions and other factors) changes additionally without loss of focus on the objectives and results.
- (1078) An important task relating to the establishment of sustainable management system is to attract and to keep highly-qualified specialists, supporting increase in capacity of establishments and improvement in the employers' knowledge and skills. To strengthen managing capacity for personnel involved in administration of CP funds single human resources plan shall be made, which will provide common approach to trainings by using inter alia knowledge and practice in corruption and fraud risk identification and prevention by law enforcement institutions, cooperation with these institutions will be expanded. This will identify common needs and common vision of possibilities, directions of competence lifting lines and tendencies, using and enhancing existing knowledge and competence.
- (1079) Simultaneously, there will be support to cooperation partners relating to strengthening of the capacity within the principle of partnership (partners in the MC) to give support in trainings with an aim to improve the knowledge of partners in CP funds implementation, monitoring and detection and prevention of corruption and fraud risks. Based improvements in the capacity of partners handing over support, knowledge and cooperation to partner organizations, the role and capacity of partners will be built significantly in the fraud combating and anti-corruption field related to the implementation of CP funds. In order to identify and mitigate corruption and other risks, there will be developed the National anti-fraud strategy for CP funds and CP funds risk management strategy including also anti-fraud and anti-corruption risk identification and

mitigation measures, that will be implemented and funded in the framework of Technical Assistance.

- (1080) The CP fund management and control system shall be improved to make it more safe, reliable and be able to respond to the external circumstances (decrease in budget and other factors) and changes in internal environment (changes in priorities, redistribution of functions and other factors) that allow not to lose focus on defined objectives and results at the same time.
- (1081) To implement the principles described by the EC to ensure equal opportunities and non-discrimination, Technical assistance shall be provided within the measures for achievement of objectives relating to priority areas and specific support for coordination of HP Equal Opportunities and management of CP funds, training and consulting of personnel involved in monitoring and control, MC participants and financing receivers on the matters relating to non-discrimination, gender equality and rights of disabled persons, regardless of gender, race, ethnic origin, religion or beliefs, disability, sexual orientation, age and availability of environment to persons with functional disorders. Technical assistance shall be provided for coordination of the HP Sustainable Development and training of the personnel involved in CP fund management, implementation, monitoring and control, MC participants and beneficiaries of financing.
- (1082) Accounting of functions/obligations to be performed and funding source for monitoring, ex-post monitoring and closure function for 2007-2013 programming period will be clearly separated by order and stipulated in the employee`s job description thus providing clear approach for this amount of functions and funding source, excluding the risk of double financing.
- (1083) To ensure on 2007-2013 programming period conclusions based even transition from one period to another, most effective solutions shall be provided in 2007-2013 programming period, inter alia adoption of good practice, learning from other member states and training of personnel in corresponding areas, as well as other actions to ensure achievement of targets defined in OP.
- (1084) **Indicative activities to be supported:** support for strengthening capacities of institutions involved in the CP fund implementation system, including wages and measures relating to growth of capacity and qualification; training for institutions and cooperation partners involved in CF fund management;; support to improvement of CP fund planning, management and control system; CP fund monitoring; support to monitoring of CP funds; support to ex-post monitoring of CP fund 2007-2013 programming period; support the implementation of control measures, including financial control; support to establishment, development and administration of eCohesion; support to coordination of horizontal policy.
- (1085) **Indicative target group:** governmental authorities involved in CP fund management, implementation, assessment, monitoring and ex-post monitoring; cooperation partners; CP fund Audit Authority.
- (1086) **Indicative beneficiaries:** governmental authorities involved in CP fund management, implementation, assessment, monitoring and ex-post monitoring and their employees; cooperation partners; CP fund Audit Authority.
- (1087) **Project selection:** see Annex “Project selection”

Table No. 2.12.2. (13)

#### CP specific output indicators

SO	Indicator	Measurement unit	Target value (in 2023)	Source of data
i.12.1.1.a (ITP6)	Number of employee (co-financed by TA)	number(full-time load)	225	Project data

SO	Indicator	Measurement unit	Target value (in 2023)	Source of data
i.12.1.1.b (ITP7)	Number of persons who have applied for training	Persons	500	Project data
i.12.1.1.c (ITP8)	Developed and implemented eCohesion system	Sustem	1	Project data

Table No. 2.12.3. (14–13)

<i>CF: Less developed regions</i>											
Category of intervence		Type of financing		Territory		Territorial mechanisms for achieving		ESF secondary themes (ESF only)		Thematic objectives	
Code	mill. EUR	Code	mill. EUR	Code	mill. EUR	Code	mill. EUR	Code	mill. EUR	Code	mill. EUR
121	40 715 710	1	40 715 710	7	40 715 710	N/A	N/A	N/A	N/A	12	40 715 710

## Use of technical assistance to other priority axis objectives

(1088) Technical assistance priority axes and its SO contribute to the achieve objectives, outcomes and indicators set out in other priority axis.

(1089) The table below shows the technical assistance in relation to other priority axes.

Table Nr. 2.13. (13)

**Technical assistance relation with other priority axes**

Priority axis	Description
Research, technological development and innovation	Technical Assistance funds will be allocated to Priority Axis 1 “Research, technological development and innovation” to increase the capacity of institutions involved in the EU fund planning, management, supervision and control, including training, as well as evaluations and researches which are directly related to the implementation of these priority axes, including the fulfilment of the ex-ante conditions.
2. Availability of the ICT, e-government and services	Technical Assistance funds will be allocated to Priority Axis 2 “Availability of the ICT, e-government and services” to increase the capacity of institutions involved in the EU fund planning, management, supervision and control, including training, as well as evaluations and researches which are directly related to the implementation of these priority axes.
3. Competitiveness of small and medium-sized enterprises	Technical Assistance funds will be allocated to Priority Axis 3 “Competitiveness of small and medium-sized enterprises” to increase the capacity of institutions involved in the EU fund planning, management, supervision and control, including training, as well as evaluations and researches which are directly related to the implementation of these priority axes.
4. Shift towards a low-carbon economy in all sectors	Technical Assistance funds will be allocated to Priority Axis 4 “Shift towards a low-carbon economy in all sectors” to increase the capacity of institutions involved in the EU fund planning, management, supervision and control, including training, as well as evaluations and researches which are directly related to the implementation of these priority axes.
5. Protection of environment and effective use of resources	Technical Assistance funds will be allocated to Priority Axis 5 “Protection of environment and effective use of resources” to increase the capacity of institutions involved in the EU fund planning, management, supervision and control, including training, as well as evaluations and researches which are directly related to the implementation of these priority axes.
6. Sustainable transportation system	Technical Assistance funds will be allocated to Priority Axis 6 “Sustainable transportation system” to increase

Priority axis	Description
	the capacity of institutions involved in the EU fund planning, management, supervision and control, including training, as well as evaluations and researches which are directly related to the implementation of these priority axes.
7. Employment, labour mobility and social inclusion	Technical Assistance funds will be allocated to Priority Axis 7 “Employment, labour mobility and social inclusion” to increase the capacity of institutions involved in the EU fund planning, management, supervision and control, including training, as well as evaluations and researches which are directly related to the implementation of these priority axes.
8. Education, skills and lifelong learning	Technical Assistance funds will be allocated to Priority Axis 8 “Education, skills and lifelong learning” to increase the capacity of institutions involved in the EU fund planning, management, supervision and control, including training, as well as evaluations and researches which are directly related to the implementation of these priority axes, including the fulfilment of the ex-ante conditions.
9. Social inclusion and combating poverty	Technical Assistance funds will be allocated to Priority Axis 9 “Social inclusion and combating poverty” to increase the capacity of institutions involved in the EU fund planning, management, supervision and control, including training, as well as evaluations and researches which are directly related to the implementation of these priority axes, including the fulfilment of the ex-ante conditions..

### 3. FINANCING PLAN

Table No. 3.1. (17)

#### ESF, ERDF and CF funding distribution by years, million EUR

No	Fund	Region	2014, EUR	2015, EUR	2016, EUR	2017, EUR	2018, EUR	2019, EUR	2020, EUR	Total, EUR
(1)	ERDF	Less developed region	277 214 930	291 536 583	328 768 552	342 810 774	357 274 862	394 164 452	409 482 299	2 401 252 452
	Basic amount	Less developed region	260 582 034	274 044 388	309 042 439	322 242 128	335 838 370	370 514 585	384 913 360	2 257 177 304
	Reserves	Less developed region	16 632 896	17 492 195	19 726 113	20 568 646	21 436 492	23 649 867	24 568 939	144 075 148
(5)	ESF	Less developed region	101 569 026	105 377 525	87 428 101	91 162 294	95 008 670	76 968 199	81 041 613	638 555 428
	Basic amount	Less developed region	96 452 771	99 817 625	82 182 415	85 692 556	89 308 150	72 350 107	76 179 116	601 982 740
	Reserves	Less developed region	5 116 255	5 559 900	5 245 686	5 469 738	5 700 520	4 618 092	4 862 497	36 572 688
(9)	YEI	N/A	16 298 112	12 712 527	0	0	0	0	0	29 010 639
	Basic amount	N/A	16 298 112	12 712 527	0	0	0	0	0	29 010 639
	Reserves	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(10)	CF	N/A	167 454 594	175 995 293	185 012 112	193 047 173	200 965 711	209 486 800	217 453 012	1 349 414 695
	Basic amount	N/A	157 407 318	165 435 575	173 911 385	181 464 343	188 907 768	196 917 592	204 405 832	1 268 449 813
	Reserves	N/A	10 047 276	10 559 718	11 100 727	11 582 830	12 057 943	12 569 208	13 047 180	80 964 882
(12)	Total		562 536 662	585 621 928	601 208 765	627 020 241	653 249 243	680 619 451	707 976 924	4 418 233 214



Table No. 3.2. (18A)

### Financing plan for operational programme

Kods	Prioritārais virziens	Fonds	Reģions	Publiskās attiecināmas izmaksas, EUR	Savienības atbalsts, EUR	Nacionālais finansējums, EUR	Nacionālais publiskais finansējums, EUR	Nacionālais privātais finansējums, EUR	Kopējais finansējums, EUR	Līdzfinansējuma likme, %	EIB līdzdalība, EUR	Pamatpiešķirums bez rezerves, EUR	Rezerve, EUR	Rezerves apjoms, %
1	1. Research, technological development and innovation	ERDF	Less developed region	525 454 395	467 519 706	82 503 479	57 934 689	24 568 790	550 023 185	85%	0	439 003 228	28 516 478	6%
2	2. Availability of ICT, e-government and services	ERDF	Less developed region	195 514 955	172 783 829	30 491 264	22 731 126	7 760 138	203 275 093	85%	0	162 244 837	10 538 992	6%
31	3. Competitiveness of small and medium-sized enterprises	ERDF	Less developed region	318 747 708	296 191 300	52 269 056	22 556 408	29 712 648	348 460 356	85%	0	278 125 040	18 066 260	6%
32	3. Competitiveness of small and medium-sized enterprises	ESF	Less developed region	21 251 009	18 063 357	3 187 652	3 187 652	0	21 251 009	85%	0	16 940 083	1 123 274	6%

Kods	Prioritārais virziens	Fonds	Reģions	Publiskās attiecināmas izmaksas, EUR	Savienības atbalsts, EUR	Nacionālais finansējums, EUR	Nacionālais publiskais finansējums, EUR	Nacionālais privātais finansējums, EUR	Kopējais finansējums, EUR	Līdzfinansējuma likme, %	EiB līdzdalība, EUR	Pamatpiešķirums bez rezerves, EUR	Rezerve, EUR	Rezerves apjoms, %
41	4. Shift to low-carbon economy in all sectors	ERDF	Less developed region	336 875 566	286 344 229	50 531 337	50 531 337	0	336 875 566	85%	0	268 878 593	17 465 636	6%
42	4. Shift to low-carbon economy in all sectors	CF	N/A	200 011 298	194 266 292	34 282 288	5 745 006	28 537 282	228 548 580	85%	0	182 247 678	12 018 614	6%
51	5. Preservation and protection of environment , and incentives related to effective use of the resources	ERDF	Less developed region	509 314 166	432 917 039	76 397 127	76 397 127	0	509 314 166	85%	0	406 511 160	26 405 879	6%
52	5. Preservation and protection of environment , and incentives related to effective use of the resources	CF	N/A	194 059 921	190 138 398	33 553 837	3 921 523	29 632 314	223 692 235	85%	0	178 375 164	11 763 234	6%

Kods	Prioritārais virziens	Fonds	Reģions	Publiskās attiecināmas izmaksas, EUR	Savienības atbalsts, EUR	Nacionālais finansējums, EUR	Nacionālais publiskais finansējums, EUR	Nacionālais privātais finansējums, EUR	Kopējais finansējums, EUR	Līdzfinansējuma likme, %	EJB līdzdalība, EUR	Pamatpiešķirums bez rezerves, EUR	Rezerve, EUR	Rezerves apjoms, %
61	6. Sustainable transportation system	ERAF	Less developed region	277 032 428	235 477 563	41 554 865	41 554 865	0	277 032 428	85%	0	221 114 552	14 363 011	6%
62	6. Sustainable transportation system	KF	N/A	992 194 804	924 294 295	163 110 762	67 900 509	95 210 253	1 087 405 057	85%	0	867 111 261	57 183 034	6%
72	7. Employment and labour mobility	ESF	Less developed region	122 898 159	106 400 149	18 776 499	16 498 010	2 278 489	125 176 648	85%	0	99 783 628	6 616 521	6%
73	7. Employment and labour mobility	YNI	N/A	61 997 230	58 021 278	5 119 525	3 975 952	1 143 573	63 140 803	92%	0	58 021 278	N/A	N/A
81	8. Education, skills and lifelong learning	ERDF	Less developed region	326 424 456	277 460 786	48 963 670	48 963 670	0	326 424 456	85%	0	260 536 998	16 923 788	6%
82	8. Education, skills and lifelong learning	ESF	Less developed region	279 347 294	238 500 493	42 088 327	40 846 801	1 241 526	280 588 820	85%	0	223 669 279	14 831 214	6%
91	9. Social inclusion and combating poverty	ERDF	Less developed region	216 855 270	193 377 447	34 125 433	23 477 823	10 647 610	227 502 880	85%	0	181 582 343	11 795 104	6%
92	9. Social inclusion and combating poverty	ESF	Less developed region	263 139 608	225 160 750	39 734 254	37 978 858	1 755 396	264 895 004	85%	0	211 159 071	14 001 679	6%

Kods	Prioritārais virziens	Fonds	Reģions	Publiskās attiecināmas izmaksas, EUR	Savienības atbalsts, EUR	Nacionālais finansējums, EUR	Nacionālais publiskais finansējums, EUR	Nacionālais privātais finansējums, EUR	Kopējais finansējums, EUR	Līdzfinansējuma likme, %	EIB līdzdalība, EUR	Pamatpiešķirums bez rezerves, EUR	Rezerve, EUR	Rezerves apjoms, %
10	10. Technical assistance "ESF support for implementation and management of CP Funds"	ESF	Less developed region	25 200 048	21 420 040	3 780 008	3 780 008	0	25 200 048	85%	0	21 420 040	0	0%
11	11. Technical assistance "ERDF support for implementation and management of CP Funds"	ERDF	Less developed region	46 094 769	39 180 553	6 914 216	6 914 216	0	46 094 769	85%	0	39 180 553	0	0%
12	12. Technical assistance "CF support for implementation and management of CP Funds"	CF	N/A	47 900 836	40 715 710	7 185 126	7 185 126	0	47 900 836	85%	0	40 715 710	0	0%
0	Kopā	ERDF	Less developed region	2 752 313 713	2 401 252 452	423 750 447	351 061 261	72 689 186	2 825 002 899	85%	0	2 257 177 304	144 075 148	
0	Kopā	ESF	Less developed region	711 836 118	609 544 789	107 566 740	102 291 329	5 275 411	717 111 529	85%	0	572 972 101	36 572 688	
0	Kopā	YNI		61 997 230	58 021 278	5 119 525	3 975 952	1 143 573	63 140 803	92%	0	58 021 278	0	
0	Kopā	CF	N/A	1 434 166 859	1 349 414 695	238 132 013	84 752 164	153 379 849	1 587 546	85%	0	1 268 449 813	80 964 882	

Kods	Prioritārais virziens	Fonds	Reģions	Publiskās attiecināmas izmaksas, EUR	Savienības atbalsts, EUR	Nacionālais finansējums, EUR	Nacionālais publiskais finansējums, EUR	Nacionālais privātais finansējums, EUR	Kopējais finansējums, EUR	Līdzfinansējuma likme, %	EJB līdzdalība, EUR	Pamatpiešķirums bez rezerves, EUR	Rezerve, EUR	Rezerves apjoms, %
									708					
0	Kopā			4 960 313 920	4 418 233 214	774 568 725	542 080 706	232 488 019	5 192 801 939	85%	0	4 156 620 496	261 612 718	

Table No. 3.3. (18B)

**Distribution of funding among activities relating to the youth employment financed by ESF and Youth Employment Initiative specific assigned means<sup>172</sup>, as well as co-funding rate for Youth Employment Initiative**

Fund	Region	Amount of public funding, million EUR	EU support [1]	National co-funding million EUR [2=3+4]	Indicative national public co-funding, million EUR [3]	Indicative private co-funding, million EUR [4]	Total amount of funding, million EUR [5=1+2]	Co-funding rate, % [6=1/5]
Youth Employment initiative	N/A	29 010 639	29 010 639	0	0	0	29 010 639	100%
ESF comparable funding	Less developed region	32 986 591	29 010 639	5 119 525	3 975 952	1 143 573	34 130 164	85%
Total		61 997 230	58 021 278	5 119 525	3 975 952	1 143 573	63 140 803	92%
Share	Less developed region		1					

Table No. 3.4. (18C)

<sup>172</sup> This table has to be completed for every (part of a) priority axis, which implements the YEI.

### Breakdown of financing by priority axis and thematic objectives

Priority axis	Fund	Region	Thematic objective	Union support, EUR	National funding, EUR	Total funding, EUR
1. Research, technological development and innovation	ERDF	Less developed region	1. To strengthen research, technological development and innovation	467 519 706	82 503 479	550 023 185
2. Availability of ICT, e- government and services	ERDF	Less developed region	2. To improve availability, use and quality of information and communication technology	172 783 829	30 491 264	203 275 093
3. Competitiveness of small and medium-sized enterprises	ERDF	Less developed region	3. To improve competitiveness of small and medium-sized enterprises	296 191 300	52 269 056	348 460 356
3. Competitiveness of small and medium-sized enterprises	ESF	Less developed region	11. To improve institutional capacity and efficient public administration	18 063 357	3 187 652	21 251 009
4. Shift to low-carbon economy in all sectors	ERDF	Less developed region	4. To support the shift towards a low-carbon economy in all sectors	286 344 229	50 531 337	336 875 566
4. Shift to low-carbon economy in all sectors	CF	N/A	4. To support the shift towards a low-carbon economy in all sectors	194 266 292	34 282 288	228 548 580
5. Preservation and protection of environment, and incentives related to effective use of the resources	ERDF	Less developed region	5. To promote climate change adaptation, risk prevention and management 6. To protect environment and promote resource efficiency	432 917 039	76 397 127	509 314 166

Priority axis	Fund	Region	Thematic objective	Union support, EUR	National funding, EUR	Total funding, EUR
5. Preservation and protection of environment, and incentives related to effective use of the resources	CF	N/A	6. To protect environment and promote resource efficiency	190 138 398	33 553 837	223 692 235
6. Sustainable transportation system	ERDF	Less developed region	7. To facilitate sustainable transportation and eliminate deficiencies in the main network infrastructures	235 477 563	41 554 865	277 032 428
6. Sustainable transportation system	CF	N/A	7. To facilitate sustainable transportation and eliminate deficiencies in the main network infrastructures	924 294 295	163 110 762	1 087 405 057
7. Employment and labour mobility	ESF	Less developed region	8. To facilitate employment and support labour mobility	106 400 149	18 776 499	125 176 648
7. Employment and labour mobility	YEI	N/A	8. To facilitate employment and support labour mobility	58 021 278	5 119 525	63 140 803
8. Education, skills and lifelong learning	ERDF	Less developed region	10. To invest in education, skills and lifelong learning	277 460 786	48 963 670	326 424 456
8. Education, skills and lifelong learning	ESF	Less developed region	10. To invest in education, skills and lifelong learning	238 500 493	42 088 327	280 588 820
9. Social inclusion and combating poverty	ERDF	Less developed region	9. To stimulate social inclusion and combat poverty	193 377 447	34 125 433	227 502 880
9. Social inclusion and combating poverty	ESF	Less developed region	9. To stimulate social inclusion and combat poverty	225 160 750	39 734 254	264 895 004

Priority axis	Fund	Region	Thematic objective	Union support, EUR	National funding, EUR	Total funding, EUR
10. Technical assistance “ESF support for implementation and management of CP Funds”	ESF	Less developed region	NA	21 420 040	3 780 008	25 200 048
11. Technical assistance “ERDF support for implementation and management of CP Funds”	ERDF	Less developed region	NA	39 180 553	6 914 216	46 094 769
12. Technical assistance “CF support for implementation and management of CP Funds”	CF	N/A	NA	40 715 710	7 185 126	47 900 836
<b>Total</b>				<b>4 418 233 214</b>	<b>774 568 725</b>	<b>5 192 801 939</b>

Table No. 3.5. (19)

### Indicative support for objective related to climate change

Priority axis	Indicative funding, million EUR	Share of the total assigned funding
1. Research, technological development and innovation	0	0%
2. Availability of ICT, e- government and services	0	0%
3. Competitiveness of small and middle enterprises	0	0%
4. Shift to low-carbon economy in all sectors	411 244 901	73%
5. Preservation and protection of environment, and incentives related to effective use of the resources	129 586 931	18%
6. Sustainable transportation system	214 053 332	16%
7. Employment and labour mobility	0	0%
8. Education, skills and lifelong learning	0	0%
9. Social inclusion and combating poverty	0	0%
<b>Total</b>	<b>754 885 164</b>	<b>17,09%</b>





## **4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT**

- (1090) In the framework of territorial support measures challenges that are crucial for promotion of balanced territorial development and are cross-sectoral will be addressed. These measures are going to be based on bottom-up approach, include cross-sectoral perspective and are going to be implemented based on local development priorities that are identified in integrated development programmes of municipalities. Also sectoral support measures will contribute to territorial development even though they are primarily directed to addressing sectoral issues. Investments for development of entrepreneurship in the framework of ITI will be implemented closely with priority axis "Research, development of technologies and innovations", priority axis "Availability of ICT, e-government and services", priority axis "Competitiveness of SMEs", priority axis "Environmental protection and resource efficiency" and priority axis "Education, skills and lifelong learning" in compliance with the Smart specialisation strategy. Complementary to planned investments will be also activities in the framework of 2014-2020 ETC and set of activities implemented in the Norwegian Financial Mechanism funded project which aims to facilitate attraction of local entrepreneurs and foreign investors in municipalities, as well as support for local roads network provided under EAFRD operational programs. In addition to the RDP 2020 measure „Investments in material assets”, which will be the most significant investments in rural areas, support is going to be provided also according to the regional principle in order to ensure balanced regional development. In order to promote development of entrepreneurship more CLLD funding of RDP 2020 for LEADER approach measures is going to be assigned to LAGs, which operate in areas with a lower population density.
- (1091) As a result of implementation of the territorial measures and use of the ITI approach, with integrated planning of investments by municipalities in educational and re-socialization infrastructure, business support infrastructure and regeneration of degraded environment, growth of economy and employment with a synergistic effect will be achieved. Detailed results are reflected in outcome and result indicators defined in the SO framework.
- (1092) More detailed description of the role of national and regional development centers for a balanced development of the country, by statistically describing the needs, as well as importance of a cross sectoral, smart and strategically farsighted local development planning, that is emphasized in national-level planning documents on regional development, is found in the OP Section 1 "Investing strategy "Europe 2020" objectives ". For more detailed information on the analysis of spatial development needs, see the PA subsection 1.1. "Territorial unbalanced economic development".

### **4.1. Community-led local development**

- (1093) Support within the framework of OP is not planned.

### **4.2. Integrated urban development**

- (1094) The ERDF regulation provides that at least 5% of the ERDF financing provided to a country is to be invested in resolution of challenges relating to economic, social, demographic, environmental and climate challenges in cities based on integrated municipal development programs, taking interrelation of cities and rural areas into account.
- (1095) Unified investments in integrated development of urban environment from five different thematic objectives, priority areas, investment priorities and six various specific objectives provide for investments in support of entrepreneurship and attraction of investments, revitalization of degraded territories and adoption to economic activities, promotion of employment, energy-efficiency and improvement of social infrastructure and educational environment of general professional educational establishments. ITI approach is planned to be

used in the centres for resolution of economic, demographic, social, environmental sustainability and educational challenges (in Riga, Daugavpils, Jelgava, Jekabpils, Jurmala, Liepaja, Rezekne, Valmiera, Ventspils), spending the ERDF financing in the amount of EUR 230,84 million for promotion of urban development.

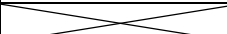
(1096) The above selected SO (3.3.1., 4.2.2., 5.6.2., 8.1.2., 8.1.3., 9.3.1) for implementation within ITI based on the research of local needs and development potential, assessing which of SO included in the OP can be resolved within ITI in the most effective way, allowing cities to implement diversified, specialized and forward-looking municipal integrated development programs, simultaneously making contribution in achievement of objectives provided by EU 2020 and as well as other national policies. The above beneficiaries of financing provided for by SO shall select at least two SO that ensure resolution of issues identified in municipal integral development programs.

(1097) The basis of the investment implementation mechanism shall correspond to article 7 of ERDF Regulation. Regional Development Coordination Council will be as a consultative body. It will include institutions involved in ITI implementation – institutions involved in ESI fund management and other institutions that will be involved in implementation and monitoring of sustainable urban development management – municipalities of the cities and unions of municipalities (according to ERDF Regulation Paragraph 3 of Article 7), as well as institutions of CP fund management, planning regions and other organizations involved in implementation of sustainable urban development). ITI implementation scheme can be divided into the following steps:

- **Coordination of integrated development programmes of municipalities-** national important development centers will develop or update and approve their integrated development programmes (strategies), with particular sections for ITI projects which will include integrated measures to tackle the economic, environmental, climatic, demographic and social challenges, simultaneously taking into account the need to develop links between cities and rural areas and Regional Development Coordination Council shall coordinate development strategies.
- **Concluding delegation agreement** between the Managing Authority, the municipality of the city and intermediate body;
- **Selection of operations and evaluation of ITI supported actions** – municipalities within ITI develop and select ITI projects that are consistent with the previously approved development strategies and provisions of specific objectives, in coordination with entrepreneurs and shall provide transparent selection of operations within ITI;
- **Concluding agreement on project implementation.**

Table No. 4.1. (20)

**Indicative ERDF volume for sustainable development of urban environment and indicative volume of ESF for integrated activities**

\	Indicative ERDF volume for sustainable development of urban environment and indicative volume of ESF for integrated activities (EUR)	Part of the total funding by the fund (%)
ERDF	230 848 621	9,61%
ESF	0	0
Total	230 848 621	

### **4.3. Integrated Territorial Investment (ITI)**

(1098) ITI are planned for 9 cities – in national development centres: Riga, Daugavpils, Jelgava, Jekabpils, Jurmala, Liepaja, Rezekne, Valmiera, Ventspils according to article 7 of ERDF Regulation providing EUR 230.84 million for promotion of urban development .See part 4.2. „Integrated urban development”.

### **4.4. The arrangements for interregional and transnational actions, within the operational programme, with beneficiaries located in at least one other Member State**

[not applicable]

### **4.5. A mechanism that ensures coordination with the EU Strategy for the Baltic Sea Region**

- (1099) To ensure the coordination between CP funds and consistency with goals and priority areas of EUSBSR mechanisms of several levels are envisaged: involvement of EUSBSR National Contact Point in Monitoring committeescommittee of the OP as well as, participation of MoF as PA coordinator in EUSBSR working group (established with order No. 577<sup>173</sup> of the Cabinet of Ministers under which MoFA shall fulfil functions of national coordinator of EUSBSR) in MoFA, as well as involvement of MoFA into the elaboration process of national level regulatory acts on EU support to facilitate attraction of financing for EUSBSR projects.
- (1100) Within EUSBSR working group each ministry of the specific industry shall be responsible for involvement of Latvia in each priority of the EUSBSR Action Plan. Ministries are encouraged to identify and promote in each dialogue with social partners the implementation within the framework of the EUSBSR Action Plan of regional cooperation projects concerning their particular industry, and that are significant for Latvia. Respectively, sectorial ministries or institutions thus is expected to ensure the identification of national interests and attraction of financing for EUSBSR projects in their respective field using both national and ESI funds..
- (1101) Involvement of EUSBSR National Contact point in Monitoring Committee will ensure exchange of necessary information on financing opportunities of EUSBSR projects, i.e., on starting dates and selection criteria of specific objectives, in certain cases allowing to include specific selection criteria facilitating the financial opportunities for EUSBSR projects. However, it is essential to ensure the elaboration of high quality EUSBSR projects well matching the aims of specific objective.
- (1102) There are several areas, where Latvian national interests correspond to the EUSBSR objectives: energy security and independence, collaboration-oriented cooperation, development of an innovation-based infrastructure, improvement of a transport infrastructure, mitigation of regional differences, etc. and it is expected EUSBSR projects in these areas to be financially contributed from EU funds. Detailed information on Latvian national interests and experience so far in the context of EUSBSR is included in section 3.1.4. of the Partnership Agreement.
- (1103) Within Operation programme there is a list of specific objectives where the activities of particular objectives will contribute achieving the overall goals of the EUSBSR (please see Annex 7 for detailed information). EUSBSR flagship projects are to be financed within these particular objectives.

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<sup>173</sup> Order No. 577 of the Cabinet of Ministers from 25 August 2009 “To establish working group for coordination of the European Union Strategy for the Baltic Sea Region”

## **5. SPECIFIC NEEDS OF GEOGRAPHICAL AREAS MOST AFFECTED BY POVERTY OR TARGET GROUPS AT HIGHEST RISK OF DISCRIMINATION OR SOCIAL EXCLUSION**

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### **5.1. Geographical areas most affected by poverty**

- (1104) Major differences in indicators of area developments are observed in the regions of Latvia. Low economic activity and incomplete preconditions for its increasing in the regions, especially along the eastern border and rural areas, is a significant reason for regional development differences. The significant differences in economic activity, accessibility and accessibility of services creates different life quality standards and development opportunities for the area residents and encourages the migration of population from less developed areas to more developed ones, thus even further reducing the growth opportunities of less developed areas.
- (1105) Statistical data on the poverty risk rate<sup>174</sup> in Latvia are available at the level of statistical regions (NUTS3) and in 2011 the parameter varied from 10.7% in Riga to 30.5% in Latgale region (Riga suburbs – 17.3%, Kurzeme – 19.6%, Zemgale – 22,3%, Vidzeme – 30.7%). The average indicator in Latvia – 19.4% of the population exposed to the poverty risk – therefore does not reflect the territorial differences to be observed among regions. The residents of rural areas are also more exposed to poverty risk than urban residents. Data on poverty index in the breakdown by local administrative territories – regions and towns – are not available during development of Partnership agreement in Latvia. Yet, the uneven situation within the regions is confirmed, particularly, by the operative data of the MoW on the number of persons, having a status of a poor person (see annex the „Number of residents who had a status of a poor person as of January 2013”) After having calculated the proportional share of residents who has a poor person status in relation to residents of all relevant cities or regions, it can be concluded that in January 2013 the proportion of needy persons fluctuated from 0.88% in the Marupe municipality to 25.27% in the Cibla municipality, while the status of a needy person in the aforementioned period in Latvia was assigned to 5.37% of population. Latgale has the biggest number of municipalities with large proportion of people in need. The measures to be taken by Latvia for reduction of the poverty rate are based on changes in tax and benefit policy and improvement of social security system, as well as expansion of state budget-supported access to child care services and reimbursement of the education costs; ESF support is planned for facilitation of availability of healthcare and educational services, improvement of professional social work and monitoring of poverty and social exclusion risk. Regional differences pursuant to the content of the specific measure will be taken into account in implementation of employment measures (including by planning more resources for long-term activation programmes of unemployed and mobility support for the regions with higher unemployment rate and fewer job vacancies).
- (1106) The target groups most exposed to poverty risk include incomplete families, large families, households with one member. The situation of these groups is expected to improve as a result of changes to tax and benefit system, by improving accessibility of services and strengthening social work in municipalities. Support to disabled persons is planned in several directions – for development of inclusive education, support of employment and ensuring

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<sup>174</sup> The risk of poverty reflects the proportion of people whose income is less than 60% of median income.

services at the place of residence to facilitate independent life of disabled persons in society. Special attention will be paid to improvement of accessibility of the physical environment, transportation, ICT and other planned public objects and services supported by EU funds for disabled persons. More details are mentioned in Table 5.1.

## 5.2. Strategy to address the specific needs of geographical areas most affected by poverty

- (1107) After having assessed a paradigm of the new regional policy, international and national level documents relating to the regional development and the experience of Latvia up to date, and taking the above into account, Latvian regional policy up to 2020 provides for activation of the ability of local authorities to affect development of their territories based on the resources of the local territories. Target audiences or territorial focus, new investment planning and support system to territories, thematic concentration in facilitation of regional development with emphasis on stimulation of economic activity in the areas, as well as the emphasis on extensive involvement of various parties in reaching the regional policy objectives is established in the regional policy of Latvia. Development opportunities within the framework of regional policy will be provided to each territory of Latvia, simultaneously setting specific territorial focus, for the provided support to be purposeful and give maximum return. The most significant role in this context will be played by development centres of international, national and regional importance. The investments in 2014-2020 programming period therefore will be based on development opportunities and priorities identified on local and regional level, which are justified in territorial development and industry planning documents.
- (1108) The measures for reducing poverty implemented by Latvia are based on changes in the policy for tax and allowances and improvement of social security system and extension of state budget-based approach to the child care services and coverage of expenses relating to education. ESF support is planned for promotion of accessibility of health care educational services, advancement of professional and social work and monitoring of the risk and situation relating to poverty and social exclusion. Regional differences relevant to the content of a certain measure shall be taken into account in the course of implementation of employment measures (particularly, more resources for unemployed activation programs and support of mobility in regions with a higher level of unemployment and a lower number of free jobs are provided). ERDF support is planned for promotion of entrepreneurship and measures relating to energy-efficiency and social care.
- (1109) To ensure special support to the territories, relating to demographic, social risks and a risk of poverty, in accordance with the Regional Policy Guidelines 2013-2019, the projects shall be selected subject to specific selection criteria, and additional financing for promotion of development shall be provided.

Table No. 5.1. (22)

### Actions to address specific needs of geographical areas/target groups most affected by poverty

Target group/geographical region	Main supported activities as a part of integrated approach	Priority axis	Source of funding	Investment priority
SMEs, start-up enterprises, self-employed persons, private individuals	Enhancement of access to finance to facilitate formation of new and the development of existing enterprises –	Competitiveness of small and medium-sized enterprises	ERDF	promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.

Target group/geographical region	Main supported activities as a part of integrated approach	Priority axis	Source of funding	Investment priority
(authors of ideas)/ territory of Latvia	guarantees, loans, investments, consultations, trainings, support for business incubation services, including ones for entrepreneurs representing creative industries, support for development of material technical base (infrastructure) infrastructure of creative incubator, support for the development of infrastructure corresponding to the needs of manufacturing industry enterprises, including appropriate premises, support for establishment and development of high growth enterprises – provision of risk capital investments and technology acceleration services etc.			
Investments in regions (outside Riga), incl., regional territories which fall outside the scope of development centres.	Development of public infrastructure for promotion of business activities	Competitiveness of small and medium- sized enterprises	ERDF	supporting the creation and the extension of advanced capacities for product and service development;
National- and regional-scale development centres with the lower social and economic development	Development of public infrastructure for promotion of business activities	Preservation and protection of environment, and incentives related to effective use of the resources	ERDF	taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures.
Young people who do not study and are not employed	Support measures for job search for young people, measures for increase of their competitiveness, employment for obtaining of the first work experience, subsidized workplaces; support for self-	Employment and labour mobility	YEI	Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee.

Target group/geographical region	Main supported activities as a part of integrated approach	Priority axis	Source of funding	Investment priority
	employment or business start-ups			
Elderly employed people	Assessment of abilities, skills and health of elderly employees, measures to improve their skills; adjustment of workplaces	Employment and labour mobility	ESF	adaptation of workers, enterprises and entrepreneurs to change
Employed exposed to the risk of unemployment, including those older than 45	Advanced training of the employed and comprehension of informal programs	Education, skills and lifelong learning	ESF	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences.
Disadvantaged unemployed and people exposed to the risk of discrimination	subsidized workplaces for disabled unemployed and unemployed in an unfavourable circumstances, mentoring, reducing of obstacles for their employment	Social inclusion and combating poverty	ESF	active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
People exposed to the risk of territorial, social exclusion and poverty	Health promotion and disease prevention measures, in particular, for people at risk of territorial, social exclusion and poverty	Social inclusion and combating poverty	ESF	enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest.
Children and young people under non-family care, grownups with mental disorders, disabled people, people exposed to the risk of territorial, social exclusion and poverty	Establishment of „Youth houses”, development of care providers close to the family environment for children being in non-family care outside of institutions; provision of social services at places of residence; improvement of technical equipment of health care institutions in the priority (heart and vascular system, oncology, perinatal and neonatal period care and mental care) health care areas	Social inclusion and combating poverty	ERDF	Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services



## **6. SPECIFIC NEEDS OF GEOGRAPHICAL AREAS WHICH SUFFER FROM SEVERE AND PERMANENT NATURAL OR DEMOGRAPHIC HANDICAPS**

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- (1110) Latvia has too large disproportions in territorial development indicators, which are substantial also on the EU scale. According to Eurostat data, in dispersion of regional per capita GDP<sup>175</sup> in NUTS 3 statistical region group in 2009 Latvia showed the fourth worst result among EU member states (43.3%). Similar trends can be observed also in other social and economic development indicators of other territories. The number of population between 2000 and 2011 has increased only in the areas around the capital, whereas it has decreased in the rest of the country; in individual more distant municipalities the decrease is as much as 25-30% (Population census data). Especially negative economic development indicators may be observed in the Latgale region<sup>176</sup>.
- (1111) The significant differences in economic activity, availability and accessibility of services creates different life quality standards and development opportunities for the area residents and encourages the migration of population from less developed areas to more developed ones, thus even further reducing the growth opportunities of less developed areas. GDP of statistical regions of Latvia per one resident in comparison with average EU indicators is constantly low. Per capita GDP of EU NUTS 3 regions in 2009 fluctuates from EUR 136 500 (Inner London – West regions in Great Britain) to EUR 2 300 (Silistra region in Bulgaria), while that of statistical or NUTS 3 regions of Latvia – from EUR 13 800 in the statistical region of Riga to EUR 4 500 per capita in the statistical region of Latgale.
- (1112) Districts along the eastern border take up 20,6% of the territory of Latvia, while only 7,4% of the population of Latvia resides there. The number of population in the municipalities along the eastern border between the beginning of 2007 and the beginning of 2012 has decreased three times faster than on average in municipalities, and 2,5 times faster than in Latvia in general; moreover, they also have a high proportion of population beyond working age and a low proportion of population below working age. Significant challenges in territorial development are also characteristic along the Lithuanian and Estonian borders, but they are similar to those in other rural areas. More detailed information see in the PA chapter “Territorially unbalanced economic development”.
- (1113) In order to handle the demographic challenges in respect of populating the territories, it is necessary within the framework of regional and city polities to revitalize development centres in the territories, which are rapidly voided, and facilitate integrated planning for development of urban areas and surrounding areas, linking tightly the urban and rural areas (for example, by linking the voided rural areas with the urban areas where the number of population increases).
- (1114) Target audiences or territorial focus, new investment planning and support system to territories, thematic concentration in facilitation of regional development with emphasis on stimulation of economic activity in the areas, as well as the emphasis on extensive involvement of various parties in reaching the regional policy objectives is established in the regional policy of Latvia. The most significant role in this context will be played by international, national and regional importance development centres. The investments in the

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<sup>175</sup> Variation ratio expressed as percentage. Characterizes deviation of regions in % of average GDP in the country. If digit is 0, differences among regions do not exist, i.e., equal amount of GDP is produced in all regions.

<sup>176</sup> According to Eurostat, per capita GDP of the Latgale planning region based on purchasing power (PP) in 2010 constituted only 6990 (in Latvia – 13 200, EU-27 – 24 500), i.e. less than 30% of EU-27 average.

2014-2020 programming period therefore will be based on development opportunities and priorities identified on local and regional level, which are justified in territorial development and industry planning documents.

- (1115) Long-term results and performance indicators of the regional policy to be reached by 2030: increased development rate for of lagging behind regions, to get as close as possible to average GDP level of the country by facilitating reduction of regional differences – dispersion of per capita GDP is less than 30 (base value in 2006 is 46,8); polycentric residence structure is facilitated, maintaining the ratio of urban/rural area residents 70/30 (i.e. limiting the migration of rural area residents to urban areas, since it cannot be stopped completely) (base value in 2009 is 67,8/32,2).
- (1116) In order to solve the aforementioned problems, investments of CP funds will be used for development of regional potential, improvement of environment of economic activity and the measures for stimulation of employment and education, especially planning specific investments for national and regional importance centres and Latgale municipalities (for example within the SO No 5.6.2). It will also be ensured that the measures implemented on regional and local level contribute to the implementation of sectoral policies in the areas. As to the investments needed in each territory, the visions of national, region and local levels will be matched within the new investment planning approach. In addition, the performance of territories with the greatest demographic challenges can be seen in table No.5.1. (22).

## **7. AUTHORITIES AND BODIES RESPONSIBLE FOR MANAGEMENT, CONTROL AND AUDIT AND THE ROLE OF RELEVANT PARTNERS**

- (1117) This section contains information on partners and involved institutions and institutions that ensure coordination of CP fund implementation.

### **7.1. Relevant authorities and bodies**

- (1118) In 2014-2020 institutions involved in management and control of the CP funds in accordance with the General Regulation and the Concept dated June 4, 2013 approved by the CoM on implementation of the ESIfunds in 2014.–2020 in Latvia. Responsible persons involved in implementation of CP funds shall be appointed in accordance with the specific objectives stipulated in OP.

*Table No. 7.1. (23)*

#### **Contact details of the authorities**

Authority/structure	Name, department or unit of an authority or structure	Head of the authority (position)
MA	MoF	Deputy Secretary of State in EUSFCF issues
Certification authority	State Treasury	State Treasurer
Audit authority	MoF	EU Funds Audit Department Director
Institution that receives payments from the European Commission	State Treasury	State Treasurer

- (1119) The management and control system is established based on the requirements, determined by General Regulation, i.e. decrease in administrative burden for beneficiaries of financing, clear distribution of functions among institutions that manage CP funds, focus on results, existence of clear risk management strategies, and results-oriented assessment system.
- (1120) Moreover, the Audit Authority shall be deemed a functionally independent structural unit, it is parted from the MA and other MoF functions. One of the most important implemented preconditions to ensure necessary independence of the Audit institution is a separate budget line, clearly distinguished subordination and notification (i.e. the Audit institution shall notify the Minister of Finance and the CoM), and the CoM, based on the audit report, shall approve that the MAs and Certifying Authority comply with the established criteria. The quality of work shall be ensured by already established experienced, professional and competent human resources and daily complied with international audit standards.
- (1121) The description of the roles of partners as related to the management, control and audit provided in a section of the PA „Horizontal principles”. See the list of partners involved in the development of PA and OP in Annex No 4 the „Partners involved in development of the Operational Program”.

## **7.2. Preparation of the Operational Programme and involvement of partners**

- (1122) The OP was developed by the MoF in collaboration with line ministries, SC, Cross-Sectoral Coordination Centre and in collaboration with cooperation partners and social partners and NGOs.
- (1123) Taking into account the fact that NDP 2020 is the main mid-term development planning document in Latvia, preparation of the PA and OP was commenced upon approval of the NDP 2020 in Saeima on December 20, 2012 after it had been widely discussed in the Saeima. In accordance with the position of the government, financing provided by ESI funds in 2014-2020 planning period is planned in accordance with the NDP 2020 strategy and priorities defined therein. In addition NRP, recommendations of the Council and the provisions of sectoral planning documents shall be used for development of OP and PL. All line ministries and other direct governmental authorities participated in identification of activities and related tasks, needs and achievable objectives and financing subordinated to the NDP 2020 priorities.
- (1124) The MoF developed a schedule that determined responsible institutions for preparation of information in section by OP sections. The responsible institutions within their competence framework and in consultation with cooperation partners developed and submitted information to the MoF.
- (1125) The MoF sent in parts the information received from the line ministries to the cooperation partners included in the ISC for consideration and feedback.
- (1126) Cooperation partners who expressed objections and recommendations regarding information provided by line ministries were invited to meetings within period of time from February to the end of April 2013 in order to mutually discuss submitted comments. In addition, in May 2013 the first public discussion of the draft PA was carried out, allowing for broader public to contribute to contents of the draft. From July 29, 2013 to August 29, 2013 the second public discussion of PA and OP took place, and simultaneously the draft PA and OP were submitted for assessment within the procedure of Meeting of the State Secretaries. More than 30 thematic discussions were arranged during the process of development of the OP, and participation in numerous conferences organized by municipalities and partners, where the partners and interested persons and organizations provided their objections and suggestions assessed and implemented in the OP in the course of its development. Constructive and productive collaboration with partners was one of the preconditions for the process of the OP development.
- (1127) Objections and suggestions were actively provided by the planning regions, municipal organizations, such as LALRG, LLPA, as well as by municipalities, associations of employees

and employers, e.g. FTUCL and LEC, various associations and formations: LKA, LDF, VKP, LLF, LIKTA, European Movement in Latvia, Latvian Parent Movement, Civic Alliance – Latvia, Latvian Family Physicians Association and others. Persons involved in business activities also actively participated in the development of the document.

- (1128) Planning regions, municipal organizations and municipalities emphasised that they had to be involved in the next planning of the EU funds for 2014-2020 programming period to ensure high-quality service coverage throughout Latvia and simultaneously asked to stipulate the municipalities as beneficiaries of the financing within various certain support objectives.
- (1129) The majority of partners suggested that the territory for implementation of specific support objectives should be enhanced, increasing the volume of planned financing, including the financing provided for the specific support objectives, extending the number of beneficiaries of the financing (especially for associations and formations), and proposed that new support objectives not included in the NDP 2020 or not supported by the CP are created.
- (1130) Alongside with PA approval process the line ministries in charge are organizing independent meetings with experts, cooperation partners on issues of programming and implementation of ESI funds in the programming period 2014-2020, which are concerned with contents of PA and OP.

#### **Additional forms for implementation of the partnership principle in the CP fund planning process**

- (1131) The process of preparation of the planning documents shall provide for the ICS as an additional form of partnership principle implementation and to ensure high-quality of CP fund planning documents.
- (1132) The working principles of the ISC of CP funds are stipulated in the Rules approved by the MoF. It consists of representatives of the state and local government institutions involved in the implementation of the ESI Funds, territorial administration, social and cooperation partners, as well as of the institutions involved in planning and implementation of the EU funds. During the work process of the ISC it was enlarged for several times by involving representatives of various institutions which were interested in actively participating in the ISC. The key tasks pursued by the ISC are as follows:
- 1) to monitor development of PA for 2014-2020 programming period for ESI funds;
  - 2) to monitor development of an operational programme for 2014-2020 programming period for CP funds;
  - 3) to monitor the process of coordination of PA and OP;
  - 4) to monitor the process of negotiations with the EC on approval of PA and OP;
  - 5) to agree on the defined milestones and their attainable values.

#### **Involvement of partners in further implementation, supervision and assessment of the CP Funds in the programming period 2014-2020**

- (1133) In the programming period of 2014–2020 it is planned to involve partners in an extensive and targeted way in rendering services for the attainment of industry objectives related, for instance, to social inclusion, employment, enhancement of business environment, environmental protection, education, etc. based on the expertise of associations and formations, thus ensuring the use of intellectual potential of the social partners within the respective industries.
- (1134) To further the best practices of 2007-2013 programming period for CP funds, after approval of CP fund planning documents, the MA shall establish a C for CP funds as a main form for involvement of partners, engaging representatives from public governance institutions and planning regions, social, cooperation partners and associations and formations. Furthermore, the

MA shall notify the MC on regular (at least two times per year) reports to the government on the progress of CP fund implementation.

- (1135) The MC and its subcommittees shall assess the conditions for implementation of the developed SAMSO and criteria for assessment of submission of specific projects, providing opinion on whether they comply with the economic breakaway and social and economic assessment of an impact of SO.
- (1136) In order to supervise consecutive implementation of the projects implemented by the municipalities, EPRDM, by fulfilling the function of the operation development of municipalities, shall ensure the coordination of the development programmes of municipalities, as well as ensure the operation of the Coordination Council, thereby eliminating the risk of overlapping of support provided by CP funds. Furthermore, to insure integral planning and implementation of the CP funds, growth challenges are to be taken into account and planned investments are to be coordinated with the municipal organizations, and conditions and regulatory base for implementation of SO are to be agreed upon with the above partners, particularly, in relation to the investments in transport, environment, employment, education and social services.
- (1137) Continuing the best practice of the programming period 2007-2013 for CP funds, the MA shall form a CP funds consulting group for thematic assessment of OP priority axis, thematic objectives and investment priorities with an aim to determine efficiency of their implementation within the established period. In the ESI Funds assessment process the partnership principle will be implemented by involving in the working group those partners who participate in planning and implementation of the CP funds. The working group if necessary will involve ETC programme representatives of the MA of the EAFRD and EMFF and, respective experts in order to ensure complementarity and synergy of the ESI Funds.
- (1138) MA for 2014-2020 programming period for CP funds shall continue the best practices of the 2007-2013 programming period for CP funds, and, preparing annual notifications for EC on implementation of OP in relation to the CP funds, shall agree the process with the partners and shall organize the MC within its activities.

#### **Involvement of social partners and associations and formation in implementation of the OP**

- (1139) Taking into account the fact that in 2007-2013 programming period of CP Funds the support was provided for strengthening of the capacity of social partners and associations, the support of social partners, associations and formations shall be of great importance for implementation of specific support measures provided for by the OP, while implementing the actions provided by the projects, taking into account their accrued experience and improved practices as related to dealing with and representing certain areas and sectors. Above are mentioned SO in which implementation would participate social partners, associations and formations. After discussions about SO implementing mechanism, in national legislative acts support beneficiary and cooperative partners will be defined in more details.
- (1140) Within the priority axis „Preservation and protection of environment, and incentives related to effective use of the resources” SO 5.4.2. „ To ensure development of a control system for environmental monitoring and timely prevention of environmental risks, and to promote green awareness” associations and formations are potential beneficiaries, as well as a special cooperation with associations and formations, and local authorities is planned regarding environmental education issues.
- (1141) Within the priority axis “Shift towards low carbon economy in all sectors” SO 4.1.1. " To promote efficient use of energy sources and reduction in energy consumption in the manufacturing industry.” associations and foundations are potential beneficiaries if in the building public delegated tasks or responsibilities in the social field is carried out.

- (1142) Within the priority axis „Employment and labour mobility” SO 7.3.1 „ To improve labour safety, especially in enterprises of hazardous industries.”, collaboration with social partners shall be ensured, therefore, ensuring provision of information and education, training and consultations as well as development of visual supplementary tools for environmental work and educational materials in the area of the employment law and environmental protection. 7.2.1. Within SO „ To increase the employment of young people not in employment, education or training and to facilitate their participation in education within the framework of Youth Guarantee.”, collaboration with employers and associations and formations shall be ensured to help young people to find a high-quality job, advanced training or practical training offer within four months after becoming unemployed or finishing formal education.
- (1143) In collaboration with municipalities, employers, associations and formations, SO 9.1.1. „ To facilitate inclusion of disadvantaged unemployed people in the labour market, as well as facilitate integration of people at risk of discrimination in the society and labour market.”, and SO 9.1.4. “To facilitate integration of people at risk of discrimination in the society and labour market.” shall be implemented to help to activate and involve in the labour market whose job seekers and inactive residents the most exposed to a risk of long-term unemployment and poverty and social exclusion. Municipalities and their involved associations and formations shall be the main partners for implementation of SO 9.2.2. „ To increase the availability of social services at home equivalent to the high-quality services of institutional care and availability of services close to family environment for children and people with disabilities.” with an aim to support the residents who stayed in social care or social rehabilitation institutions for a long time to move from long-term care institutions to the life in community, within SO 9.2.4. „ To improve accessibility to health promotion and disease prevention services, especially to persons who are subject to the poverty and social exclusion risk”, the associations and formations being potential beneficiaries of financing will be able to implement measures relating to health promotion and disease prevention, it’s also planned cooperation with local governments in planning and implementing public health measures to improve access to services in the regions.
- (1144) Within the priority axis „Education, skills and lifelong learning” SO 8.3.1 „ To develop competency- based general education curriculum” and SO 8.3.2 „ To increase support for general education institutions to develop students’ individual competences”, the associations and formations as potential beneficiaries of financing will be able to receive support for development of learning aids, improvement of teachers' competency and implementation of measures relating to implementation of inclusive education in the general education system. Within SO 8.3.3 „ To increase inclusion of SEA non-registered NEETs and foster their inclusion in education, supported measures within the framework of Youth Guarantee, and NGOs or youth centres”, associations and formations as potential beneficiaries of financing will be able to receive support for implementation of informal learning in youth centres or educational institutions for their social inclusion and competitiveness in the labour market. Within SO 8.4.1 „To develop professional competencies of employees”, in collaboration with associations and formations, training of employed residents shall be ensured to timely prevent non-compliance of the employees' qualification with the labour market requirements to promote the competitiveness of employed.
- (1145) Total amount of financing, for which social partners, associations and formations may apply, shall be EUR 319 million, subject to equal competition with other beneficiaries of financing in the course of project submission, and they also may participate as service providers in the projects with planned financing amounting to EUR 195 million.
- (1146) To promote participation of associations and formations in service provision and ability of the above beneficiary of financing to ensure co-financing with the state budget or 100% support of the CP funds shall be assessed within each SO.

## **8. COORDINATION BETWEEN THE FUNDS**

- (1147) The ESI regulation proposals and the EC position paper emphasize the coordination, complementarity and synergy of the ESI Funds and other EU and other foreign financial instruments. There is a need to have versatile coordination of investments in order to secure that they do not overlap, are complementary and conducive to the achievement of the objectives of strategy „Europe 2020”, strategy for the Baltic Sea Region.
- (1148) Development of planning documents for ESI Funds for year 2014–2020 shall be performed on the basis of priorities and objectives set by NDP 2020, and implementation instrument thereof shall be state and municipal budget resources, investment of Cohesion Policy and Common Agricultural Policy Funds, and other investment instruments of the EU budget, EU and other foreign financial aid instruments, and private funding, thus the MoF as the developer of the PA in cooperation with the CSCC and the MoA shall perform coordination of all the aforementioned financial resources held in shared management, providing the PA defined objectives focused investment.
- (1149) In addition, to provide the supervision of the NDP 2020 and compliance with coordination principles in respect of ESI Funds and other foreign financial instruments and aid, and integrated territorial development, the MoF shall establish a PA Management Team. Within it planning, attraction and supreme level supervision of appropriate financing of activities provided by the PA and being under implementation shall be ensured, providing involvement of ministries of all industries, the State Chancellery, partners of planning regions and cooperation.
- (1150) OP of the CP Funds is created by the MC, which allows providing coordination of the planned investments by concentrating information regarding all three CP Funds at one spot. In order to ensure administration, more efficient implementation and supervision of priority axis, a MC subcommittee shall be established. The objective of the subcommittee/-s shall be to ensure cooperation, exchange of information and involvement of line ministries, planning regions and cooperation partners, in planning of objectives, determining criteria for project applications, drafting of legal acts, implementation and supervision thereof, to ensure timely solution of identified planning and implementation problems, by promoting efficiency.
- (1151) The State aid at the moment of granting thereof shall correspond to the effective state aid procedures and terms, by identifying to which EC document related to the state aid the activities correspond to.
- (1152) It shall be relevant to coordinate CP Funds with EAFRD, EMFF, ETC programme and other foreign financial assistance and mutual coordination of CP funding programme, by ensuring a mutual synergy of the ETC programs and non-overlapping with the OP, as well as a consistency with EUSBRS goals and priority areas and horizontal actions.
- (1153) In order to ensure coordination with EAFRD and EMFF, during the preparation of the OP the MoF consulted with the MoA, the responsible line ministry, regarding the measures and conditionality for the funding to be included in the planning documents. Within the implementation procedure of the OP coordination will be ensured by attendance of representative of the leading institution at supervision committees of the EAFRD and the EMFF (Management Teams), and by attendance of representative of the MoA the MC. Coordination and demarcation during the RDP 2020 implementation period will be ensured through the cooperation between the MoA and MoF in the process of drafting legislation regulating the implementation of support measures, setting out detailed provisions for beneficiaries, coordinating compliance and project selection criteria, as well as ensuring cooperation and information exchange at the level of payment agencies during the entire period of programme implementation and monitoring.
- (1154) Latvia is involved in three ETC (cross-border cooperation) programmes (Estonia-Latvia Cross-border Cooperation Programme, Latvia-Lithuania Cross-border Cooperation Programme, Central

Baltic Sea Region Cross-border Cooperation Programme), as well as in two European Neighbourhood Instrument programmes (Latvia-Lithuania-Belarus and Latvia-Russia). MoEPRD has established ETC programmes' consultative working group involving representatives of ministries, Cross-Sectoral Coordination Centre, planning regions and social partners with the task of monitoring the preparation process of ETC programmes and the link with the NDP 2020. Priorities of ETC programmes have been determined in accordance with the Latvian national position and taking into account ETC priorities of other Member States involved. Taking into account possible overlapping between ETC and other Cohesion policy funded Operational Programmes, priorities of all ETC programmes are and will be aligned with the Ministry of Finance, ensuring coordination of both Cohesion policy objectives. Experience of the programming period 2007-2013 will be applied for the implementation and monitoring of the ETC programmes. Correspondingly the national sub-committee of ETC programmes will be established to ensure advisory functions to the national responsible authority regarding the conformity of project applications with the national and regional planning documents and their priorities, supporting or rejecting of the project applications submitted by Latvian partners, setting additional conditions for financing in the relevant programme's Monitoring Committee. To ensure the information availability regarding supported activities within the framework of the ETC programmes, the national responsible authority will inform other institutions involved in implementation of ESIF and financial instruments.

- (1155) In order to supervise the consecutive implementation of projects undertaken by the local governments, MoEPRD, by enacting its functions in regard to development of local governments, will review the local governments' development programmes and issue its consent, as well as MoEPRD will ensure the operation of the Coordination Council (mechanism of cooperation and coordination ensuring wide scope of members, including institutions and partners involved in implementation of CP funds), thus preventing the risk of overlapping support measures among ESI funds. In addition, to ensure integrated planning & implementation of measures co-financed by CP funds, it is vital to ensure that both the existing challenges for future growth are taken into account and that the planned investments are coordinated with local governments' organizations by involving them in the reviewing of the proposed implementation scheme and regulatory acts on the implementation of specific objectives, in particular, in such areas as transport, environment, employment, education and social inclusion, to ensure precise identification of investment needs and more effective planning at the same time ensuring equal treatment of all beneficiaries.
- (1156) Latvian involvement in implementation of EUSBSR is described more detailly in Chapter 4.5. of the OP "A mechanism that ensures coordination with the EU Strategy for the Baltic Sea Region".
- (1157) More detailed information on complementarity and synergies of the ESI fund and various EC direct and shared management financial instruments is available PA Chapter 2.1 "Coordination of Aid"

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## **9. EX- ANTE CONDITIONALITIES**

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- (1158) In accordance with Clause 6 Article 96 of the General Regulation information on fulfilment of ex-ante conditionalities shall be included in Part 2.3 „Summary on fulfilment of ex-ante conditionalities” of the PA.

## **10. REDUCTION OF ADMINISTRATIVE BURDEN FOR BENEFICIARIES**

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- (1159) In order to reduce administrative burden, a combination of measures will be ensured in the 2014-2020 programming period, which might ease the burden for the beneficiaries already from



the beginning of the planning stage of the projects, and continuing with their implementation and ensuring sustainability.

- (1160) The control system for the CP fund management shall be improved, by resolving such matters as the number of enterprises involved in management, ensuring planning and analytic capacity in the CP fund management system, better coordination of planned support; collaboration among establishments, coordination and avoiding overlapping of functions, achieving effective link of the CP SO planning process with certain objectives provided for by the planning documents and achievable results, and ensuring interlinked consistent implementation of SO and relevant financing planning<sup>177</sup>; development of an efficient monitoring and control system, including implementation of e-Government; synergy among various policy support schemes (coordination of investments and reduction in a risk of double financing at the level EU fund planning documents); approval of assessments and role of research. More effective involvement of partners and non-governmental sector in planning and use of CP funds.
- (1161) The evaluators at the same time point out that the factors which should be taken into consideration when developing management system of ESI funds, are linked to increasing the centralization level, determining the procedures for operative actions of institutions more precisely, centralizing and expanding the use of information system to the beneficiary, and more efficiently coordinating activities carried out in the scope of control function.<sup>178</sup>
- (1162) A range of significant measures for improvement of management and control system have already been carried out in the scope of the 2007-2013 programming period:
- 1) Role of control, supervision and internal audit of the MA in the system of CP funds is strengthened and national procedure for stopping the declaration of costs in EC is established, ensuring greater assurance to EC about the security of control system in Latvia.
  - 2) Optimized and harmonized practice for carrying out inspections at the locations of project implementation, allowing combining inspection of disbursement orders with inspection at the site of the project implementation.
  - 3) Unified practice for management of inconsistencies and collection of inappropriate expenses.
  - 4) Simplified preparation of project applications, developing standard forms, accelerated implementation of projects, linking the time for entering into agreements and approval of amendments.
  - 5) Established permanent rate of indirect expenses relating to the project management expenses.
  - 6) For individual beneficiaries for receiving the advance payment it is allowed to open an account within a credit institution (previously – only State Treasury);
  - 7) Beneficiary has smaller financial and control burden, by planning for an opportunity to perform random inspections of disbursement orders, as well as clearly setting requirements in relation to supporting documents of eligible costs.
- (1163) Based on the recommendations of audits of State Audit Office, audits ensured the Audit authority and auditors, the key activities for the 2014-2020 programming period related to the reduction in administrative burden are:
- 1) creation of an optimized institutional system. Starting a new programming period, the functions of a cooperating establishment for CP fund implementation shall be ensured

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<sup>177</sup> Suggestions relating to the necessity of these measures were also provided by the State Audit Service in their audit No. A 5.1-2-17/2010

<sup>178</sup> „Mid-term assessment of the implementation efficiency of NSRF priorities, measures and activities of CP funds for the 2007 – 2013 planning period” (General Part) Notification on assessment 2011 was made.

- by one institution (CFCA). On December 17, 2013 an informative notice on management and control system for 2014-2020 was approved.
- 2) avoiding overlapping of functions, i.e. distribution of functions among responsible establishments and cooperating establishments in relation to redistribution of functions and responsibilities is clearly provided for in regulations, therefore, a more effective and safe CP fund implementation system shall be ensured, strengthening the control system. The law on the management of CP funds was approved in 3<sup>rd</sup> July 2014 while Regulations of CoM on different aspects of management of CP funds are expected to be drafted by the March 2015.
  - 3) implementation of the e-cohesion system. A single central IT system will be developed for all institutions involved in the management of CP funds and project applicants/beneficiaries. It is planned that the system will be developed on the base of already functioning CFCA project management information system, by supplementing it with new models pursuant to requirements specified in CPR regulation and identified by the Member State. By the beginning of 2015, SIS will ensure an opportunity for the project applicants/beneficiaries to submit online the project application, forecasts of the disbursement request, disbursement requests and supporting documents as a digital document, access the archive of documents, electronically exchange the information with a Cooperation Authority of CP funds, and see the updated information on the project status, disbursements, inspection results and findings. In order to reduce the administrative burden for the beneficiary and the circulation of the paper documents between the beneficiary and institutions administrating CP funds, the information submitted by the beneficiary by using the solution of electronic data exchange, will not have to be submitted also in hard copies.
  - 4) implementation of unified standards. Unified practice and principles will be established among the institutions involved in the administration of CP funds, ensuring unified approach to controls and monitoring, reducing the volume of the supporting documents submitted by the beneficiary, developing standard agreement template, etc., thereby facilitating the work of institutions and the beneficiary and reducing the risk of inadequately incurred costs in the projects of CP funds. Uniform project evaluation criteria will be established, in order to reduce the administrative burden in the development and amendment process of project application evaluation criteria and to promote certainty in their application. In addition specific criteria for assessment of project applications shall be developed in the industry.
  - 5) to create unified procedure for reviewing the disputed decisions of the Cooperation Authority, and by strengthening the monitoring quality of the execution of functions delegated to Cooperation Authority, contested decisions of Cooperation Authority will be examined by MA.
  - 6) broader application of the simplified costs, in order avoid the need for the beneficiaries to account for each spent euro and submit all documents justifying costs to inspectors. An assessment to analyse the experience of the use of simplified payments for the 2007-2013 programming period and the possibility of applying different types of simplified cost to CP fund SO, and by the end of 2014 to prepare methodology for the use of simplified costs.
  - 7) use of electronic procurement system (EPS) (will be implemented starting the eligibility period).

## 11. HORIZONTAL PRINCIPLES

- (1164) The aim of the horizontal policy is to balance economic, social and environmental needs and interests to enhance the positive impact on the wider part of population as far as possible, therefore, OP shall define two HP the „Sustainable Development” and „Equal Opportunities”.

### 11.1.Sustainable development

- (1165) Implementation of the HP “Sustainable Development” provides for:
- 1) implementation of specific activities, the objectives of which comply with the HP objectives, taking into account the achieved outcome and resulting parameters,
  - 2) applying specific project application selection criteria (specific support and quality criteria), ensuring priority support to the projects that ensure a long-term impact on the quality of environment (e.g. providing for additional clauses in the project application assessment if measures to decrease a negative impact on the environment within the project, „green procurement” shall be used, etc.), as well as the implementation of the waste hierarchy, including prevention of waste generation and reduction of amount and danger of created waste.
  - 3) providing for supported activities for preservation of the quality of environment and reduction of negative impact on the environment in the regulations for implementation of specific support measures.
- (1166) Co-ordinating authority’s representative of HP “Sustainable development” will be involved in Monitoring Committee.
- (1167) **As to environmental protection** measures aimed at preservation of quality of environment and reduction of emissions to the environment measures for development of waste and water management system and preservation of biological diversity shall be implemented. The waste hierarchy set out in Directive 2008/98 / EC will be used as one of the criteria in selection and evaluation of waste management projects. Improving sewer service quality and availability, and increasing number of recipients of centralized sewer service, polluting emissions in environment caused by agglomeration as well as emissions discharged in the Baltic Sea will be reduced.
- (1168) **As to decrease in the climate change and effective use of resources,** to decrease emission amount of polluted substances in the sectors of energy production, industry and transport development of new resource-saving innovative technology, increase in the energy-efficiency of manufacturing processes and premises shall be supported and improvement of energy supply infrastructure for implementation of environmental-friendly activities and use of technology.
- (1169) Substantial support to transport, transfer from the use of fossil fuel to the use of new generation fuels (2G, 3G) and electric energy is provided. **Measures relating to elimination, prevention and management of risks are of no less importance.** Within the framework of 2014-2020 programming period, investments in the environmental monitoring and control shall be made, including control of fishing in the inland water, advancement of technical base in accordance with the EU requirements, collaboration in shaping of green thinking and promotion of sustainable life.
- (1170) As in 2007–2013 programming period, implementation of projects co-financed by the EU funds shall provide for application of „green procurement” in accordance with the plan for promotion of green public procurement being developed for priority categories of products and services, particularly, providing additional points to the initiators of the procurement.

- (1171) The control over implementation of HP „Sustainable Development” shall be ensured:
- upon completion of the projects with the use of specific support objectives with direct positive impact on these horizontal priority outcome parameters and results, and taking into account whether a beneficiary ensured implementation of the planned measures marked with additional points, e.g. whether „green procurement” is applied,
  - within the five-years post-implementation monitoring period, by handling information on emissions to the environment, including greenhouse gas (CO<sub>2</sub>) and on the efficiency of use of nature and energy resources provided by the beneficiaries in accordance with the objectives provided for in the project,
  - ensuring monitoring of the results and research relating to the impact of the CP funds on the quality of environment.
- (1172) When developing infrastructure for provision of public utilities services (water management, energy supply and production, waste disposal) and improvement of their efficiency, the principle „polluter pays” will be applied in the calculation of fee for the services provides (tariff). The NRT is also based on this principle.
- (1173) As to the waste management in Latvia, the priority instruments applied regarding **waste management is a fee for waste management, a rate for disposal of waste, a NRT, which not only introduces the “polluter pays” principle, but also facilitates application of the principle of producer’s responsibility.** Development of package management system is to be developed prior to 2015. **The payment of domestic waste management** (except for regeneration of household waste) in its administrative territory shall be defined in the decision of a municipality. **The tariffs for storage of domestic waste at a waste landfill** that include expenses for equipment and use of the landfill, expenses for preparation of the waste for storage, expenses relating to the closure and reclamation, expenses for monitoring of a closed landfill and education of the community shall be defined by the commission that regulates utility services. As regards the waste management, a **natural resource tax** shall be applied to the storage of waste; environmentally hazardous goods; the package of goods and products and disposable cutlery, vehicles.
- (1174) The monitoring of the impact on the quality of environment shall be made within the HP „Sustainable Development”. The first notification on the quality of environment shall be developed and agreed, and the notification on HP „Sustainable Development” shall be submitted to the EC in December 2018.
- (1175) The environmental report NDP 2020 includes so called „zero alternative”, i.e. submitted information on possible changes in Latvian natural resources, quality of the environment and by sectors if the relevant planning document is not implemented. Lack of the CP fund investments in the OP context shall be considered within the framework of the above document.
- (1176) Impelentation of Technical assitenace SO is not directly connected with HP “Sustainable Development”, but the principle of HP will be followed, incl. in procurement area and implementing e-cohesion.

## **11.2. Equal opportunities and non-discrimination**

- (1177) The report on the framework provided by the policy planning documents and regulations relating to equal opportunities and non-discrimination existing in Latvia **and the practice of their implementation and monitoring** shall be provided in section 1.5.2 of the CL, while this and second section of the OP provides for the planned EU fund support activities in more detail.

- (1178) To ensure the compliance with the HP<sup>179</sup> gender equality, non-discrimination, accessibility defined in the proposals contained in the EC regulations these shall be coordinated within a single framework, i.e. **HP “Equal Opportunities”**. The necessary human resources, including an expert in gender equality shall be attracted to the coordination of the HP “Equal Opportunities”.
- (1179) Taking into account international obligations undertaken by Latvia upon ratification of the UN convention on rights of disabled persons and complying with proposals of the EC regulations and Common Strategic Framework that the MA shall ensure EU fund co-financing and accessibility of products, goods, services and infrastructure to disabled persons, in 2014-2020 programming period special attention will be paid to improvement of accessibility of the physical environment, transportation, ICT and other planned public objects and services supported by EU funds for disabled persons. This can be achieved, involving environment accessibility experts in the course of development of technical documentation for EU projects and project implementation and monitoring, and ensuring that in applicable cases the EU fund projects provide for activities and expenses for ensuring accessibility of their results.
- (1180) The activities planned within the OP to promote access to the EU fund financing and reduce the risk of social exclusion, particularly for the following groups of residents:
- a. Disabled persons (supporting creation of a subsidized workplace and work at social enterprises, providing services of supporting personnel, i.e. sign language interpreter, assistants, while participating in active employment activities, developing and implementing professional rehabilitation programs, ensuring accessibility of infrastructure and services supported by the EU funds, creating a fund for exchange of technical means in educational establishments, developing social care and social rehabilitation services provided at the place of residence, etc.),
  - b. Senior unemployed and employed (offering active labour market policy activities, i.e. advanced learning, comprehension and mastering of skills necessary for labour market, information and consultation in the area of labour safety, etc.),
  - c. Youth who do not study and work (with ESF support for implementation of educational and employment activities within the Youth Employment Initiative),
  - d. Children and youth who receive out-of-family care or are leaving it (supporting family-like care services with support of ERDF, ensuring „youth homes” for youth under out-of-family care, etc.),
  - e. Preventive measures for children and youth exposed to the risk of social exclusion (accessibility of education and reduction in early drop-out from school).
- (1181) OP MC shall involve representatives of institutions that coordinate HP the „Equal Opportunities” and representatives of associations and formations to provide an opinion on the aspects of equal opportunities and non-discrimination.
- (1182) Control over implementation of the HP „Equal Opportunities” shall be ensured through the monitoring of the results and research on integrated approach to gender equality and an impact of EU fund investment on achievement of objectives relating to the equal opportunities.
- (1183) Ensuring integrated approach to the gender equality (*gender mainstreaming*), OP contribution relating to the promotion of the male and female equality shall be ensured through the measures aimed at integration of a gender aspect in the sectoral policies (education, health, environment, business activities, etc.), particularly ensuring high-quality analysis of a situation in a certain branch in terms of gender. Within the HP „Equal

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<sup>179</sup> General Regulation, 1303/2013, Article 7

opportunities” understanding of personnel involved management of the EU funds and applicants and project assessors of compliance with and implementation of the gender equality aspect in the projects shall be enhanced.

- (1184) The MoW as the ministry responsible for HP shall attract additional partners to successfully ensure compliance with the HP in the course of development of planning documents. In September 2012 and February 21, 2013 the National council for disabled people took place. The meeting was attended by the representatives of the Latvian Association for Support of Disabled People, Latvian Society of the Blind, Latvian association „Rūpju bērns”, „Apeirons” Union of disabled and their friends, Latvian Movement for independent living, Resource Centre for People with Mental Disability „Zelda”. The meeting was insightful, MoW provided its vision of further programming period, important information on preparation of documents for planning of EU funds, discussed necessary activities, and proposals for supported areas were provided.
- (1185) Specific activities focused on implementation of HP will be included in descriptions of specific objectives to which direct positive influence on HP has been identified. More detailed information about level of influence, corresponding specific activities and indicators is defined in legislative documents of national level.

### **11.3. Equality between men and women**

- (1186) According to the paragraph No.7 of ESF regulation in all aspects of operational programme and at stages of preparation, supervision, implementation and evaluation the objectives of gender equality will be taken into consideration accordingly, simultaneously the specific actions will be provided, which will promote financial freedom of women, raising of qualification, harmonization of working and family life of both genders, improvement of health indicators for men and women, lessening of gender roles and stereotypes, educating of specialists and society on significance of gender equality principle and integration into all spheres of life.
- (1187) For example, in SO's, which envisages training of target groups and development or improvement of training materials, issues of gender equality, such as equal opportunities regardless of gender, age, disability, ethnicity or other aspects of discrimination, will be integrated into content of training materials (SO No.9.1.4., 9.2.1., 3.4.2.). Specific training on EU acts and policy of gender equality, as well as integrated approach for ensuring gender equality will be carried out for personnel of institutions which are involved in management and control of ESI funds within priority axis No.9 “Technical assistance”. Informative and educational activities on equality between men and women and integrated approach of gender equality will be implemented within SO No.9.1.4.
- (1188) In integrated municipality development programmes and project applications the situation from aspect of gender will be concluded, for example, what are the employment indicators for men and women in particular municipality.
- (1189) Society information activities on environmental impact will be implemented considering aspect of gender, for example, if there is society information campaign on recycling envisaged, sociological studies or inquiries on men and women diverse actions and needs regarding utilization of natural resources will be taken into account (SO No. 5.4.2.).
- (1190) When organising career preference support and professional training measures for unemployed, such actions will be implemented, which lessens prejudice on gender in specific professional areas (e.g., “profession untypical to gender”, “improper occupation”, etc.) (SO No. 7.1.1., 7.2.1.).

- (1191) When preparing labour market forecasts on structure of employed in economic sector and labour force offer, information, where possible, will be analysed in distribution by gender (SO No. 7.1.2.)
- (1192) Educational and information measures on usage of flexible employment forms and labour legal rights and occupational safety (SO No. 7.3.1.) and measures for older employed persons in order to prolong their involvement in employment (SO No. 7.3.2.) will be implemented.
- (1193) In health development projects actions will be implemented, which are focused to lessen the difference in expected life duration of men and women, for example, measures for changing society stereotypes and delusions on roles and proper behaviour of women and men regarding health and lifestyle concerns, particularly by distributing men as a specific target group. Gender balance will be promoted upon involvement of medical personnel, as well as specific measures for improvement of health conditions of both genders by addressing men and women target audience separately (SO No. 9.2.4., 925).
- (1194) **In order to decrease the gender segregation in the field of education, the following specific activities will be implemented:**
- (1195) When developing joint educational programmes in cooperation with career counsellors, secondary schools, high schools and employers, specific measures will be implemented in order to rouse an interest of less represented gender to choose corresponding STEM study programmes (SO No. 8.2.1.).
- (1196) In capacity building and involvement of academic personnel the principles of equal opportunities and positive discrimination will be observed by involving less represented gender in particular institutions of higher education and particular fields of science (SO No. 8.2.1., 8.2.2.).
- (1197) Educational studies, analysis of results and recommendations will be made by considering aspects of gender, age, disability and ethnicity (data will be collected, analysed and recommendations will be given by considering also the aspect of gender). When developing monitoring system, the data on boys and girls achievements in examinations and competitions will be collected and summarized (SO No. 8.3.6.).
- (1198) The content of developed training and methodological materials will not increase the stereotypes on adequacy of some professions to women or men, but on the contrary, topics of equal opportunities for boys and girls regardless of gender will be included, in particular, what applies to the choice of field of professional education or profession, thus lessening labour market segregation by gender.
- (1199) The content of pedagogic personnel training will include such topics as equal opportunities for women and men, breaking of outdated stereotypes and promotion of modern viewpoints, how to reduce the drop-out level at schools among boys and how to rouse the interest in girls and boys for choosing untypical profession, equal attitude issues against less represented gender in particular professional field, etc. (SO No. 8.4.1.).
- (1200) In addition to the specific activities that directed on men's and women's issues, see the description of the SO.

## 12. LIST OF ANNEXES

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1. Summary
2. Project selection
3. List of major projects
4. Partners involved in development of the Operational Programme
5. Important comments of the Partners involved in development of the Operational Programme
6. ERDF contributions in modernization of the infrastructure of professional education programs implemented in Latvia in 2007-2013 and 2014-2020 programming period
7. The coordination of the Operational Programme “Growth and Employment” with the priorities of EU Strategy for the Baltic Sea Region.