

Ministry of Finance
Republic of Latvia

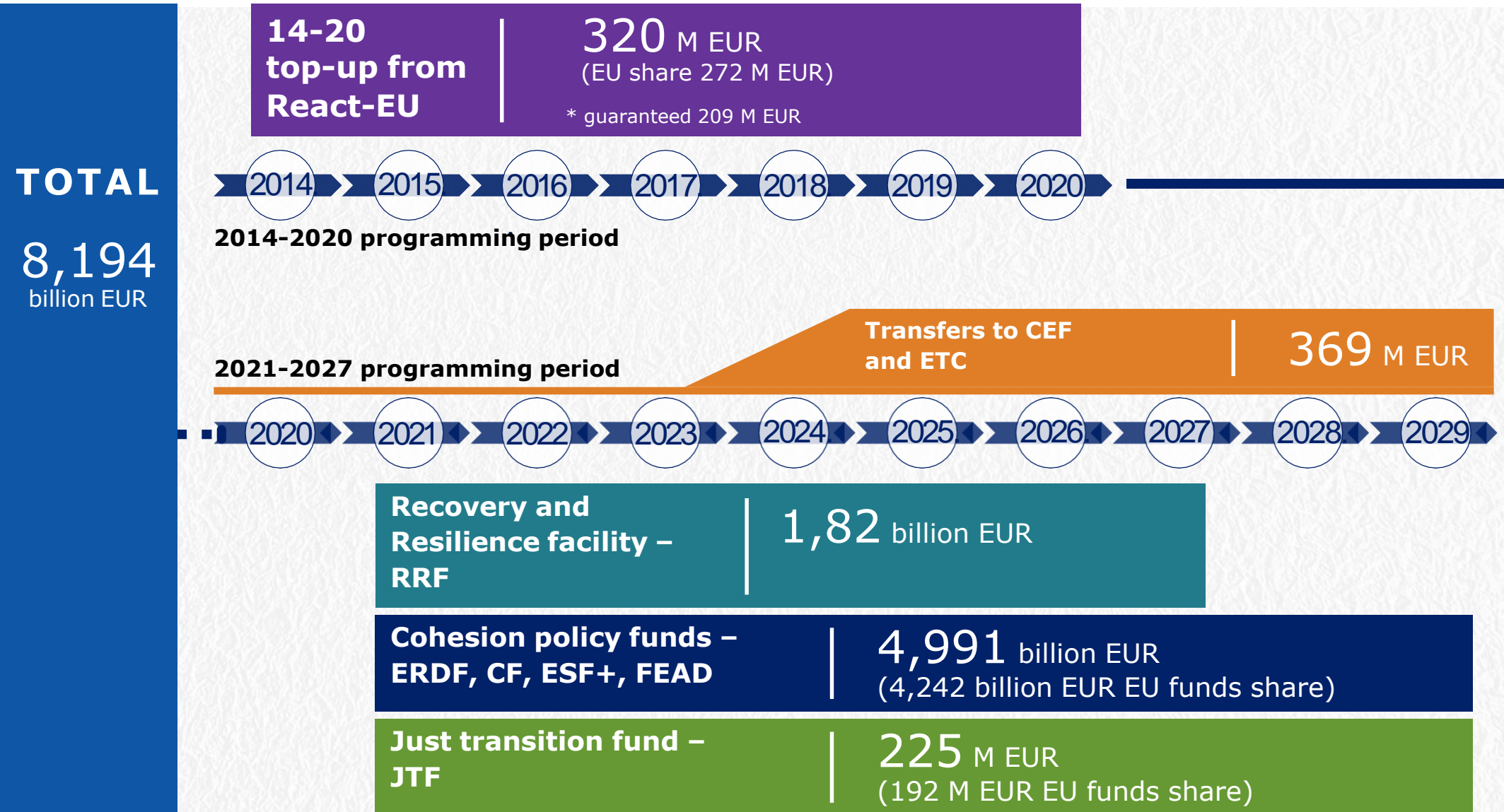
Recovery and Resilience facility (RRF)

05.05.2021



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More than 8 billion EUR for reforms, economic development and resilience.
More funding sources – greater opportunities.





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EU Council recommendations for Latvia

Fiscal recommendations (2019)

- ▶ Reduce taxation for low-income earners by shifting it to other sources
- ▶ Ensure effective supervision and the enforcement of the anti-money laundering framework

Social inclusion (2019)

- ▶ Address social exclusion notably by improving the adequacy of minimum income benefits
- ▶ Increase the quality and efficiency of education
- ▶ Increase the accessibility, quality and cost-effectiveness of the healthcare system

Investments (2019)

- ▶ Focus investment-related economic policy on innovation, provision of affordable housing, transport notably on its sustainability, resource efficiency and energy efficiency, energy interconnections and on digital infrastructure, taking into account regional disparities

Governance (2019)

- ▶ Strengthen the accountability and efficiency of the public sector, in particular with regard to local authorities and state-owned and municipal enterprises and the conflict of interest regime

Economic Recovery (2020)

- ▶ In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery
- ▶ Strengthen the resilience and accessibility of the health system including by providing additional human and financial resources

Social inclusion (2020)

- ▶ Provide adequate income support to the groups most affected by the crisis and strengthen the social safety net
- ▶ Mitigate the employment impact of the crisis, including through flexible working arrangements, active labour market measures and skills

Investments (2020)

- ▶ Ensure access to liquidity support by firms and in particular small and medium-sized enterprises
- ▶ Front-load mature public investment projects and promote private investment to foster the economic recovery
- ▶ Focus investment on the green and digital transition

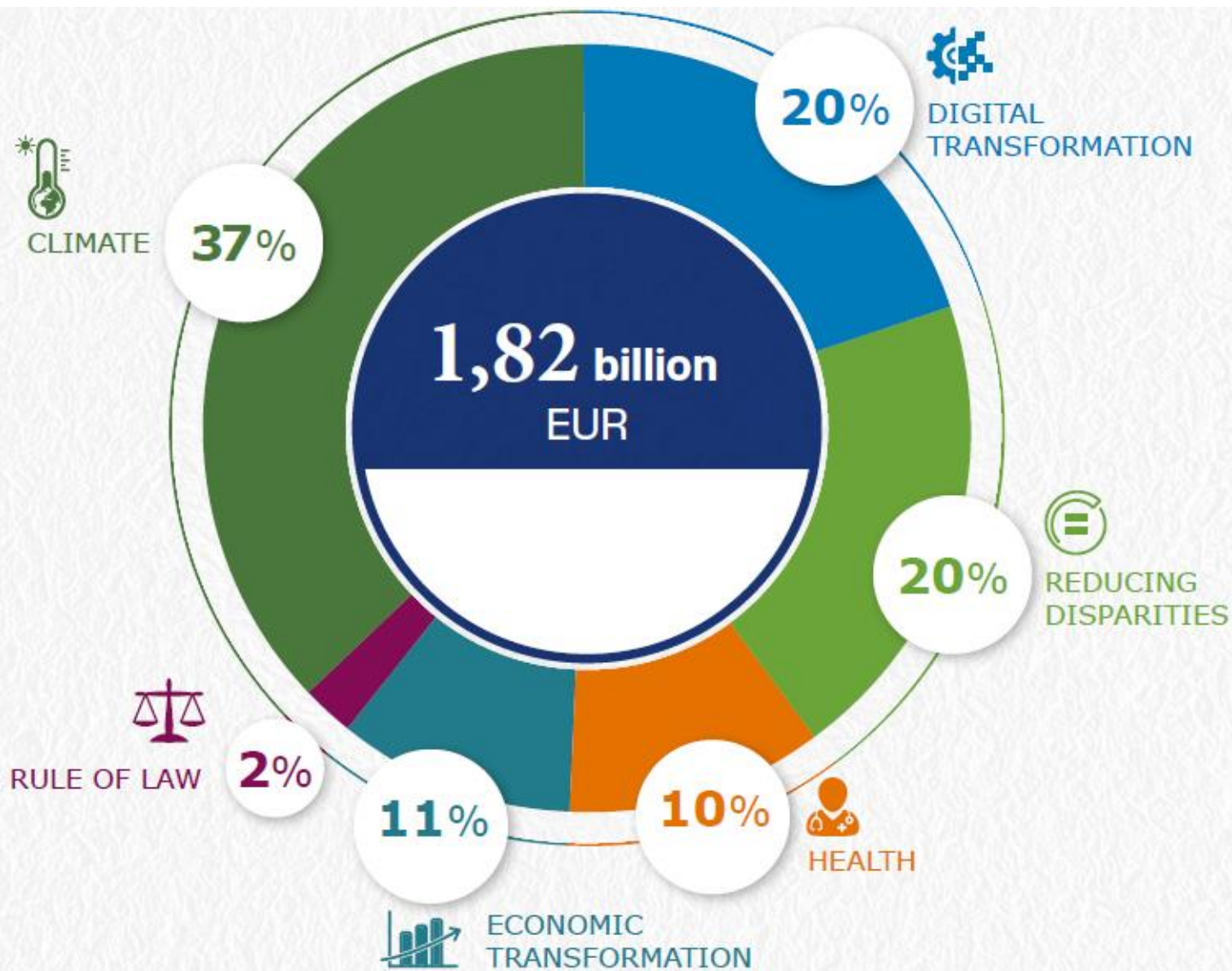
Transparency of financial sector (2020)

- ▶ Continue progress on the anti-money laundering framework



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Components of Recovery and Resilience plan





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Reform proposals

CLIMATE



Transition to sustainable transport, energy efficiency in all sectors, enabling wind-farm deployment

DIGITAL TRANSFORMATION



Coordination mechanisms for public digital services, digital skills & skills agenda

REDUCING DISPARITIES



Administrative territorial reform, GMI reform

HEALTH



Healthcare network effectiveness, remuneration reform

ECONOMIC TRANSFORMATION



Innovation eco-systems, consolidation of higher education institutions

RULE OF LAW



Strengthening capacity of law enforcement agencies to combat shadow economy and economic crimes



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Final proposal for RRP allocation, 1,82 billion EUR

CLIMATE

37%
676,2 M EUR



- ▶ GHG reduction in transport sector, Riga Vision0 strategy
- ▶ Enabling grid to deployment of RES

- ▶ RES, greening industrial sector, energy efficiency
- ▶ Rescue services
- ▶ Climate adaptation

DIGITAL TRANSFORMATION

20%
365,2 M EUR



- ▶ Digital transformation of public services
- ▶ Digitalization of enterprises and innovations

- ▶ Digital skills
- ▶ Infrastructure (5G)

REDUCING DISPARITIES

20%
370 M EUR



- ▶ State and regional importance roads
- ▶ Industrial parks

- ▶ Affordable housing (rental apartments)
- ▶ Social inclusion and education

HEALTH

10 %
181,5 M EUR



- ▶ Improving quality and accessibility to healthcare system and readiness to epidemiological crisis

ECONOMIC TRANSFORMATION

11%
196 M EUR



- ▶ Innovations and attracting private investments in R&D

- ▶ Governance reform of higher education institutions, human resources

RULE OF LAW

2%
37 M EUR



- ▶ Business environment, shadow economy
- ▶ Rule of law and investigations of economic crimes

- ▶ Improving governance of public administration



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Timeline of LV RRP preparation

DISCUSSIONS with social partners and NGOs

November
2020

DRAFT RRP SUBMISSION
to Cabinet of Ministers

February 2021

SUBMISSION OF DRAFT RRP to COM

February 2021

CONSULTATIONS with COM
and stakeholders about RRP

January 2021- April 2021

Final RRP **ADOPTION** in Cabinet of Ministers
and **SUBMISSION** to COM

2021, April 27

2021, April 30

STARTING IMPLEMENTATION of RRP

2021, Q3

Draft RRP submission
to Cabinet of Ministers,
February 2021

Deadline for submission of Member State RRP,
end of 2023.

Payments
till the end of 2026

2020

2021

2022

2023

2024

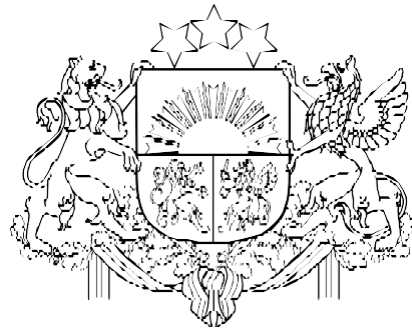
2025

2026

2027

2028

Adoption of RRF regulation,
February 2021



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Thank You!