

18 March 2025

**Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the third payment request, submitted by Latvia on 28 December 2024, transmitted to the Economic and Financial Committee by the European Commission**

**Executive summary**

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 28 December 2024, Latvia submitted a request for payment for the third instalment of the non-repayable support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Latvia provided due justification of the satisfactory fulfilment of the 38 milestones and targets of the third instalment of the non-repayable support, as set out in Section 1.2 of the Council Implementing Decision 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Latvia<sup>1</sup>.

In its payment request, Latvia has confirmed that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed. The Commission does not have evidence of the contrary. Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Latvia, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all 38 milestones and targets.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Latvia's Recovery and Resilience Plan. They notably highlight the continuation of the reform momentum in key policy areas. This includes, among others, the development of the legal framework for the Individual Learning Accounts (ILA) approach, the entry into force of the minimum income support system and the adoption of the human resources strategy in healthcare. The milestones and targets also confirm progress towards the completion of investment projects related to transformation of public administration services and their delivery processes, developing a model for the governance of the innovation system and its continuous operation, creation of infrastructure for the performance of control services in Kundziņšala.

By the transmission of this positive preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones and targets.

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<sup>1</sup> ST 10157/21, ST 10157/21 ADD 1, ST 15569/23; ST 15569/23 ADD 1; ST 5730/25; ST 5730/25 ADD 1.

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**Related Measure:** C1.1-1-1-r- Greening the Riga Metropolitan Range Transport System [1]

**Number and name of the Milestone:** 1 Coordinated approach for passenger transport planning, ordering and organisation of the Riga metropolitan area

**Qualitative Indicator:** A coordinated approach has been implemented for passenger transport planning, ordering and organisation of the Riga metropolitan area

**Time:** Q4 2023

### 1. Context:

The objective of the measure is to contribute to reducing Latvia’s greenhouse gas (GHG) emissions with a focus on transport and to consolidate and rationalise the currently fragmented transport system with a view to incentivising the use of public transport. The measure consists of setting-up a multimodal public transport network with a single and coherent timetable, a single price and discount policy and a single ticket system for Riga Metropolitan Transport System.

Milestone 1 requires the implementation of a coordinated approach for a new public transport plan for Riga metropolitan area in line with the development of passenger transport by rail in Latvia.

Milestone 1 is the first step of the implementation of the reform, and it will be followed by milestone 2, related to the entry into service of a unified multimodal public transport route network for Riga metropolitan area. The reform has a final expected date for implementation on 31 December 2025.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.	
2	Copy of Ministry of Transport Order No. 01-03/167 dated 20 September 2021 “On the Riga Metropolitan Area Public Transport Planning Coordination Working Group”.	Ministry of Transport Order on the Riga Metropolitan Area Public Transport Planning Coordination Working Group with nomination of members of the working group and its organisation.
3	Copy of Ministry of Transport Order No. 01-03/171 dated 4 October 2021 “On the Riga Metropolitan Area Public Transport Planning Coordination Working Group”.	Update of Ministry of Transport Order on the Riga Metropolitan Area Public Transport Planning Coordination Working Group with modifications in the nominations of members of the working group.
4	Copy Minutes No. 1 of the meeting of the Working Group for the coordination of Riga metropolitan area public transport planning of 20 October 2021.	

5	Copy of Minutes No. 2 of the meeting of the Working Group for the coordination of Riga metropolitan area public transport planning of 13 April 2022.	
6	Copy of Minutes No. 3 of the meeting of the Working Group for the coordination of Riga metropolitan area public transport planning of 24 May 2022.	
7	Copy of Minutes No. 4 of the meeting of the Working Group for the coordination of Riga metropolitan area public transport planning of 16 June 2022.	
8	Copy of Minutes No. 5 of the meeting of the Working Group for the coordination of Riga metropolitan area public transport planning of 3 August 2022.	
9	Copy of Minutes No. 6 of the meeting of the Working Group for the coordination of Riga metropolitan area public transport planning of 13 October 2022.	
10	Copy of Minutes No. 7 of the meeting of the Working Group for the coordination of Riga metropolitan area public transport planning of 1 February 2023.	
11	Copy of Minutes No. 8 of the meeting of the Working Group for the coordination of Riga metropolitan area public transport planning of 8 May 2023.	
12	Copy of Minutes No. 9 of the meeting of the Working Group for the coordination of Riga metropolitan area public transport planning of 1 June 2023.	
13	Copy of Minutes No. 10 of the meeting of the Working Group for the coordination of Riga metropolitan area public transport planning of 30 June 2023.	
14	Copy of Minutes No. 11 of the meeting of the Working Group for the coordination of Riga metropolitan area public transport planning of 17 July 2023.	
15	Copy of Minutes No. 12 of the meeting of the Working Group for the coordination of Riga metropolitan area public transport planning of 27 July 2023.	

16	Copy of Minutes No. 13 of the meeting of the Working Group for the coordination of Riga metropolitan area public transport planning of 30 November 2023.	
17	Copy of the Order of the Cabinet of Ministers No. 1119 dated 17 December 2024 adopting Riga metropolitan area sustainable integrated transport plan 2024-2030.	Riga metropolitan area sustainable integrated transport plan 2024-2030 Link to publication: <a href="https://www.vestnesis.lv/op/2024/250.25">https://www.vestnesis.lv/op/2024/250.25</a>
18	Copy of Minutes of the meeting of the Working group on Riga Metropolitan Development Issues dated 18 January 2024.	Minutes of the meeting of the working group chaired by the Ministry of Environmental Protection and Regional Development.
19	Copy of the Order of the Cabinet of Minister No. 484 dated 7 July 2021 “On the Riga Metropolitan Area Public Transport Planning Coordination Working Group”	Cabinet of Ministers Order for the Minister of Transport to establish the Riga coordination of the planning of public transport in the metropolitan area a working group.

**3. Analysis:**

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

**Completion of the necessary steps to implement a coordinated approach. This includes among others: setting up a working group for the coordination of Riga metropolitan area public transport planning;**

The national authorities issued Order No. 01-03/167 of 20 September 2021 setting up the working group for the coordination of Riga metropolitan area public transport planning. This Order was approved on the basis of a previous Order of the Cabinet of Ministers No. 484 approved on 7 July 2021 (annex 19), which was published in the Official Journal No. 51 59.§ of 7 July 2021 and entered into force on the same date. The latter Order was approved in view of implementing reform 1, in particular to set up a working group to develop the public transport plan for Riga metropolitan area and to develop a conceptual report on the development of public transport for the period 2031-2040, with an integrated multimodal transport system in the Riga metropolitan area and other functional regions, including a transitional plan for 2026-2030, according to the provisions of Article 1 and Article 3. Order No. 01-03/167 was amended on 4 October 2021 on the basis of the Order of the Minister of Transport No. 01-03/171. Article 1 of Order No. 01-03/171 lists the nominated members of the working group, whereas Article 2 sets the deadlines and responsibilities of the working group, and Article 3 provides information on the organisation of the working group’s activities. On this basis, the working group met several times between 20 October 2021 and 30 November 2023 as reflected by the minutes of the working group’s meetings provided in Annexes 4 – 16.

Furthermore, an additional working group on Riga Metropolitan Development was set up, chaired by the Ministry of Environmental Protection and Regional Development. It discussed the sustainable integrated public transport plan as part of the Riga Metropolitan Area Urban Mobility Plan as reflected by the minutes of the meeting provided in Annex 18.

## **The Riga metropolitan area public transport plan has been adopted in line with the development of passenger transport by rail in Latvia**

The Riga metropolitan area public transport plan was adopted on 3 December 2024 by the Cabinet of Ministers by means of Order No.1119. In section 3 of the plan (page 56, annex 17), it is stated that *“the Plan aims to ensure a wider use of public transport for large passenger flows and a reduction in the use of private road transport by RMA, by creating a competitive public transport offer vis-à-vis private transport, as well as by encouraging and offering more opportunities for passengers to plan their journeys with different modes of transport, including micro-mobility tools”*. Section 1.5.3 provides the description of the state of play of the passenger transport by rail within Riga metropolitan area (page 28, annex 17).

**This measure specifically focuses on the Riga metropolitan area which covers about 65% of the Latvian population. A specific objective is to consolidate and rationalise the currently fragmented transport system to incentivise the use of public transportation. The measure consists in a general overhaul of the Riga Metropolitan Transport System.**

According to the provisions of section 1.1 of the plan (page 8, annex 17), Riga Metropolitan Area Public Transport Development Strategy is based on the EU’s Climate Policy for the European Green Deal and the Transport Development Guidelines for 2021 - 2027 aiming to reduce greenhouse gas emissions by 55 % by 2030, with a focus on public transport within Riga metropolitan area.

To incentivise the use of public transport and consolidate and rationalise the currently fragmented transport system, a number of actions are described in section 3 (page 57, annex 17) of the plan, including:

1. An institutional and financial reform to improve public transport policy, planning and operation;
2. The introduction of a single integrated system of fares and tickets in order to simplify the public transport system;
3. A rail network and services reform, to encourage the use of public transport by combining modes of transport in a single system for the benefit of users of the public transport system;
4. A bus network and reform of services;
5. The promotion of multimodality;
6. The improvement of infrastructure.

The aforementioned actions incentivise the use of public transport by providing more integrated and efficient systems. By streamlining planning and operations, introducing a unified fare system, reforming rail and bus networks, promoting multimodality and improving infrastructure, the plan consolidates and rationalises the fragmented transport system, making public transport a more attractive and convenient option for commuters.

According to the provisions of section 2.2 of the plan (page 41, annex 17), public rail transport must become the backbone of the public transport system. The implementation of micro-mobility solutions to ensure last mile access to public transport is provided in section 2.2 (page 42, annex 17), where traditional public transport services are too expensive or technically impossible. The plan explains that in order to increase the number of journeys on public transport, the service must be efficient with a minimum journey time, frequent and understandable as regards the payment conditions for the journey.

Section 2 of Riga Metropolitan Area public transport plan (page 39, annex 17) describes the principles for a reorganisation of the public transport network. Section 2.2.6 (page 49, annex 17) of the plan describes the introduction of a single public transport ticketing scheme: *“An integrated public transport system comprises two components: a common system of fares and a single ticketing system, consisting of a single public transport ticket (i.e. the possibility of uninterrupted travel by multiple means of transport)”*.

Measure number 7 of the plan (table 8 on page 85) envisages the development and implementation of an integrated tariff and ticketing system for Riga metropolitan area. The tariff system for Riga Metropolitan area is covered under section 2.2.7 of the plan (page 52, annex 17).

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.



**Related Measure:** C1.1-2-1-5-i- Modernisation of electricity transmission and distribution networks [19]

**Number and name of the Target:** 19 Notification of contracts award to projects approved for EUR 80 000 000.

**Quantitative Indicator:** EUR

**Baseline:** 0

**Target:** 80 000 000

**Time:** Q1 2023

### 1. Context:

Target 19 is part of investment 1.2.1.5.i., which aims to contribute to reaching climate neutrality objectives by providing support to: i) upgrade the electricity grid to increase the flexibility and security of the electricity system and to support the green technologies, notably wind, to be more easily deployed, ii) provide adequate electricity supply infrastructure for electro-mobility and efficient system operation, and iii) develop IT solutions, including an automated smart metering system. The measure is expected to improve the regulatory framework for the deployment of onshore wind energy on state forest land and to reduce legal uncertainty for these investments, including to contribute to the synchronisation of the Baltic electricity systems with continental European networks.

Target 19 concerns the notification to beneficiaries of contracts awarded for approved projects amounting to EUR 80 000 000.

Target 19 is the first step in the implementation of the investment, and it will be followed by milestone 21 related to the entry into force of regulatory framework allowing the transmission to the grid of the electricity produced from renewable energy resources, including support for the development of wind energy infrastructure, and target 20 related to operationalisation of connection points for electric vehicles charging and/or microgeneration installation.

The investment has a final expected date for implementation on 31 August 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the target (including all the constitutive elements) has been satisfactorily fulfilled.	
2	Copy of the Regulation of the Cabinet of Ministers No. 726 of 15 November 2022 approving the “Implementing rules for electricity transmission and modernisation of the distribution networks of investment 1.2.1.5.i. of the European Union Recovery and Resilience Facility Plan”.	Published in the Official Journal No. 2022/224.17 on 17 November 2022, entered into force on 18 November 2022 (link to publication: <a href="https://www.vestnesis.lv/op/2022/224.17">https://www.vestnesis.lv/op/2022/224.17</a> ).

3	Copy of the Annotation to the Regulation of the Cabinet of Ministers No. 726 of 15 November 2022.	Link: <a href="https://tapportals.mk.gov.lv/annotation/63b7c8ad-3b88-411b-823e-ceab8ba26c69">https://tapportals.mk.gov.lv/annotation/63b7c8ad-3b88-411b-823e-ceab8ba26c69</a> .
4	Copy of the Invitation No. 3.7-5/2022/8204N of 1 December 2022 to Joint Stock Company "Sadales tīkls" on the submission of a project application in the Cohesion Policy Funds Management Information System for the implementation of the European Union Recovery and Resilience Facility Plan investment 1.2.1.5.i. related to the "Modernisation of electricity transmission and distribution networks", issued by the Ministry of Economy.	Invitation to Joint Stock Company "Sadales tīkls" to submit a project application for the implementation of investment 1.2.1.5.i in the Recovery and resilience plan of Latvia as the direct beneficiary of the funding.
5	Copy of the Invitation No. 3.7-5/2022/8205N of 1 December 2022 to Joint Stock Company "Augstsprieguma tīkls" on the submission of a project application in the Cohesion Policy Funds Management Information System for the implementation of the European Union Recovery and Resilience Facility Plan investment 1.2.1.5.i. related to the "Modernisation of electricity transmission and distribution networks", issued by the Ministry of Economy.	Invitation to Joint Stock Company "Augstsprieguma tīkls" to submit a project application for the implementation of investment 1.2.1.5.i in the Recovery and resilience plan of Latvia as the direct beneficiary of the funding.
6	Copy of the Decision No. 3.11-8/2022/1948 of 23 December 2022 regarding the approval of the project application of Joint Stock Company "Sadales tīkls", issued by the Ministry of Economy.	Decision of the Ministry of Economy on the approval of the project application No. 1.2.1.5.i.0/1/11/I/EM/002 referring to project 'Upgrading of the electricity distribution system of AS - Sharing grid'.
7	Copy of the Decision No. 3.11-8/2022/1949 of 23 December 2022 regarding the approval of the project application of Joint Stock Company "Augstsprieguma tīkls", issued by the Ministry of Economy.	Decision of the Ministry of Economy on the approval of the project application No. 1.2.1.5.i.0/1/22/I/EM/001 'Development and modernisation of the electricity transmission system of AS - High Voltage Network'.
8	Copy of the Contract on the implementation of the European Union Recovery and Resilience Facility Plan investment 1.2.1.5.i. related to the "Modernisation of electricity transmission and distribution networks" and the receipt of funding signed between the Ministry of Economy and the Joint Stock Company "Sadales tīkls" on 24 March 2023 in the amount of EUR 41 900 000.	Contract for the implementation of project 'Upgrading of the electricity distribution system of AS - Sharing grid'.

9	Copy of the Contract on the implementation of the European Union Recovery and Resilience Facility Plan investment 1.2.1.5.i. related to the “Modernisation of electricity transmission and distribution networks” and the receipt of funding, including annexes, signed between the Ministry of Economy and the Joint Stock Company “Augstsprieguma tīkls” on 27 March 2023 in the amount of EUR 38 100 000.	Contract for the implementation of project ‘Development and modernisation of the electricity transmission system of AS - High Voltage Network’.
10	Copy of the approved project No. 1.2.1.5.i.0/1/22/l/EM/002 (‘Upgrading of the electricity distribution system of AS - Sharing grid’) submitted on 13 December 2022 by the Joint Stock Company “Sadales tīkls”.	Application of the Joint Stock Company “Sadales tīkls” for the project ‘Upgrading of the electricity distribution system of AS - Sharing grid’.
11	Copy of the approved project No. 1.2.1.5.i.0/1/22/l/EM/001 (‘Development and modernisation of the electricity transmission system of AS - High Voltage Network’) submitted on 13 December 2022 by the Joint Stock Company “Augstsprieguma tīkls”.	Application of the Joint Stock Company “Augstsprieguma tīkls” for the project ‘Development and modernisation of the electricity transmission system of AS - High Voltage Network’.
12	Copy of the Regulation of the Cabinet of Ministers No. 361 of 18 June 2024 amending Regulation of the Cabinet of Ministers No. 726 of 15 November 2022 approving the “Implementing rules for electricity transmission and modernisation of the distribution networks of investment 1.2.1.5.i. of the European Union Recovery and Resilience Facility Plan”.	Published in the Official Journal No. 2024/118.1 on 19 June 2024, entered into force on 20 June 2024 (link to publication: <a href="https://likumi.lv/ta/id/352906-grozijumi-ministru-kabineta-2022-gada-15-novembra-noteikumos-nr-726-eiropas-savienibas-atveselosanas-un-noturibas-mehanismas-pla...">https://likumi.lv/ta/id/352906-grozijumi-ministru-kabineta-2022-gada-15-novembra-noteikumos-nr-726-eiropas-savienibas-atveselosanas-un-noturibas-mehanismas-pla...</a> ).

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the target.

#### **Notification to beneficiaries of contracts award to projects approved for EUR 80 000 000.**

For the implementation of investment 1.2.1.5.i ‘Modernisation of electricity transmission and distribution networks’, the Latvian authorities approved Cabinet of Ministers Regulation No. 726 of 15 November 2022 (hereinafter referred to as ‘Cabinet Regulation No. 726’), published in the Official Journal No. 2022/224.17 on 17 November 2022, which entered into force on 18 November 2022. This regulation was subsequently amended by Regulation No. 361 of 18 June 2024, published in the Official Journal No. 118 of 19 June 2024 and entered into force on 20 June 2024, which laid down the arrangements and conditions for the implementation, monitoring and reporting of the investment by the beneficiaries. In this regard, according to Article 9 of the Cabinet Regulation No. 726, EUR 80 000 000 were made available by the authorities to finance the investment on the basis of a project selection, as stated under Article 14. Furthermore, Article 17 of the Cabinet Regulation No. 726 indicated two direct beneficiaries of the funding, namely Joint Stock Company “Sadales tīkls” and Joint Stock Company “Augstsprieguma tīkls”, expected to receive EUR 41 900 000 [Article 21(2)] and EUR 38 100 000 [Article 21(1)], respectively.

Subsequently, the Ministry of Economy sent Invitation No. 3.7-5/2022/8204N of 1 December 2022 to Joint Stock Company “Sadales tīkls” and Invitation No. 3.7-5/2022/8205N of 1 December 2022 to Joint Stock Company “Augstsprieguma tīkls”, proposing to the two companies to submit their project applications. Following the submission of the projects, contracts were concluded with the two beneficiaries, as follows:

- As per Decision No. 3.11-8/2022/1948 of 23 December 2022, the authorities had notified the Joint Stock Company “Sadales tīkls” regarding the approval of its application No. 1.2.1.5.i.0/1/22/l/EM/002, referring to the project ‘Upgrading of the electricity distribution system of AS - Sharing grid’ and submitted on 13 December 2022. The contract was signed between the Ministry of Economy and the beneficiary on 24 March 2023 amounting EUR 41 900 000.
- Based on Decision No. 3.11-8/2022/1949 of 23 December 2022, the authorities also notified the Joint Stock Company “Augstsprieguma tīkls” regarding the approval of its application No. 1.2.1.5.i.0/1/22/l/EM/001, related to the project ‘Development and modernisation of the electricity transmission system of AS - High Voltage Network’, submitted on 13 December 2022. The contract was signed between the Ministry of Economy and the beneficiary on 27 March 2023 amounting EUR 38 100 000.

Furthermore, in line with the description of the measure, **the general objective of this measure is to contribute to reaching climate neutrality objectives by creating a sustainable grid infrastructure in which green technologies notably wind may be more easily deployed. Investments in the green transformation of electricity grids and digital infrastructure are necessary to provide adequate electricity supply infrastructure for electro-mobility, and sustainable and efficient system operation.**

The objective of this investment is covered under Article 4 of the Cabinet Regulation No. 726, which specifies that funding was made available for the development of information technology solutions to increase the flexibility and security of the transmission system and the distribution system for the integration and use of renewable energy capacities, as well as the development of an adequate and efficient grid infrastructure for the connection of electric vehicles and distributed generation contributing to achieving climate neutrality objectives. These objectives are further specified under section - Conditions for the implementation of the investment and the achievement of the objectives set (page 5) of the Annotation to the Cabinet Regulation No. 726.

Moreover, Articles 24 and 25 of section III. Eligible actions and costs of the Cabinet Regulation No. 726 provide further details on the activities and costs supported by the investment for the implementation of both projects of the Joint Stock Company “Augstsprieguma tīkls” and of the Joint Stock Company “Sadales tīkls”. These mainly refer to: i) promoting smart and secure energy systems, including smart grids and information technology systems and equipment, ii) implementation of services contributing to the low-carbon economy and climate resilience, and iii) promoting the use of renewable energy sources, electro-mobility and energy efficiency. The objectives of these projects are presented and further detailed on page 2 in section 1.1.1. Objectives of the projects of each project application covering the above requirements.

**The measure is also expected to contribute to the synchronisation of the Baltic electricity systems with continental European networks and the objectives and activities of the Baltic Electricity Market Integration Plan.**

As specified under Articles 4, 24 and 25 of the Cabinet Regulation No. 726, this investment supports digital solutions to increase the flexibility and security of the transmission and distribution systems. Both projects are considered of strategic importance, as the Joint Stock Company “Augstsprieguma tīkls” project will provide key electricity transmission system planning and management functions, secure operation of the

electricity system and synchronisation of the Baltic electricity system with Continental Europe as mentioned at point 4 of section 1.2 - The activities of the investment project and the results to be achieved of the project application (page 4). The project also includes newly developed information systems, providing continuous and secure digital functions, building or upgrading data centres, complementary digital infrastructure and enhancing cybersecurity. The second project of the Joint Stock Company "Sadales tīkls" will support the development and implementation of automated smart metering systems to ensure that electricity markets rely on accurate real-time data, alongside the development and implementation of a national electricity market data exchange and storage platform as part of the activities of the Baltic Electricity Market Integration Plan. These are further complemented by improving the energy efficiency of buildings and reducing greenhouse gas emissions, as well as the use of renewable energy sources to cover technological consumption and electricity losses, the construction, conversion and upgrading of the electricity grid and of the existing distribution.

**The measure consists of direct investment in upgrading the electricity grid, developing IT solutions to increase the flexibility and security of the transmission system and distribution system and creating among others a national electricity market data exchange and storage platform and an automated smart metering system.**

As indicated under Article 17 of the Cabinet Regulation No. 726, the direct beneficiaries of this investment are the two joint stock companies "Augstsprieguma tīkls" and "Sadales tīkls". The corresponding grant amounts for their projects' applications are set by the provisions of Article 21 of the same Cabinet Regulation. The project of the Joint Stock Company "Sadales tīkls" supports the upgrading of the electricity grid [paragraph 1 of Article 25(2)], the development and implementation of a national electricity market data exchange and storage platform [paragraph 3 of Article 25(2)] and the development and deployment of an automated smart metering system [paragraph 4 of Article 25(2)]. These activities are further specified under point 7 in section 1.2 - The activities of the investment project and the results to be achieved of the project application, where the project's contribution to increasing the flexibility and security of the distribution system is mentioned. Furthermore, according to paragraph 2 of Article 25(1) of the same regulation, the project of the Joint Stock Company "Augstsprieguma tīkls" will support the development of IT solutions to increase the flexibility and security of the transmission system by introducing the necessary digital infrastructure to improve its cybersecurity. As for the previous project, the activities of the project are also further detailed in section 1.2 - The activities of the investment project and the results to be achieved of the application.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C2.2-1-1-1-i- Administration modernisation and digital transformation of services, including business environment [29]

**Number and name of the Target:** 29 Descriptions of ICT solutions development activities developed and harmonised

**Quantitative Indicator:** Number

**Baseline:** 0

**Target:** 11

**Time:** Q3 2023

### 1. Context:

Measure 2.1.1.1.i aims to transform public administration services and processes to support the digital economy using technologies like AI and machine learning. It involves investments in 11 solutions (systems) across the key areas, ensuring the 'once-only' principle.

Target 29 concerns the development of ICT solutions (descriptions) in line with the legal framework for governance. The key areas are: 1) Domestic affairs (civil protection, fire safety, public safety); 2) Cultural sector (archives, libraries, museums, monuments, media); 3) Port logistics; 4) ICT management processes.

Target 29 is the first step of the implementation of the investment, and it will be followed by target 30, related to delivery of ICT solutions for modernised public administration functions (including systems).

The investment has a final expected date for implementation on 31 August 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the target (including all the constitutive elements) was satisfactory fulfilled.	
2	Approval No. 11-1/5834 of the Ministry of Environmental Protection and Regional Development of 10 October 2023.	Decision of the Ministry of Environmental Protection and Regional Development on the approval of the ICT description for centralised ICT solution " <i>Implementation of a unified civil defence and fire safety management platform</i> ".
3	Approval No. 11-1/1385 of the Ministry of Environmental Protection and Regional Development of 2 March 2024.	Decision of the Ministry of Environmental Protection and Regional Development on the approval of the ICT description for centralised ICT solution " <i>a unified technological platform for the recognition and storage of vehicle license plates</i> ".

4	Approval No. 1-8/1556 of the Ministry of Environmental Protection and Regional Development of 7 March 2024.	Decision of the Ministry of Environmental Protection and Regional Development on the approval of the ICT description for centralised ICT solution <i>“Criminal process information system”</i> .
5	Approval No. 11-1/3405 of the Ministry of Environmental Protection and Regional Development of 16 June 2023.	Decision of the Ministry of Environmental Protection and Regional Development on the approval of the ICT description for centralised ICT solutions (i) <i>“general catalogue of the national museum collection”</i> , (ii) <i>“Cultural monuments information management system heritage”</i> , (iii) <i>“The unified common catalogue of libraries”</i> and (iv) <i>“Unified state archive information system”</i> .
6	Approval No. 11-1/4242 of the Ministry of Environmental Protection and Regional Development of 24 July 2023.	Decision of the Ministry of Environmental Protection and Regional Development on the approval of the ICT description for centralised ICT solution <i>“Digital Cultural Heritage Platform”</i> .
7	Approval No. 11-1/7610 of the Ministry of Environmental Protection and Regional Development of 7 November 2022.	Decision of the Ministry of Environmental Protection and Regional Development on the approval of the ICT description for centralised ICT solution <i>“Improvement of the reporting system on waste generation by ships in the International Cargo Logistics and Port Information System”</i> .
8	Approval No. 11-1/7524 of the Ministry of Environmental Protection and Regional Development of 22 December 2023.	Decision of the Ministry of Environmental Protection and Regional Development on the approval of the ICT description for centralised ICT solution <i>“State Administration Information Systems, IT resources and services information system (VIRSIS)”</i> .
9	Approval No. 11-1/2659 of the Ministry of Environmental Protection and Regional Development of 11 May 2023.	Decision of the Ministry of Environmental Protection and Regional Development on the approval of the ICT description for centralised ICT solution <i>“European Union tax data exchange information system”</i> .
10	Approved description of the development activities of ICT solution <i>“Implementation of a unified civil defence and fire safety management platform”</i> .	The scope includes aggregated data on fire safety status, inspections and civil protection data. The ICT solution should contribute to systematically provide information to assist in identifying indicative fire safety and civil protection risks in the inspected facilities.

11	Approved description of the development activities of ICT solution “A unified technological platform for the recognition and storage of vehicle license plates”.	The scope includes a platform for the recognition and storage of state number plates of vehicles travelling by road in the Republic of Latvia, in order to carry out checks of vehicle registration data, to detect infringements, to determine time and location of vehicles, and making this information available to law enforcement.
12	Approved description of the development activities of ICT solution “Criminal process information system”.	The scope includes a platform for the development of an electronic workflow information system that allows for storing documents; attaching case documents, initiating criminal proceedings; preparing procedural documents in established templates; aligning documents with management, the supervising prosecutor; receiving, appealing and transferring the case file to other persons directing the proceedings.
13	Approved description of the development activities of ICT solution “General catalogue of the national museum collection”.	The scope includes a modern and user-friendly platform for distribution and promotion of cultural heritage accumulated in Latvian accredited museums.
14	Approved description of the development activities of ICT solution “Cultural monuments information management system Heritage”.	The scope includes a technical system for documenting, managing and disseminating data on cultural heritage and monuments which is integrated with the Building Information System.
15	Approved description of the development activities of ICT solution “The unified common catalog of libraries”.	The scope includes improving data governance by setting up a unified common catalogue that consolidates bibliographic data (catalogues of national and public libraries) including data on copies, administrative agreements and data management principles.
16	Approved description of the development activities of ICT solution “Unified State Archive Information System”.	The scope includes the construction of a new information system to ensure the delivery of modern and convenient e-services, including a ‘Resource Searcher’.
17	Approved description of the development activities of ICT solution “Digital Cultural Heritage Platform”.	The scope includes development of a new platform to provide users with improved support services for searching, processing, using and creating new content. This shall increase public access to audio and video content of cultural heritage.



18	Approved description of the development activities of ICT solution “Improvement of the reporting system on waste generated by ships in the International Cargo Logistics and Port Information System”.	The scope includes upgrades to the International Freight Logistics and Ports Information System for data input on shipped waste and the data exchange interface with the EU Maritime Information and Exchange System SafeSeaNet. New forms of data input, data exchange and presentation of data on waste delivered by ships will be developed, including possibility to enter data on the types, quantities, equipment of the waste.
19	Approved description of the development activities of ICT solution “State Administration Information Systems, IT Resources and Services Information System (VIRSIS)”.	The scope includes development of the VIRSIS functionality that supports ICT management processes, including additions to the system functionality for recording, monitoring and planning ICT resources and services; optimising the management process of ICT solutions and service development through VIRSIS, and; introduction and implementation of data sharing and reuse, as well as technical support of the ‘Single Information Point’.
20	Approved description of the development activities of ICT solution “European Union tax data exchange information system”.	The scope includes a module for the processing of VAT refund applications and decisions and exchange of data with other EU Member States as well as a data exchange module on the registration of persons involved in the movement of excise goods.
21	Cabinet of Ministers Regulation No.435 “Regulations Regarding the Implementation of the Reform and Investment Direction 2.1 “Digital Transformation of State Administration, Including Local Governments” of Component 2 “Digital Transformation” of the Plan for the European Recovery and Resilience Facility”.	Adopted by the Cabinet of Ministers on 14 July 2022, published in the Official Journal on 18 July 2022 and entered into force on 19 July 2022 in accordance with Article 6 of the Law on Official Publications and Legal information. The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2022/136.5">https://www.vestnesis.lv/op/2022/136.5</a>

22	Cabinet Regulation No. 597 “Procedures for supervision of State Information Systems development projects”.	Adopted on 31 August 2021, published in the Official Journal on 2 September 2021 and entered into force on 3 September 2021 in accordance with Article 6 of the Law on Official Publications and Legal information. The link to the publication in the Official Journal: <a href="https://likumi.lv/ta/id/325798-valsts-informacijas-sistem-attistibas-projektu-uzraudzibas-kartiba">https://likumi.lv/ta/id/325798-valsts-informacijas-sistem-attistibas-projektu-uzraudzibas-kartiba</a>
23	Cabinet of Ministers Regulation No.368 “Procedure for monitoring the development activities and liquidation of information systems and information and communication technology resources and services necessary for their operation”.	Adopted on 4 July 2023, published in the Official Journal on 11 July 2023 and entered into force on 12 July 2023 in accordance with Article 6 of the Law on Official Publications and Legal information. The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2023/131.12">https://www.vestnesis.lv/op/2023/131.12</a>
24	Cabinet of Ministers Regulation No. 367 “General technical requirements of information systems”.	Adopted on 4 July 2023, published in the Official Journal on 11 July 2023 and entered into force on 12 July 2023 in accordance with Article 6 of the Law on Official Publications and Legal information. The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2023/131.11">https://www.vestnesis.lv/op/2023/131.11</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the target.

According to the name of the target, **descriptions of ICT solutions development activities developed and harmonised.**

As provided by the Latvian authorities, 11 individual descriptions of ICT solutions (system) development activities have been developed and approved by the Ministry of Environmental Protection and Regional Development (hereinafter referred to as ‘MoEPRD’), in the following areas:

1. The domestic affairs sector, including civil protection, fire safety supervision and public safety

Description of the centralised ICT solution “Implementation of a unified civil defence and fire safety management platform”, approved by the MoEPRD by opinion no. 11-1/5834 of the MoEPRD of 10 October 2023.

Description of the centralised ICT solution “a unified technological platform for the recognition and storage of vehicle license plates”, approved by the MoEPRD by opinion no. 11-1/1385 of the MoEPRD of 2 March 2024.

Description of the centralised ICT solution “Criminal process information system”, approved by the MoEPRD as evident from opinion no. 1-8/1556 of the MoEPRD 7 March 2024.

2. The cultural sector, including the accumulation of the heritage of archives, libraries, museums, cultural monuments and media content.

Description of the centralised ICT solution “general catalogue of the national museum collection”, approved by the MoEPRD as evident from opinion no. 11-1/3405 of the MoEPRD of 16 June 2023.

Description of the centralised ICT solution “Cultural monuments information management system heritage”, approved by the MoEPRD as evident from opinion no. 11-1/3405 of the MoEPRD of 16 June 2023.

Description of the centralised ICT solution “The unified common catalogue of libraries”, approved by the MoEPRD as evident from opinion no. 11-1/3405 of the MoEPRD of 16 June 2023.

Description of the centralised ICT solution “Unified state archive information system”, approved by the MoEPRD as evident from opinion no. 11-1/3405 of the MoEPRD of 16 June 2023.

Description of the centralised ICT solution “Digital Cultural Heritage Platform”, approved by the MoEPRD as evident from opinion no. 11-1/4242 of the MoEPRD of 24 July 2023.

3. Management of port logistics services

Description of the centralised ICT solution “Improvement of the reporting system on waste generation by ships in the International Cargo Logistics and Port Information System”, approved by the MoEPRD as evident from opinion no. 11-1/7610 of the MoEPRD of 7 November 2022.

4. Support of ICT management processes

Description of the centralised ICT solution “State Administration Information Systems, IT resources and services information system (VIRISIS)”, approved by the MoEPRD as evident from opinion no. 11-1/7524 of the MoEPRD of 22 December 2023.

5. Miscellaneous

Description of the centralised ICT solution “European Union tax data exchange information system”, approved by the MoEPRD as evident from opinion no. 11-1/2659 of the MoEPRD of 11 May 2023.

The adopted descriptions to define ICT development activities of centralised platforms and systems are subject to agreement between the actors specified in Paragraph 5 and related sub-paragraphs of Cabinet of Ministers Regulation No. 368 “Procedures for supervision of State Information Systems development projects” (hereinafter referred to as ‘Cabinet Regulation No. 368’), which was adopted on 4 July 2023, published in the Official Journal on 11 July 2023 and entered into force on 12 July 2023 in accordance with Article 6 of the Law on Official Publications and Legal information. As evident from Paragraph 5, “*prior to commencing the development activity, the responsible institution shall coordinate the description of the development activity with the following institutions*”: the MoEPRD regarding the conformity of the activities with the laws and regulations in the field of development of information systems (Sub-paragraph 5.1), the sectoral ministry to which the responsible institution(s) are subordinate regarding the conformity of the development activity with the priorities of the sectoral policy (Sub-paragraph 5.2), the Ministry of Defence regarding the planned security measures of the information system (Sub-paragraph 5.3), and other involved institutions, the operation and competence of which may be affected by the implementation of the development activity (Sub-paragraph 5.8). As stated in Paragraph 11 of Cabinet

Regulation No. 368, the MoEPRD provides an opinion on the description of the development activity, either rejecting or approving the description of the ICT development as harmonised. All development descriptions have been approved as harmonised by the MoEPRD, as stipulated in approvals no. 11-1/5834, 11-1/1385, 1-8/1556, 11-1/3405, 11-1/4242, 11-1/7610, 11-1/7524, and 11-1/2659.

**The ICT solutions (systems) descriptions concept models shall be developed in accordance with the adopted legal framework for ICT governance.**

According to sub-paragraph 13.5 of the Cabinet of Ministers Regulation No. 435 “Regulations Regarding the Implementation of the Reform and Investment Direction 2.1 “Digital Transformation of State Administration, Including Local Governments” of Component 2 “Digital Transformation” of the Plan for the European Recovery and Resilience Facility”, which were adopted by the Cabinet of Ministers on 14 July 2022, published in the Official Journal on 18 July 2022 and entered into force in accordance with Article 6 of the Law on Publication of official and judicial information on 19 July 2022, if information systems and platforms are developed under the projects, this shall be done *“in conformity with the provisions determining the procedures for the supervision of State information system development projects and the general technical requirements laid down for State information systems and by coordinating such activities with the information and communication technology management organisation”*.

The provisions determining the procedures for the supervision (or monitoring) of State information system development projects are laid down in Cabinet Regulation No. 368. This replaced Cabinet Regulation No. 597 “Procedures for supervision of State Information Systems development projects” (hereinafter referred to as ‘Cabinet Regulation No. 597’), which had been adopted on 31 August 2021, published in the Official Journal on 2 September 2021 and entered into force on 3 September 2021 in accordance with Article 6 of the Law on Official Publications and Legal information. The Latvian authorities have explained that Cabinet Regulation No. 597 previously laid down the procedures for monitoring state information system development projects. Following amendments to the State Information Systems Law, new subordinated regulations were required to take account of these amendments. The regulation was broadened to encompass the coordination of institutional and municipal solutions within the legal framework to include both the state administrative institutions and local governments.

Cabinet Regulation No. 368 specifies the responsible authorities for monitoring the development activities and the procedures for development of ICT solutions. Paragraph 4 and sub-paragraph 4.2 of the regulation states that *“the information system manager who is responsible for the implementation of the development activity [...] shall, in accordance with the laws and regulations in the field of the development, drawing up, storage and circulation of electronic documents, prepare the following documents”; “a description of the development activity (Annex 2) – prior to the commencement of the development activity”*. Annex 2 of Cabinet Regulation No. 368 specifies how the description of the ICT development activity should be templated, including information on: the responsible authority; the name of the development activity; a short description of the key problems and actions; the interaction with other information systems; the technological characteristics; implementation approach and ICT infrastructure necessary for implementation; source of funding, etc. Cabinet Regulation No. 368 therefore constitutes the current legal framework. This is in line with the previous provisions of Cabinet Regulation No. 597, Paragraph 5 and sub-paragraph 5.2. Annex 2 of Cabinet Regulation No. 597 which includes the same requirements and are in conformity with the legal framework of Cabinet Regulation No. 368.

As evidenced by the below timeline for development of each ICT description, and the cross-reference with the validity period of each regulation, the description of the development activity templates were the ones legally mandated at the time of development.

#	Name of ICT solution description	Approval Date	Governing Legal framework
1	Improvement of the reporting system for ship-generated waste in the International Freight Logistics and Ports Information System	01/11/2022	Cabinet Regulation No. 597
2	The development of digital services enabling cross-border tax cooperation	09/05/2023	Cabinet Regulation No. 597
3	National Museum Collection Common Catalogue	07/06/2023	Cabinet Regulation No. 597
4	Cultural Monuments Information Management System	07/06/2023	Cabinet Regulation No. 597
5	Common Library Catalogue	07/06/2023	Cabinet Regulation No. 597
6	Unified National Archives Information System	07/06/2023	Cabinet Regulation No. 597
7	Digital Cultural Heritage Platform	13/07/2023	Cabinet Regulation No. 597
8	Uniform Fire Safety and Civil Protection Platform	05/10/2023	Cabinet Regulation No. 368
9	Development of public administration information systems, IT resources and services information system (VIRSIS)	18/12/2023	Cabinet Regulation No. 368
10	Technological platform for the recognition and accumulation of national vehicle number plates	27/02/2024	Cabinet Regulation No. 368
11	Development of the Criminal Procedure Information System	28/02/2024	Cabinet Regulation No. 368

In accordance with the quantitative indicator, 11 ICT solutions (systems) descriptions concept models have been developed in accordance with the legal framework for ICT governance legally mandated at the time of development. As evident from the approved descriptions of centralised platforms and systems, all descriptions have been drafted in accordance with paragraph 4 and Annex 2 of Cabinet Regulation No. 368 or Annex 2 of Cabinet Regulation No. 597, and all descriptions have gone through the approval procedure, as laid down in paragraphs 5 and related sub-paragraphs of Cabinet Regulation No. 368 and paragraph 7 and related sub-paragraphs of Cabinet Regulation No. 597.

**Descriptions define ICT development activities to develop or modernise ICT solutions in at least following 4 areas: 1) the domestic affairs sector, including civil protection, fire safety supervision and public safety; 2) the cultural sector, including the accumulation of the heritage of archives, libraries, museums, cultural monuments and media content; 3) management of port logistics services; 4) support of ICT management processes.** Furthermore, in line with the description of the measure, **in at least the following 4 areas: 1) the domestic affairs sector, including civil protection, fire safety supervision and public safety; 2) the cultural sector, including the accumulation of the heritage of archives, libraries, museums, cultural monuments and media content; 3) management of port logistics services; 4) support of ICT management processes.**

From the descriptions of the ICT solutions, the activities are defined to develop or modernise ICT solutions in at least the four areas required:

The domestic affairs sector, including the following ICT development descriptions:

- Implementation of a unified civil defence and fire safety management platform. As evident from the approved description of the development activities of ICT solution “Implementation of a unified civil

defence and fire safety management platform”, the ICT solution aggregates data on fire safety status, inspections and civil protection data.

- A unified technological platform for the recognition and storage of vehicle license plates. As evident from the approved description of the development activities of ICT solution “A unified technological platform for the recognition and storage of vehicle license plates”, the ICT solution includes a platform for the recognition and storage of state number plates of vehicles travelling by road in the Republic of Latvia, in order to carry out checks of vehicle registration data, to detect infringements, to determine time and location of vehicles, and making this information available to law enforcement.
- Criminal process information system. As evident from the approved description of the development activities of ICT solution “Criminal process information system”, the ICT solution includes the development of an electronic workflow information system that allows for storing documents, attaching case documents, initiating criminal proceedings, preparing procedural documents in established templates, aligning documents with management, the supervising prosecutor; receiving, appealing and transferring the case file to other persons directing the proceedings.

The cultural sector, including the following ICT development descriptions:

- General catalogue of the national museum collection. As evident from the approved description of the development activities of ICT solution “General catalogue of the national museum collection”, the ICT solution includes a modern and user-friendly platform for distribution and promotion of cultural heritage accumulated in Latvian accredited museums.
- Cultural monuments information management system Heritage. As evident from the approved description of the development activities of ICT solution “Cultural monuments information management system Heritage”, the ICT solution approved description of the development activities of ICT solution “Cultural monuments information management system Heritage” data on cultural heritage and monuments which is integrated with the Building Information System, the ICT solution includes accumulation of the heritage of a technical system for documenting, managing and disseminating data on cultural heritage and monuments which is integrated with the Building Information System.
- The unified common catalogue of libraries. As evident from the approved description of the development activities of ICT solution “The unified common catalog of libraries”, the ICT solution aims to improve data governance by setting up a unified common catalogue that consolidates bibliographic data (catalogues of national and public libraries) including data on copies, administrative agreements and data management principles.
- Unified State Archive Information System. As evident from the approved description of the development activities of ICT solution “Unified State Archive Information System”, the ICT solution includes the construction of a new information system to ensure the delivery of modern and convenient e-services, including a ‘Resource Searcher’.
- Digital Cultural Heritage Platform. As evident from the approved description of the development activities of ICT solution “Digital Cultural Heritage Platform”, the ICT solution includes the development of a new platform to provide users with improved support services for searching, processing, using and creating new content.

Management of port logistics services, including the following ICT development descriptions:

- Improvement of the reporting system on waste generated by ships in the International Cargo Logistics and Port Information System. As evident from the approved description of the development activities of ICT solution “Improvement of the reporting system on waste generated by ships in the International Cargo Logistics and Port Information System”, the ICT solution includes upgrades to the International

Freight Logistics and Ports Information System for data input on shipped waste and the data exchange interface with the EU Maritime Information and Exchange System SafeSeaNet.

Support of ICT management processes, including the following ICT development descriptions:

- State Administration Information Systems, IT Resources and Services Information System (VIRSIS) As evident from the approved description of the development activities of ICT solution “State Administration Information Systems, IT Resources and Services Information System (VIRSIS)”, the ICT solution will develop the VIRSIS functionality that supports ICT management processes, including additions to the system functionality for recording, monitoring and planning ICT resources and services; optimising the management process of ICT solutions and service development through VIRSIS, and; introduction and implementation of data sharing and reuse, as well as technical support of the ‘Single Information Point’.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C2.2-1-2-1-i- Centralised platforms, systems and shared services [32]

**Number and name of the Target:** 32 Approval of development plans for the creation, transformation or deployment of centralised ICT functions and shared services

**Quantitative Indicator:** Number

**Baseline:** 0

**Target:** 15

**Time:** Q1 2023

### 1. Context:

The objective of the investment is to ensure the functioning of the administration as a single organisation, which would include the introduction of standardised support functions such as accounting, staff administration, resource accounting and management. The investment consists of four public service delivery platforms, five sectoral and support functions platforms, and six shared platforms and systems for municipalities.

Target 32 is the first step of the implementation of the investment. It will be followed by target 33 related to adoption of harmonised descriptions of the development activities of centralised ICT solutions and target 34 related to the set up of and operation of a number of centralised ICT platforms and systems. The investment has a final expected date for implementation on 31 August 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary note duly justifying how the target (including all the constitutive elements) was satisfactory fulfilled.	
2	Copy of the Cabinet of Ministers order No.1 "On the approval of the development plan of the passport and centralised functions or shared services of investment 2.1.2.1.i of the project 'Development of the unified shared platform of websites of state and local government institutions'".	The order adopted on 10 January 2023, entered into force on the same day – 10 January 2023. The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2023/8.7">https://www.vestnesis.lv/op/2023/8.7</a>
3	Copy of the Cabinet of Ministers order No. 44 "About 2.1.2.1.i. approval of the development plan of the passport and centralised functions or shared services of the investment project "E-case programme - improvement of investigation and judicial proceedings - stage 2'".	The order adopted on 25 January 2023, entered into force on the same day – 25 January 2023. The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2023/20.9">https://www.vestnesis.lv/op/2023/20.9</a>



4	Copy of the Cabinet of Ministers order No. 118 "About 2.1.1.1.i. approval of the investment project "Development and implementation of a shared platform ensuring participatory budget management" and the development plan of the passport and centralised functions or shared services".	The order adopted on 28 February 2023, entered into force on the same day 28 February 2023. The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2023/45.11">https://www.vestnesis.lv/op/2023/45.11</a>
5	Copy of the Cabinet of Ministers order No. 265 "About 2.1.2.1.i. approval of the investment project "Digital services platform for the promotion of business development" passport and the development plan of centralised functions or shared services".	The order adopted on 10 May 2023, entered into force on the same day 10 May 2023. The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2023/90.35">https://www.vestnesis.lv/op/2023/90.35</a>
6	Copy of the Cabinet of Ministers order No. 405 "About 2.1.2.1.i. approval of the passport and shared service development plan of the investment project "Implementation of the Human Resources Unified Management System".	The order adopted on 27 June 2023, entered into force on the same day 27 June 2023. The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2023/126.6">https://www.vestnesis.lv/op/2023/126.6</a>
7	Copy of the Cabinet of Ministers order No. 406 "About 2.1.2.1.i. approval of the development plan of the passport and sharing service of the investment project "Implementation of the Learning and Development System".	The order adopted on 27 June 2023, entered into force on the same day 27 June 2023. The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2023/126.7">https://www.vestnesis.lv/op/2023/126.7</a>
8	Copy of the Cabinet of Ministers order No. 407 "Regarding the reform of the 2nd component "Digital transformation" of the European Union Recovery and Resilience Mechanism Plan 2.1.2.r "Increasing the efficiency and interoperability of the use of state ICT resources" 2.1.2.1.i. investment "Centralised platforms and systems of administration" project "State administration unified planning of state financial resources and provision of management accounting services, implementation of unified resource management" passport and approval of development plans of centralised functions or shared services".	The order adopted on 28 June 2023, entered into force on the same day 28 June 2023. The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2023/126.8">https://www.vestnesis.lv/op/2023/126.8</a>

9	Copy of the Cabinet of Ministers order No. 422 "About the 2nd component "Digital Transformation" of the European Union Recovery and Resilience Mechanism Plan 2.1. "Digital transformation of state administration, including local governments" of the reform and investment direction 2.1.2.1.i. investment "Government centralised platforms and systems" project "National digital service sharing central platform for client-centered and proactive e-services for the public (Latvija.lv)" approval of passports, centralised functions or shared service development plans".	The order adopted on 6 July 2023, entered into force on the same day 6 July 2023. The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2023/132.3">https://www.vestnesis.lv/op/2023/132.3</a>
10	Copy of the Cabinet of Ministers order No. 423 "About the 2nd component "Digital Transformation" of the European Union Recovery and Resilience Mechanism Plan 2.1. "Digital transformation of state administration, including local governments" of the reform and investment direction 2.1.2.1.i. investment "Centralised platforms and systems of management" project "Unified communication platform, document storage and integration of document management platforms" passport, approval of the development plan of centralised functions or shared services".	The order adopted on 6 July 2023, entered into force on the same day 26 July 2023. The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2023/132.4">https://www.vestnesis.lv/op/2023/132.4</a>
11	Copy of the Cabinet of Ministers order No. 510 "About investments 2.1.2.1.i. approval of the passport, centralised function or shared service development plan of the project "Service Provision Reform Support"".	The order adopted on 9 August 2023, entered into force on the same day 9 August 2023. The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2023/153.32">https://www.vestnesis.lv/op/2023/153.32</a>
12	Copy of the Cabinet of Ministers order No. 108 "About investments 2.1.2.1.i. approval of the development plan of the passport and centralised functions or shared services of the "Shared platform for bulk information retrieval and analysis" project".	The order adopted on 13 February 2024, entered into force on the same day 13 February 2024. The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2024/33.3">https://www.vestnesis.lv/op/2024/33.3</a>

13	Copy of the Cabinet of Ministers order No. 61, amending Cabinet Order No. 422 "On reform 2.1 of component 2 "Digital transformation" of the Plan of the European Union Recovery and Resilience Facility and investment direction "Digital transformation of public administration, including local governments" 2.1.2.1.i. investments in the "Centralised platforms and systems of administration" project "National central platform for sharing digital services for client-centered and proactive e-services for the public (Latvija.lv)" approval of passport, centralised function or shared service development plans".	The order adopted on 25 January 2024, entered into force on the same day 25 January 2024. The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2024/18.9">https://www.vestnesis.lv/op/2024/18.9</a>
14	Copy of the approved development plan for deployment of shared service " <b>Creation, hosting and maintenance of websites of state and local government institutions</b> ".	
15	Copy of the approved development plan for deployment of shared service " <b>Provision of centralised electronic data exchange, user management and customer self-service on the E-case platform</b> ".	
16	Copy of the approved development plan for deployment of shared service " <b>Organisation and implementation of participatory budget project idea contests</b> ".	
17	Copy of the approved development plan for deployment of shared service " <b>The single digital gateway for entrepreneurs</b> ".	
18	Copy of the approved development plan for deployment of shared service " <b>Provision and maintenance of a unified human resources management process information system</b> ".	
19	Copy of the approved development plan for deployment of shared service " <b>Professional development of employees in public administration</b> ".	
20	Copy of the approved development plan for deployment of shared service " <b>Accounting service</b> ".	
21	Copy of the approved development plan for deployment of shared service " <b>Maintenance and operation of a centralised accounting and personnel record-keeping, budget planning and financial management solution platform</b> ".	

22	Copy of the approved development plan for deployment of shared service “ <b>Personal Data Browsing Service</b> ”.	
23	Copy of the approved development plan for deployment of shared service “ <b>Provision of an e-services framework platform as a service</b> ”.	
24	Copy of the approved development plan for deployment of shared service “ <b>‘Once-only’ principle technical system platform as a service for institutions</b> ”.	
25	Copy of the approved development plan for deployment of shared service “ <b>Secure electronic delivery on the unified communication platform</b> ”.	
26	Copy of the approved development plan for deployment of shared service “ <b>Support in single points of contact for service application</b> ”.	
27	Copy of the approved development plan for deployment of shared service “ <b>Information retrieval and analysis from large datasets</b> ”.	
28	Copy of the approved development plan for deployment of shared service “ <b>Preparation and transfer of a specific data set for in-depth analysis</b> ”.	
29	Copy of the Cabinet of Ministers Regulation No.435 “Regulations Regarding the Implementation of the Reform and Investment Direction 2.1 “Digital Transformation of State Administration, Including Local Governments” of Component 2 “Digital Transformation” of the Plan for the European Recovery and Resilience Facility”.	Adopted by the Cabinet of Ministers on 14 July 2022, published in the Official Journal on 18 July 2022 and entered into force on 19 July 2022 in accordance with Article 6 of the Law on Official Publications and Legal information. The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2022/136.5">https://www.vestnesis.lv/op/2022/136.5</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the target.

#### **Approval of development plans for the creation, transformation or deployment of centralised ICT functions and shared services.**

According to the evidence provided by the Latvian authorities, at least 15 development plans for the creation, transformation or deployment of centralised Information and Communications Technology (ICT) functions and shared services have been approved, as follows:

The development plan for transformation of the shared service “*creation, hosting and maintenance of websites of state and local government institutions*”, approved by order of the Cabinet of Ministers No.1 of 10 January 2023 “On the approval of the development plan of the passport and centralised functions

or shared services of investment 2.1.2.1.i of the project "Development of the unified shared platform of websites of state and local government institutions"" (hereinafter referred to as 'Cabinet Order No. 1'), published in the Official Journal on 11 January 2023: <https://www.vestnesis.lv/op/2023/8.7>. This development plan concerns the transformation of an existing shared service by expanding an existing single platform for the websites of local government institutions and governments as well as state institutions, as outlined in section 1. "Centralised function or shared service" of Annex 2 of Cabinet Order No. 1.

The development plan for creation and deployment of the shared service "*Provision of centralised electronic data exchange, user management and customer self-service on the E-case platform*", approved by order of the Cabinet of Ministers No. 44 of 25 January 2023 "About 2.1.2.1.i. approval of the development plan of the passport and centralised functions or shared services of the investment project "E-case programme - improvement of investigation and judicial proceedings - stage 2"" (hereinafter referred to as 'Cabinet Order No. 44'), published in the Official Journal on 27 January 2023: <https://www.vestnesis.lv/op/2023/20.9>. The development plan concerns the creation and deployment of a new shared service by creating a platform for the digitalisation of court cases and related information, as outlined in section 1. "Centralised function or shared service" of Annex 2 of Cabinet Order No. 44.

The development plan for the creation and deployment of the shared service "*organisation and implementation of participatory budget project idea contests*", approved by order of the Cabinet of Ministers No. 118 of 28 February 2023 "About 2.1.1.1.i. approval of the investment project "Development and implementation of a shared platform ensuring participatory budget management" and the development plan of the passport and centralised functions or shared services" (hereinafter referred to as 'Cabinet Order No. 118'), published in the Official Journal on 3 March 2023: <https://www.vestnesis.lv/op/2023/45.11>. The development plan concerns the creation and deployment of a new shared service by establishing a participatory budgeting information system that will provide local governments with an opportunity to involve citizens in the budgeting procedures, as outlined in section 1. "Centralised function or shared service" of Annex 2 of Cabinet Order No. 118.

The development plan for the transformation of the shared service "*the single digital gateway for entrepreneurs*", approved by order of the Cabinet of Ministers No. 265 of 10 May 2023 "About 2.1.2.1.i. approval of the investment project "Digital services platform for the promotion of business development" passport and the development plan of centralised functions or shared services" (hereinafter referred to as 'Cabinet Order No. 265'), published in the Official Journal on 12 May 2023: <https://www.vestnesis.lv/op/2023/90.35>. The development plan concerns the creation of a centralised public administration function by implementation a single business gateway on the state platform for business development through the domain business.gov.lv to connect public administrations, entrepreneurs and other legal entities, as outlined in section 1. "Centralised function or shared service" of Annex 2 of Cabinet Order No. 265.

The development plan for the creation and deployment of the shared service "*Provision and maintenance of a unified human resources management process information system*", approved by the order of the Cabinet of Ministers No. 405 of 27 June 2023 "About 2.1.2.1.i. approval of the passport and shared service development plan of the investment project "Implementation of the Human Resources Unified Management System"" (hereinafter referred to as 'Cabinet Order No. 405'), published the Official Journal on 3 July 2023: <https://www.vestnesis.lv/op/2023/126.6>. The development plan concerns the creation and deployment of a new shared service by introducing a new human resources management information system which will allow for standardisation and automatising the processes throughout the public

administration, as outlined in section 1. *“Centralised function or shared service”* of Annex 2 of Cabinet Order No. 405.

The development plan for the creation and deployment of the shared service *“Professional development of employees in public administration”*, approved by the order of the Cabinet of Ministers No. 406 of 27 June 2023 *“About 2.1.2.1.i. approval of the development plan of the passport and sharing service of the investment project “Implementation of the Learning and Development System””* (hereinafter referred to as ‘Cabinet Order No. 406’), published in the Official Journal on 3 July 2023: <https://www.vestnesis.lv/op/2023/126.7>. The development plan concerns the creation and deployment of a new shared service by developing a modern and user-friendly learning and development system for the public administration, as outlined in section 1. *“Centralised function or shared service”* of Annex 2 of Cabinet Order No. 406 for the deployment of the shared service *“Professional development of employees in public administration”*.

The development plan for the creation and deployment of the shared service *“Accounting service”*, approved by the order of the Cabinet of Ministers No. 407 of 28 June 2023 *“Regarding the reform of the 2nd component “Digital transformation” of the European Union Recovery and Resilience Mechanism Plan 2.1.2.r “Increasing the efficiency and interoperability of the use of state ICT resources” 2.1.2.1.i. investment “Centralised platforms and systems of administration” project “State administration unified planning of state financial resources and provision of management accounting services, implementation of unified resource management” passport and approval of development plans of centralised functions or shared services”* (hereinafter referred to as ‘Cabinet Order No. 407’), published in the Official Journal on 3 July 2023: <https://www.vestnesis.lv/op/2023/126.8>. The development plan concerns the creation and deployment of a new shared service in the unified service centre, in which the public administration will be provided with standardised services on a centralised platform. The shared service includes a platform for full-cycle accounting (apart from physical files in the context of record keeping). This will standardise and centralise the accounting procedure, as outlined in section 1. *“Centralised function or shared service”* of Annex 2 of Cabinet Order No. 407.

The development plan for the deployment of the shared service *“maintenance and operation of a centralised accounting and personnel record-keeping, budget planning and financial management solution platform”*, approved by Cabinet Order No. 407 of 28 June 2023, published in the Official Journal on 3 July 2023: <https://www.vestnesis.lv/op/2023/126.8>. The development plan concerns the creation and deployment of a new shared service through provision of a centralised accounting system, personnel record keeping as well as budget planning and financial management, providing support to departments and institutions for day-to-day budgeting and financial planning management processes, as well as state-level financial management processes, as outlined in section 1. *“Centralised function or shared service”* of Annex 3 of Cabinet Order No. 407.

The development plan for the creation and deployment of the shared service *“Personal Data Browsing Service”*, approved by the order of the Cabinet of Ministers No. 422 of 6 July 2023 *“About the 2nd component “Digital Transformation” of the European Union Recovery and Resilience Mechanism Plan 2.1. “Digital transformation of state administration, including local governments” of the reform and investment direction 2.1.2.1.i. investment “Government centralised platforms and systems” project “National digital service sharing central platform for client-centered and proactive e-services for the public (Latvija.lv)” approval of passports, centralised functions or shared service development plans”* hereinafter referred to as ‘Cabinet Order No. 422’), published in the Official Journal on 12 July 2023: <https://www.vestnesis.lv/op/2023/132.3>. The development plan concerns the development of a new, centralised function enabling the service for the publication of data on a uniform basis for individuals on

the portal Latvija.lv. This is outlined in section 1. *“Centralised function or shared service”* of Annex 2 of Cabinet Order No. 422.

The development plan for the transformation of the shared service *“Provision of an e-services framework platform as a service”*, approved by Cabinet Order No. 422, published in the Official Journal on 12 July 2023: <https://www.vestnesis.lv/op/2023/132.3>. The development plan concerns the transformation of an existing shared service by improving the scope of the framework for e-services and the provision of a self-service environment for institutions and their programmers. This will be enabled through an existing self-service platform. This is outlined in section 1. *“Centralised function or shared service”* of Annex 3 of Cabinet Order No. 422.

The development plan for the creation and deployment of the shared service *“Once-only principle technical system platform as a service for institutions”*, approved by the order of the Cabinet of Ministers No. 61 of 25 January 2024, amending Cabinet Order No. 422 “On reform 2.1 of component 2 “Digital transformation” of the Plan of the European Union Recovery and Resilience Facility and investment direction “Digital transformation of public administration, including local governments” 2.1.2.1.i. investments in the “Centralised platforms and systems of administration” project “National central platform for sharing digital services for client-centered and proactive e-services for the public (Latvija.lv)” approval of passport, centralised function or shared service development plans” (hereinafter referred to as ‘Cabinet Order No. 61’), published in the Official Journal on 25 January 2023: <https://www.vestnesis.lv/op/2024/18.9>. The development plan concerns the development and deployment of a new shared service by providing a technical system for the sharing and reusing of standardised data internally, avoiding repetitive requests for the same information. This is outlined in section 1. *“Centralised function or shared service”* of the Annex to Cabinet Order No. 61 (Annex 4 to Cabinet Order No. 422)”.

The development plan for the creation and deployment of the shared service *“Secure electronic delivery on the unified communication platform”*, approved by the order of the Cabinet of Ministers No. 423 of 6 July 2023 “About the 2nd component “Digital Transformation” of the European Union Recovery and Resilience Mechanism Plan 2.1. “Digital transformation of state administration, including local governments” of the reform and investment direction 2.1.2.1.i. investment “Centralised platforms and systems of management” project “Unified communication platform, document storage and integration of document management platforms” passport, approval of the development plan of centralised functions or shared services” (hereinafter referred to as ‘Cabinet Order No. 61’), published in the Official Journal on 12 July 2023: <https://www.vestnesis.lv/op/2023/132.4>. The development plan concerns the creation and deployment of a new centralised function through the development of a unified communication platform to ensure communication between the state administration and citizens and businesses through a specialised state-provided e-mail system, as outlined in section 1. *“Centralised function or shared service”* of Annex 2 of Cabinet Order No. 423.

The development plan for the creation and deployment of the shared service *“Support in single points of contact for service application”*, approved by the order of the Cabinet of Ministers No. 510 of 9 August 2023 “About investments 2.1.2.1.i. approval of the passport, centralised function or shared service development plan of the project “Service Provision Reform Support”” (hereinafter referred to as ‘Cabinet Order No. 510’), published in the Official Journal on 10 August 2023: <https://www.vestnesis.lv/op/2023/153.32>. The development plan concerns the creation and deployment of a new shared service through the development of a single point of contact for service application. This is outlined in section 1. *“Centralised function or shared service”* of Annex 2 of Cabinet Order No. 510.

The development plan for the creation and deployment of the shared service *“information retrieval and analysis from large datasets”*, approved by the order of the Cabinet of Ministers No. 108 of 13 February 2024 *“About investments 2.1.2.1.i. approval of the development plan of the passport and centralised functions or shared services of the “Shared platform for bulk information retrieval and analysis” project”* (hereinafter referred to as ‘Cabinet Order No. 108’), published in the Official Journal on 15 February 2024: <https://www.vestnesis.lv/op/2024/33.3>. The development plan concerns the creation and deployment of a new shared service through the development of a centralised platform to retrieve from public available only resources textual and audiovisual information to process them (e.g. through speech recognition, machine translation) to creation and execute information analysis requests (keyword search, sentiment analysis, etc.), as outlined in section 1. *“Centralised function or shared service”* of Annex 2 of Cabinet Order No. 108.

The development plan for the creation and deployment of the shared service *“Preparation and transfer of a specific data det for in-depth analysis”*, approved by Cabinet Order no. 108, published in the Official Journal on 15 February 2024: <https://www.vestnesis.lv/op/2024/33.3>. The development plan concerns the creation and deployment of a new shared service through the development of a platform that will provide automated and partially automated services and service for users in need retrieve large volumes of texts and audiovisual information from the public online resources, as outlined in section 1. *“Centralised function or shared service”* of Annex 3 of Cabinet Order No. 108.

As it results from the descriptions of the ICT developments plans, the proposed ICT resources and services are consolidated and managed from a central point, rather than being distributed across various departments or locations. Therefore, the ICT functions and shared services are centralised. 15 development plans for the creation, transformation or deployment of centralised ICT functions and shared services have been approved.

**Before investments in development of centralised functions or shared services, the responsible institution shall prepare and get approval of the centralised ICT function or shared service development plan (including with regard to the financing of services).**

As stated in Paragraph 13 and sub-paragraph 13.1.3 of the Cabinet of Ministers Regulation No. 435 *“Regulations Regarding the Implementation of the Reform and Investment Direction 2.1 “Digital Transformation of State Administration, Including Local Governments” of Component 2 “Digital Transformation” of the Plan for the European Recovery and Resilience Facility”* (hereinafter referred to as ‘Cabinet Regulation No. 435’), which was adopted by the Cabinet of Ministers on 14 July 2022, published in the Official Journal on 18 July 2022 and entered into force in accordance with Article 6 of the Law on Publication of official and judicial information on 19 July 2022, *“The beneficiary shall ensure the project implementation according to the provisions and deadlines for the project implementation, including;” “the development plan of centralised function or shared service (Annex 3 to this Regulation) if the beneficiary plans to develop centralised functions or shared services under the project”*. The beneficiaries of the investment direction are specified in sub-paragraphs 11.1 to 11.7 and concerns institutions of direct administration (sub-paragraph 11.1), the Central Election Commission and the Office of the Prosecutor (sub-paragraph 11.2), the Free Port of Riga Authority (sub-paragraph 11.3), local governments of State cities and municipalities which have the capacity to provide shared solutions to local governments (sub-paragraph 11.4), capital companies of a public entity which are performing the administration task and derived public entities which are operating in the field of scientific research and higher education (sub-paragraph 11.5), an association which performs the administration task to establish and maintain the higher education and research digital services (sub-paragraph 11.6). The beneficiaries listed in sub-paragraphs 11.1 to 11.6 can thus be considered the “responsible institutions” of the investment because



they encompass a wide range of public administration bodies and entities that hold direct responsibilities related to the delivery of key public services, governance, and shared administrative tasks.

Annex 3 to Cabinet Regulation No. 435 specifies the information to be submitted in the development plan of the centralised function or shared service. This includes information on the service provider (section 2 of Annex 3), the ICT solution ensuring the provision of the service (section 5 of Annex 3), the legal framework for the provision and receipt of the service and the strategy for the introduction of the service (section 6 of Annex 3) as well as the financing of services (sections 7 and 8 of Annex 3).

In accordance with procedure for planning, coordinating and supervising the achievement of the objectives of the investments, as outlined in Paragraph 15 and related sub-paragraphs of Cabinet Regulation No. 435, the information and communications technology management organisation shall agree upon the draft orders prepared by beneficiaries and ensure that they align with the Regulation's requirements, including the planned investment objectives (sub-paragraph 15.1). The organisation is responsible for supervising the development of ICT solutions in compliance with state information system standards and approving shared services under these projects (sub-paragraph 15.2). Following the Cabinet's approval of the draft order, the beneficiary is invited to submit a project application (sub-paragraph 15.3). The organisation will evaluate the project application within one month, assessing its conformity with the Regulation, the implementation order, and relevant criteria under EU law (sub-paragraph 15.4). Upon approval, the organisation will notify all relevant parties, including the beneficiary and sectoral ministry, and initiate the process for concluding a project implementation contract (sub-paragraph 15.5). Evidently, the responsible institution shall prepare and get approval of the centralised ICT function or shared service development plan through the Cabinet Orders before the investment is commenced through the project implementation contract.

Each of the approved development plans have submitted the relevant information in accordance with Cabinet Regulation No. 435, which included information regarding the financing of services, as per the pieces of evidence listed below:

1. Creation, hosting and maintenance of websites of state and local government institutions, as outlined in Annex 2, sections 7 and 8 of Cabinet Order No. 1.
2. Provision of centralised electronic data exchange, user management and customer self-service on the E-case platform, as outlined in Annex 2, sections 7 and 8 of Cabinet Order No. 44.
3. Organisation and implementation of participatory budget project idea contests, as outlined in Annex 2, sections 7 and 8 of Cabinet Order No. 118.
4. The single digital gateway for entrepreneurs, as outlined in Annex 2, sections 7 and 8, of Cabinet Order No. 265.
5. Provision and maintenance of a unified human resources management process information system, as outlined in Annex 2, sections 7 and 8 of Cabinet Order No. 405.
6. Professional development of employees in public administration, as outlined in Annex 2, sections 7 and 8 of Cabinet Order No. 406.
7. Accounting service, as outlined in Annex 2, sections 7 and 8 of Cabinet Order No. 407.
8. Maintenance and operation of a centralised accounting and personnel record-keeping, budget planning and financial management solution platform, as outlined in Annex 3, sections 7 and 8 of Cabinet Order No. 407.
9. Personal Data Browsing Service, as outlined in Annex 2, sections 7 and 8 of Cabinet Order No. 422.
10. Provision of an e-services framework platform as a service, as outlined in Annex 3, sections 7 and 8 of Cabinet Order No. 422.

11. Once-only' principle technical system platform as a service for institutions, as outlined in Annex 2, sections 7 and 8 of Cabinet Order No. 61 (Annex 4, sections 7 and 8 of Cabinet Order No. 422).
12. Secure electronic delivery on the unified communication platform, as outlined in Annex 2, sections 7 and 8 of Cabinet Order No. 423.
13. Support in single points of contact for service application, as outlined in Annex 2, sections 7 and 8 of Cabinet Order No. 510.
14. Information retrieval and analysis from large datasets, as outlined in Annex 2, sections 7 and 8 of Cabinet Order No. 108.
15. Preparation and transfer of a specific data set for in-depth analysis, as outlined<sup>79</sup> in Annex 3, sections 7 and 8 of Cabinet Order No. 108.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C2.1-2-1-i- Centralised platforms, systems and services [33]

**Number and name of the Target:** 33 - Approval of harmonised descriptions of the development activities of centralised ICT solutions

**Quantitative Indicator:** Number

**Baseline:** 0

**Target:** 15

**Time:** Q3 2023

### 1. Context:

Target 33 is part of investment 2.1.2.1.i. which aims to unify and digitalise public administration by implementing standardised support functions like accounting, staff management, and resource administration.

Target 33 concerns the approval of 15 ICT development descriptions for centralised platforms and systems in line with the legal framework for governance.

Target 33 is the second target of the investment, and it follows the completion of target 32, related to approval of the development plans for 15 centralised ICT functions and shared services. It will be followed by target 34, related to the entry into operation of 15 centralised ICT platforms and systems. The investment has a final expected date for implementation on 31 August 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary note duly justifying how the target (including all the constitutive elements) was satisfactory fulfilled.	
2	Description of the development activities of centralised ICT solution "Creation of a participatory budget information system within TAPIS".	Concerns the upgrade of the Territorial Development Planning Information System (TAPIS) to support participatory budget projects, enabling municipalities to organise calls for ideas and allowing citizens to participate. This system will centralise development planning for local authorities, while the public can access and engage with participatory budget projects via an e-service on the national portal Latvia.lv, enabling voting and project submissions in one place.

3	Description of the development activities of centralised ICT solution "E-case platform".	Complements the e-case platform and the information systems connected to it, and develops new sharing solutions, expanding the possibilities for electronic data exchange and promoting the digitalisation of services, as part of the development of the e-Justice programme. This also concerns development of the e-case platform sharing solutions (classifiers, registers, calendars, archiving solution, electronic case catalogue), a new harmonised approach to the exchange of electronic data between institutions, and development of a range of e-services. All of this will be integrated on the latvija.lv service frame.
4	Description of the development activities of centralised ICT solution "Court information system".	Concerns the development of an up-to-date ICT system based on the requirements of the courts and the parties to the proceedings by providing efficient and automated support functions for electronic data exchange in judicial, pre-trial and penitentiary proceedings. This is to provide information to the persons directing the criminal proceedings and to the court necessary for the performance of their duties under the procedural rules.
5	Description of the development activities of centralised ICT solution "Prisoner Information System".	Concerns the functional developments of Prisoner Information System 2 (EES2) by taking over the functionality of the business system still in operation (EES1), migration of data from the existing ICT service to the improved e-case platform in order to extend the types of documents shared through the platform and to further digitalise the Prison Authority's business processes and services. It will also introduce the possibility for prisoners to prepare and send submissions and letters to national and local authorities electronically as well as receive responses. This will improve investigation and judicial processes.
6	Description of the development activities of centralised ICT solution "Probation customer accounting system".	Concerns the further development of the probation client accounting system and further integration with the e-Case platform in order to facilitate the exchange of data. This includes digitalisation of business processes, the creation of an app for probation clients for operational and more efficient exchange of information.
7	Description of the development activities of centralised ICT solution "State-provided legal aid register".	Concerns the development of an e-service support functionality making it possible to receive an electronic application for legal aid in a structured manner, digitising the processing of application, providing feedback on the e-Case platform on the progress of legal aid applications and payments, providing for automatic designation of legal aid providers, and ensuring the general exchange of data with the e-Case platform.

8	Description of the development activities of centralised ICT solution "State compensation register".	Concerns the integration of the Court information system with the e-Case platform to reduce the administrative burden and receive up-to-date information in order to increase efficiency in the decisions on payment of State compensation by digitising processes.
9	Description of the development activities of centralised ICT solution "The unified platform of websites of state and local government institutions".	Concerns the development and expansion of a single platform for state and municipal authorities' websites that are provided centrally (shared services) for the creation, maintenance, accommodation and security management.
10	Description of the development activities of centralised ICT solution "National central platform for sharing digital services for customer-centric and proactive e-services for the public (Latvija.lv)".	Concerns the addressal of challenges of the Latvija.lv platform such as enabling users to quickly obtain services and information necessary by improving search functionalities, making information accessible to the users by enhancing the personal data browsing service, and implementing the once-only technical system.
11	Description of the development activities of centralised ICT solution "Unified document management system".	Concerns the introduction of a single document management system of the Ministry of Culture to provide a centralised platform for document management and to avoid inefficient processes of document circulation and unsafe storage of electronic documents.
12	Description of the development activities of centralised ICT solution "E-address information system".	Concerns the modernisation of the e-address information system by improving the functioning of the official e-address and ensuring secure communication and circulation of electronic documents between the public administration and private parties.
13	Description of the development activities of centralised ICT solution "Improved state platform business.gov.lv".	Concerns the development of a platform for entrepreneurs and consolidation of public services for these entities. This includes personalised guidance on regulatory requirements and the opportunities for the creation and development of businesses.
14	Description of the development activities of centralised ICT solution "Learning and development system".	Concerns the development and implementation of a centralised learning- and personal development platform, including the development of technical specifications for procurement and user training. This includes development of staff learning pathways by making e-learning opportunities available on the platform.
15	Description of the development activities of centralised ICT solution "Accounting and HR solution".	Concerns the development of centralised accounting and personnel record-keeping services can be provided to departments according to an agreed timetable, including user management, security management, process automation with additional tools/solutions where needed.

16	Description of the development activities of centralised ICT solution “Budget planning and financial management solution”.	Concerns the development of a centralised budget planning and financial management platform to support the financial operations of agencies/institutions in day-to-day financial management processes and the Ministry of Finance in the national budget-level processes.
17	Description of the development activities of centralised ICT solution “Human resources unified management system”.	Concerns the collection, analysis of, and formulation of technical specifications for the Human Resources Management system, and procurement of the system and its adaptation according to the business processes and functional requirements defined in cooperation with human resources specialists. This includes the introduction of a centralised system for public administration in the field of human resources management in order to ensure the standardisation and efficiency of human resources management processes.
18	Description of the development activities of centralised ICT solution “Prosecutor's Office Information System (ProIS)”.	Concerns the development of the Public Prosecutor’s Information System in order to information exchange with the investigative authorities and experts through the e-case platform. This improves, automates and develops cooperation in proceedings with judicial and penal authorities (pre-trial proceedings and dealing with matters relating to the enforcement of sentences, coordination of procedural actions, automation of the circulation of documents related to the enforcement of sentences).
19	Description of the development activities of centralised ICT solution “Service management solution for unified customer service centers of the state and municipalities”.	Concerns the extension of the centralised service management platform to integrate additional customer service points of local ICT tools in municipalities, as well as to improve the exchange of data between the service management solution and the National Information Resources, Systems and Interoperability Information System (VIRSIS).
20	Approval No. 11-1/3629 of the Ministry of Environmental Protection and Regional Development of 02 May 2022.	Approval of descriptions of ICT development activities. Electronically signed on 18 May 2022.
21	Approval No. 11-1/2221 of the Ministry of Environmental Protection and Regional Development of 23 March 2023.	Approval of descriptions of ICT development activities. Electronically signed on 17 April 2023.
22	Approval No. 11-1/2305 of the Ministry of Environmental Protection and Regional Development of 12 April 2023.	Approval of descriptions of ICT development activities. Electronically signed on 21 April 2023.
23	Approval No. 11-1/4379 of the Ministry of Environmental Protection and Regional Development of 25 July 2023.	Approval of descriptions of ICT development activities. Electronically signed on 28 July 2023.

24	Approval No. 11-1/4378 of the Ministry of Environmental Protection and Regional Development of 25 July 2023.	Approval of descriptions of ICT development activities. Electronically signed on 28 July 2023
25	Approval No. 11-1/4767 of the Ministry of Environmental Protection and Regional Development of 16 August 2023.	Approval of descriptions of ICT development activities. Electronically signed on 17 August 2023.
26	Approval No. 11-1/5509 of the Ministry of Environmental Protection and Regional Development of 15 September 2023.	Approval of descriptions of ICT development activities. Electronically signed on 22 September 2023.
27	Approval No. 11-1/6499 of the Ministry of Environmental Protection and Regional Development of 7 November 2023.	Approval of descriptions of ICT development activities. Electronically signed on 7 November 2023.
28	Approval No. 11-1/6716 of the Ministry of Environmental Protection and Regional Development of 10 November 2023.	Approval of descriptions of ICT development activities. Electronically signed on 21 November 2023.
29	Approval No. 11-1/7384 of the Ministry of Environmental Protection and Regional Development of 8 December 2023.	Approval of descriptions of ICT development activities. Electronically signed on 15 December 2023.
30	Approval No. 11-1/7537 of the Ministry of Environmental Protection and Regional Development of 19 December 2023.	Approval of descriptions of ICT development activities. Electronically signed on 22 December 2023.
31	Approval No. 11-1/2504 of the Ministry of Environmental Protection and Regional Development of 17 April 2024.	Approval of descriptions of ICT development activities. Electronically signed on 23 April 2024.
32	Cabinet Regulation No. 435 "Regulations Regarding the Implementation of the Reform and Investment Direction 2.1 "Digital Transformation of State Administration, Including Local Governments" of Component 2 "Digital Transformation" of the Plan for the European Recovery and Resilience Facility", which was adopted on 14 July 2022, published in the Official Journal on 18 July 2022 and entered into force on 19 July 2022 in accordance with Article 6 of the Law on Official Publications and Legal information.	The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2022/136.5">https://www.vestnesis.lv/op/2022/136.5</a>

33	Cabinet Regulation No. 597 “Procedures for supervision of State Information Systems development projects”, which was adopted on 31 August 2021, published in the Official Journal on 2 September 2021 and entered into force on 3 September 2021 in accordance with Article 6 of the Law on Official Publications and Legal information.	The link to the publication in the Official Journal: <a href="https://likumi.lv/ta/id/325798-valsts-informacijas-sistemu-attistibas-projektu-uzraudzibas-kartiba">https://likumi.lv/ta/id/325798-valsts-informacijas-sistemu-attistibas-projektu-uzraudzibas-kartiba</a>
34	Cabinet of Ministers Regulation No.368 “Procedure for monitoring the development activities and liquidation of information systems and information and communication technology resources and services necessary for their operation”, which was adopted on 4 July 2023, published in the Official Journal on 11 July 2023 and entered into force on 12 July 2023 in accordance with Article 6 of the Law on Official Publications and Legal information.	The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2023/131.12">https://www.vestnesis.lv/op/2023/131.12</a>
35	Cabinet of Ministers Regulation No. 367 “General technical requirements of information systems”, which was adopted on 4 July 2023, published in the Official Journal on 11 July 2023 and entered into force on 12 July 2023 in accordance with Article 6 of the Law on Official Publications and Legal information.	The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2023/131.11">https://www.vestnesis.lv/op/2023/131.11</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities covers all constitutive elements of the target.

#### **Harmonised descriptions shall be approved to define ICT development activities of centralised platforms and systems.**

Cabinet of Ministers Regulation No. 368 “Procedures for supervision of State Information Systems development projects” (hereinafter referred to as Cabinet Regulation No. 368) was adopted on 4 July 2023, published in the Official Journal on 11 July 2023 and entered into force on 12 July 2023 in accordance with Article 6 of the Law on Official Publications and Legal information. Cabinet Regulation No. 368 specifies the responsible authorities for monitoring the development activities. To harmonise descriptions and as evident from Paragraph 5 of Cabinet Regulation No. 368, “*prior to commencing the development activity, the responsible institution shall coordinate the description of the development activity with the following institutions*”; with the Ministry of Environmental Protection and Regional Development



(hereinafter referred to as 'MoEPRD') regarding the conformity of the activities with the laws and regulations in the field of development of information systems (Sub-paragraph 5.1), with the sectoral ministry to which the responsible institution(s) are subordinate regarding the conformity of the development activity with the priorities of the sectoral policy (Sub-paragraph 5.2), with the Ministry of Defence regarding the planned security measures of the information system (Sub-paragraph 5.3), and with other involved institutions, the operation and competence of which may be affected by the implementation of the development activity (Sub-paragraph 5.8).

As stated in Paragraph 11 of Cabinet Regulation No. 368, the MoEPRD provides an opinion on the description of the development activity, either rejecting or approving the description of the ICT development as harmonised. MoEPRD provided the responsible authority of the description with an opinion on the approval of the harmonised description, as stipulated in approvals no. 11/1-3629, 11/1-2221, 11/1-2305, 11-1/4379, 11-1/4378, 11-1/4767, 11-1/5509, 11-1/6499, 11-1/6716, 11-1/7384, 11-1/7537, and 11-1/2504. The descriptions have been harmonised through the consultation procedure with various institutional actors:

- Description of the development activities of the centralised ICT solution "*Creation of a participatory budget information system within TAPIS*", approved by the MoEPRD by opinion No. 11-1/3629 of 2 May 2022, electronically signed on 18 May 2022. As evident from page 1 of the description of the development activities of centralised ICT solution "*Creation of a participatory budget information system within TAPIS*", the description of the ICT development activities concerns the development of a centralised system for participatory budget projects within the state ICT solution '*Territorial Development Planning Information System*' (TAPIS), enabling municipalities to organise calls for ideas and allowing citizens to participate.
- Description of the development activities of the centralised ICT solution "*e-Case Platform*", approved by the MoEPRD as evident from opinion no. 11-1/2221 of 23 March 2023, electronically signed on 17 April 2023. As evident from page 1 of the description of the development activities of centralised ICT solution "*E-case platform*", the description of the ICT development activities concerns the extension of the centralised e-case platform and the information systems connected to it, as well as the development of new sharing solutions, expanding the possibilities for electronic data exchange and promoting the digitalisation of services.
- Description of the development activities of the centralised ICT solution "*Court information system*", approved by the MoEPRD as evident from opinion No. 11-1/2221 of 23 March 2023, electronically signed on 17 April 2023. As evident from page 1 of the description of the development activities of centralised ICT solution "*Court information system*", the description of the ICT development activities concerns the development of an up-to-date ICT system based on the requirements of the courts and the parties to the proceedings by providing efficient and automated support functions for electronic data exchange in judicial, pre-trial and penitentiary proceedings.
- Description of the development activities of the centralised ICT solution "*Prisoner Information System*", approved by the MoEPRD as evident from opinion No. 11-1/2221 of 23 March 2023, electronically signed on 17 April 2023. As evident from page 1 of the description of the development activities of centralised ICT solution "*Prisoner Information System*", the description of the ICT development activities concerns the functional developments of a centralised Prisoner's Information System 2 (EES2) by taking over the functionality of the business system still in operation (EES1), migration of data from the existing ICT service to the improved state E-case

platform in order to extend the types of documents shared through the platform and to further digitalise the Prison Authority's business processes and services.

- Description of the development activities of the centralised ICT solution "*Probation customer accounting system*", approved by the MoEPRD as evident from opinion No. 11-1/2221 of 23 March 2023, electronically signed on 17 April 2023. As evident from page 1 of the description of the development activities of centralised ICT solution "*Probation customer accounting system*", the description of the ICT development activities concerns the further development of the probation client accounting system and further integration with the state e-Case platform to facilitate the exchange and centralisation of data.
- Description of the development activities of the centralised ICT solution "*State-provided legal aid register*", approved by the MoEPRD as evident from opinion No. 11-1/2221 of 23 March 2023, electronically signed on 17 April 2023. As evident from page 1 of the description of the development activities of centralised ICT solution "*State-provided legal aid register*", the description of the ICT development activities concerns the development of a centralised e-service support function, making it possible to receive an electronic application for legal aid, digitising the processing of application, providing feedback on the state e-Case platform on the progress of legal aid applications and payments, providing for automatic designation of legal aid providers, and ensuring the general exchange of data with the centralised e-Case platform.
- Description of the development activities of the centralised ICT solution "*State compensation register*", approved by the MoEPRD as evident from opinion No. 11-1/2221 of 23 March 2023, electronically signed on 17 April 2023. As evident from page 1 of the description of the development activities of centralised ICT solution "*State compensation register*", the description of the ICT development activities concerns the integration of the Court information system with the state e-Case platform to reduce the administrative burden and receive up-to-date information in order to increase efficiency in the decisions on payment of State compensation by digitising and centralising processes.
- Description of the development activities of the centralised ICT solution "*The unified platform of websites of state and local government institutions*", approved by the MoEPRD as evident from opinion No. 11-1/2305 of 12 April 2023, electronically signed on 21 April 2023. As evident from page 1 of the description of the development activities of centralised ICT solution "*The unified platform of websites of state and local government institutions*", the description of the ICT development activities concerns the development and expansion of a single platform for state and municipal authorities' websites that are provided centrally for the creation, maintenance, accommodation and security management of public sector websites.
- Description of the development activities of the centralised ICT solution "*National central platform for sharing digital services for customer-centric and proactive e-services for the public (Latvija.lv)*", approved by the MoEPRD as evident from opinion No. 11-1/4379 of 25 July 2023, electronically signed on 28 July 2023. As evident from page 1 of the description of the development activities of centralised ICT solution "*National central platform for sharing digital services for customer-centric and proactive e-services for the public (Latvija.lv)*", the description of the ICT development activities concerns the expansion of the centralised public service platform Latvija.lv of the Latvian state to enable users to quickly obtain the services and information necessary by improving search functionalities, making information accessible to the users by enhancing the personal data browsing service, and implementing the once-only technical system.

- Description of the development activities of the centralised ICT solution “*Unified document management system*”, approved by the MoEPRD as evident from opinion No. 11-1/4378 of 28 July 2023, electronically signed on 17 August 2023. As evident from page 1 of the description of the development activities of centralised ICT solution “*Unified document management system*”, the description of the ICT development activities concerns the introduction of a single document management system of the Ministry of Culture to provide a centralised platform for document management and to avoid inefficient processes of document circulation and unsafe storage of electronic documents.
- Description of the development activities of the centralised ICT solution “*E-address information system*”, approved by the MoEPRD as evident from opinion No. 11-1/4767 of the MOEPRD of 16 August 2023, electronically signed on 17 August 2023. As evident from page 1 of the description of the development activities of centralised ICT solution “*E-address information system*”, the description of the ICT development activities concerns the modernisation of the centralised e-address information system by improving the functioning of the official e-address and ensuring secure communication and circulation of electronic documents between the state administration and private parties.
- Description of the development activities of the centralised ICT solution “*Improved state platform business.gov.lv*”, approved by the MoEPRD as evident from opinion No. 11-1/5509 on 22 September 2023, electronically signed on 15 September 2023. As evident from page 1 of the description of the development activities of centralised ICT solution “*Improved state platform business.gov.lv*”, the description of the ICT development activities concerns the development of a centralised platform for entrepreneurs and subsequent consolidation of public services for these entities. This includes personalised guidance on regulatory requirements and the opportunities for the creation and development of businesses.
- Description of the development activities of the centralised ICT solution “*Learning and development system*”, approved by the MoEPRD as evident from opinion No. 11-1/6499 on 7 November 2023, electronically signed on 12 November 2023. As evident from page 1 of the description of the development activities of centralised ICT solution “*Learning and development system*”, the description of the ICT development activities concerns the development and implementation of a centralised learning- and personal development platform, including the development of technical specifications for procurement and user training.
- Description of the development activities of the centralised ICT solution “*Accounting and HR solution*”, approved by the MoEPRD as evident from opinion No. 11-1/6716 on 21 November 2023, electronically signed on 21 November 2023. As evident from page 1 of the description of the development activities of centralised ICT solution “*Accounting and HR solution*”, the description of the ICT development activities concerns the development of centralised accounting and personnel record-keeping service that can be provided to departments according to an agreed timetable, including user management, security management and process automation.
- Description of the development activities of the centralised ICT solution “*budget planning and financial management solution*”, approved by the MoEPRD as evident from opinion No. 11-1/6716 on 21 November 2023, electronically signed on 21 November 2023. As evident from page 1 of the description of the development activities of centralised ICT solution “*budget planning and financial management solution*”, the description of the ICT development activities concerns the development of a centralised budget planning and financial management platform to support the

financial operations of agencies and institutions in day-to-day financial management processes and the Ministry of Finance in the national budget-level processes.

- Description of the development activities of the centralised ICT solution “*human resources unified management system*”, approved by the MoEPRD as evident from opinion No. 11-1/7384 on 15 December 2023, electronically signed on 15 December 2023. As evident from page 1 of the description of the development activities of centralised ICT solution “*human resources unified management system*”, the description of the ICT development activities concerns the collection and analysis of information, the formulation of technical specifications for the Human Resources Management system and procurement of the system and its adaptation according to the business processes and functional requirements defined in cooperation with human resources specialists. This includes the introduction of a centralised system for the public administration in the field of human resources management to ensure the standardisation and efficiency of human resources management processes.
- Description of the development activities of the centralised ICT solution “*Prosecutor’s Office Information System (ProIS)*”, approved by the MoEPRD as evident from opinion No. 11-1/7537 on 22 December 2023. As evident from page 1 of the description of the development activities of centralised ICT solution “*Prosecutor’s Office Information System (ProIS)*”, the description of the ICT development activities concerns the development of the centralised Public Prosecutor’s Information System to facilitate information exchange with the investigative authorities and experts through the e-Case platform. This improves, automates and develops cooperation in proceedings with judicial and penal authorities.
- Description of the development activities of the centralised ICT solution “*Service management solution for unified customer service centers of the state and municipalities*”, approved by the MoEPRD as evident from opinion No. 11-1/2504 of 3 April 2024, electronically signed on 23 April 2024. As evident from page 1 of the description of the development activities of centralised ICT solution “*Service management solution for unified customer service centers of the state and municipalities*”, the description of the ICT development activities concerns the extension of the centralised service management platform to integrate additional customer service points of local ICT tools in municipalities, as well as to improve the exchange of data between the service management solution and the National Information Resources, Systems and Interoperability Information System (VIRISIS).

**The ICT solutions (systems) shall be developed in accordance with the adopted legal framework for ICT governance.**

The provisions determining the procedures for the supervision (or monitoring) of State information system development projects are laid down in Cabinet Regulation No. 368. Cabinet Regulation No. 368 constitutes the legal framework for ICT governance as it establishes the scope and definitions of information systems and ICT operations (Paragraph 2 and related sub-paragraphs), specifies the obligations and responsibilities of the information system manager who is responsible for the implementation of the development activity (Paragraph 4 and sub-paragraphs 4.1-4.5), lays down the procedural steps for adoption of ICT solutions (paragraphs 5-16), the responsible authorities engaged in the development and approval procedure (paragraph 5 and sub-paragraphs 5.1-5.8), and the responsible authorities for monitoring the development activities and the procedures for development of ICT activities for centralised platforms and systems (Paragraph 17-19).

Cabinet Regulation No. 368 specifies the procedures to be followed in the development of the ICT solutions. As evident from Paragraph 4 of Cabinet Regulation No. 368, the information system manager (the responsible institution) shall “[...] prepare the following documents”; an application for a development activity as specified by Annex 1 to the Regulation (Sub-paragraph 4.1) and a description of the development activity as specified by Annex 2 to the Regulation (Sub-paragraph 4.2). Annex 1 of Cabinet Regulation No. 368 includes information on the responsible institution (Section 1 of Annex 1), the purpose and expected results (Section 3), the impact on existing or new systems, interfaces and components (Section 4), the technological approach of the ICT system (Section 6), and the indicative source and amount of funding for budgetary planning (Section 9). Annex 2 of Cabinet Regulation No. 368 explains the key aspects of the development activity description, including the responsible institution and name of the development activity (Section 1 of Annex 2), a description of the issues being addressed and the actions to achieve the project goals (Section 3), the impact on other information systems (Section 4), the technological characteristics and compliance (Section 5), implementation approach and ICT infrastructure (section 6), and the justification, key risks, and planned timelines (Section 7). Before starting the development of the ICT solution (system), the responsible institution must coordinate the development description with relevant entities, including ministries and regulatory bodies (Sub-paragraph 5.1–5.8). The institution submits the development description to the specified authorities for coordination, concurrently informing the MoEPRD (Paragraph 6). The MoEPRD issues a final opinion within 15 working days of receiving all coordinated documents (Paragraph 11). Following procedures regarding objections (paragraph 13-14) and resolution of disagreements (paragraph 15), the activity proceeds as per the MoEPRD-approved description (Paragraph 16).

The development of the ICT solutions has been completed in accordance with the provisions of Cabinet Regulation No. 368. The following documentation and processes have been followed for each of the ICT solutions:

1. As evident from approvals no. 11/1-3629, 11/1-2221, 11/1-2305, 11-1/4379, 11-1/4378, 11-1/4767, 11-1/5509, 11-1/6499, 11-1/6716, 11-1/7384, 11-1/7537, and 11-1/2504, each of the ICT solutions (systems) has been accompanied by a development description that complies with the specifications outlined in Annex 2 to Cabinet Regulation No. 368, including:
  - The responsible institution and name of the development activity (Section 1 of Annex 2).
  - Description of the issues being addressed and the actions to achieve the project goals (Section 3)
  - Impact on other information systems (Section 4).
  - Technological characteristics and compliance (Section 5)
  - Implementation approach and ICT infrastructure (Section 6)
  - Justification, key risks and planned timelines (Section 7)
2. As evident from approvals no. 11/1-3629, 11/1-2221, 11/1-2305, 11-1/4379, 11-1/4378, 11-1/4767, 11-1/5509, 11-1/6499, 11-1/6716, 11-1/7384, 11-1/7537, and 11-1/2504, each of the ICT solutions (systems) has undergone coordination with relevant entities, including ministries and regulatory bodies, and has obtained a final opinion from the MoEPRD in accordance with Paragraphs 5-16 of Cabinet Regulation No. 368
3. As evident from no. 11/1-3629, 11/1-2221, 11/1-2305, 11-1/4379, 11-1/4378, 11-1/4767, 11-1/5509, 11-1/6499, 11-1/6716, 11-1/7384, 11-1/7537, and 11-1/2504, the development and approval of each of the 15 ICT solutions (systems) has been subject to the monitoring and supervision procedures outlined in Cabinet Regulation No. 368 as concerns the coordination with relevant entities and obtaining a final opinion from the MoEPRD.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C2.2-1-3-r- Development of the national economic data and digital services economy [38]

**Number and name of the Milestone:** 38 Legal framework for the functioning of the national platform for the circulation of data

**Qualitative Indicator:** Entry into force of the legal framework

**Time:** Q4 2023

### 1. Context:

Measure 2.1.3.r. aims to ensure the availability and sharing of public and private data and services by laying the foundations for the development and interoperability of the data and platform economy with European data spaces and by ensuring data sharing within the EU.

Milestone 38 concerns the implementation of a legal framework defining elements of the national data platform, including efficient data sharing management within the central platform, clarification of participating institutions' rights and duties regarding data sharing and circulation, and the establishment of streamlined processes for handling personal data within the central platform.

Milestone 38 is the second and last milestone of the reform, and it follows the completion of milestone 37, related to the entry into force of a legal framework for the granting of support in the field of transformation of economic data management.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.	
2	Copy of Cabinet of Ministers Regulation No. 624 "Data Distribution and Management Platform Rules".	Adopted by the Cabinet of Ministers on 21 October 2023, published in the Official Journal on 2 November 2023 and entered into force on 3 November 2023. The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2023/213.10">https://www.vestnesis.lv/op/2023/213.10</a>
3	Copy of the Law 'Amendments to the Law on State Information Systems'.	Adopted by the Latvian Parliament ( <i>Saeima</i> ) on 5 May 2022, published in the Official Journal on 17 May 2022 and entered into force on 1 June 2022. The link to the publication in the Official Journal: <a href="https://likumi.lv/ta/id/332437-grozijumi-valsts-informacijas-sistemu-likuma">https://likumi.lv/ta/id/332437-grozijumi-valsts-informacijas-sistemu-likuma</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

**The successful implementation of the reform shall be ensured by entry into force of the legal framework [...]**

Cabinet of Ministers Regulation No. 624 “*Data Distribution and Management Platform Rules*” (hereinafter referred to as Cabinet Regulation No. 624) was adopted by the Cabinet of Ministers on 21 October 2023, published in the Official Journal on 2 November 2023 and entered into force on 3 November 2023. Since the Cabinet Regulation does not specify the date of its entry into force, the Latvian authorities provided on 12 May 2022 the “General explanation regarding entry into force of the legal acts in conformity with the national rules of the Republic of Latvia”, which states that, if date of the entry into force is not specified in the Cabinet of Ministers regulation, the general rule on the entry into force on the next day after the publication applies to the Cabinet Regulation, as laid down in Article 7(2) of the Law on Official Publications and Legal Information of 31 May 2012, which entered into force on 1 July 2022. As evident from paragraph 1 of Cabinet Regulation No. 624, “*the rules define data distribution and management platform*”. This includes “*the manager, his duties and responsibilities, as well as functions and tasks, the performance of which requires the use of the Data Distribution and Management Platform*” (sub-paragraph 1.1.) as well as the “*operation, financing and use procedures*” (sub-paragraph 1.2). Cabinet Regulation No. 624 thus constitutes a legal framework as it governs the legal relations, rights and duties, as well as the functions in relation to the central data management platform and the use and circulation of data.

**[...] specifying the following aspects of the national platform:**

**1. data sharing management, including the data exchange process in the central data exchange platform;**

The Council Implementing Decision states that the legal framework shall specify aspects of the national platform, including the data exchange process in the central data exchange platform. The description of the milestone defines each of the aspects of the national platform to be specified in the central data exchange platform, including aspects of rights and duties of participants and aspects of personal data, indicating that these aspects collectively concern the development of a single national platform for the exchange of data. The name of the milestone further emphasises the establishment of a “*legal framework for the functioning of the national platform for the circulation of data*”. Evidently, the intention of the measure is to ensure the creation and operation of a single, unified platform for data exchange at the national level. In light of this, the contextual interpretation of this requirement from the Council Implementing Decision is that a legal framework specifying the aspects of a single national platform with the required functionalities shall enter into force. Latvia has implemented Cabinet Regulation No. 624, which establishes the ‘Data Distribution and Management Platform’. The Data Distribution and Management Platform is, in substance and function, the national platform referred to in the Council Implementing Decision. As outlined in Paragraph 9 of Cabinet Regulation No. 624, the platform is designated as the centralised system for managing and facilitating data exchange between public institutions. It establishes the governance framework (Paragraphs 1, 3, 4, 5, 7 and 9), technical infrastructure (Paragraphs 11, 13, 14, 23 and 42) and operational procedures (Paragraphs 18, 19, 25, 26, 27, 28, 29 and 30) necessary to ensure standardised, secure and efficient data sharing at the national level. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Cabinet Regulation No. 624 specifies the data sharing management of the national platform, including the data exchange process. Section II of Cabinet Regulation No. 624 defines the procedural provisions and overall framework for data sharing management. It includes provisions on establishing a governance structure for overseeing and managing data sharing activities. As stated in Paragraph 3, the State Regional Development Agency is tasked with the overall management of the national platform. In accordance with

Paragraph 4, the “controller” is responsible for the processing of personal data in the relevant Data Provider’s information system.

The paragraphs specify the procedural steps involved in the data exchange process:

1. Data reception using the Data Distribution and Management Platform can be initiated by both the data recipient and the data provider. To do this, an application is submitted to the manager of the Data Distribution and Management Platform using the official electronic address (Paragraph 26).
2. The manager of the Data Distribution and Management Platform evaluates the information provided and notifies the data provider or data recipient about the approval or rejection of the application and indicates the shortcomings that need to be eliminated to ensure data circulation using the platform. The data provider or the data recipient can resubmit the application after eliminating the deficiencies indicated by the manager of the platform (Paragraph 29).
3. The data recipient agrees with the data provider on the volume of data (including personal data), circulation and the conditions of their receipt to ensure data circulation using the platform, using the functionality available in the State Information Resource, System and Interoperability Information System (hereinafter – VIRSIS) (Paragraph 31).
4. The manager of the Data Distribution and Management Platform helps the data recipient and the data provider configure the technical connection between their systems and the Data Distribution and Management Platform (Paragraph 8 and 21).

## **2. the rights and duties of the participating institutions for the sharing and circulation of data within the central data exchange platform;**

As stated in Paragraph 2 of Cabinet Regulation No. 624, the participating institutions are referred to as “data provider” defined as “*an institution registered in the Republic of Latvia or a legal entity under private law, for which access to the data under its control is ensured using the Data Distribution and Management Platform*” (sub-paragraph 2.1) and “data recipient”, defined as “*an institution registered in the Republic of Latvia or a legal entity under private law that receives data using the Data Distribution and Management Platform*”. Lastly, the “manager” or “controller” of the Data Distribution and Management Platform is the State Regional Development Agency (Paragraph 3).

Paragraphs 5, 6, 7, 8 and 18 of Cabinet Regulation No. 624 delineate the responsibilities of each participating institution or entity in ensuring proper data sharing, circulation, and compliance with the Cabinet Regulation, differentiating between the rights and responsibilities of “data providers”, “data recipients” and “data manager”.

- The **data manager/controller** has duties related to:
  - Personal data used to access the Data Distribution and Management Platform (Paragraph 4 of Cabinet Regulation No. 624)
  - Technical requirements for the Data Distribution and Management Platform and the integrity, confidentiality and availability of data included in the platform (Paragraph 7 of Cabinet Regulation No. 624),
  - Developing and updating the User Manual for the Data Distribution and Management Platform (Paragraph 18 of Cabinet Regulation No. 624),
  - The Data Distribution and Management Platform self-service portal (Paragraph 19, 22 of Cabinet Regulation No. 624).
- The **data manager/controller** has rights related to:
  - The audit records and provides the opportunity for the data provider and data recipient to access these records (Paragraph 22 of Cabinet Regulation No. 624)



- Grant access to the Data Distribution and Management Platform (Sub-paragraphs 25.1 and 25.2 of Cabinet Regulation No. 624).
- Approve or reject the applications for data circulation received from the data provider or data recipient (Paragraph 29 of Cabinet Regulation No. 624).
- Terminate the data provider or data recipients use of the Data Distribution and Management Platform (Paragraph 36 of Cabinet Regulation No. 624).
- The **data provider** has duties related to:
  - The data, and the quality and relevance thereof, deployed for distribution in the Data Distribution and Management Platform (Paragraphs 5 and 6 of Cabinet Regulation No. 624),
  - The configuration of the technical connection that ensures that data from the data provider's information system is placed in the Data Distribution and Management Platform (Paragraph 8 of Cabinet Regulation No. 624).
- The **data provider** has rights related to:
  - The data in the data storage (Paragraph 16 of Cabinet Regulation No. 624).
  - Distribution of data from the data provider after an agreement has been concluded with the data recipient (Paragraph 17 of Cabinet Regulation No. 624).
- The **data recipient** has duties related to:
  - The configuration of the technical connection that ensures that data from the Data Distribution and Management Platform is fed into information system of the data recipient (Paragraph 8 of Cabinet Regulation No. 624).
- The **data recipient** has rights related to:
  - Send an application for the circulation of data on the Data Distribution and Management Platform (Paragraph 26 of Cabinet Regulation No. 624).
  - Receive updates of any made or planned changes to the Data Distribution and Management Platform that affects the data flow (Paragraph 24 of Cabinet Regulation No. 624).
  - Receive an approval or reject of the application for data circulation within five working days (Paragraph 29 of Cabinet Regulation No. 624).

Cabinet Regulation No. 624 further includes provisions outlining the rights and restrictions for access to shared data, including by specifying which entities can access, modify and/or circulate the data within the platform. Paragraph 16, states that *“access to the data of the data provider in the data storage shall be available only to the relevant data provider”*.

### **3. uniformed and facilitated processing of personal data within the central data exchange platform.**

The development of the Data Distribution and Management Platform will ensure that all public sector institutions have access to a single point of contact for all the data in the public sector, thereby ensuring a uniform and facilitated process for handling of data, as evident from paragraphs 3, 5, 31, 42 and 43. This concerns provisions that streamline, secure, and ensure compliance with regulations during data handling, which facilitates the processing of personal data by providing the legal framework and procedures for data management. Sections I, II, III, and IV of Cabinet Regulation No. 624 explains the processes for data sharing management, data sharing between the involved institutions, and the sharing of data between data providers and data recipients.

Cabinet Regulation No. 624 specifies the processing of personal data within the Data Distribution and Management Platform in a uniform manner, as evident from paragraphs 4, 5, 31, 42, 43, 45, and 46. Sections II and IV of Cabinet Regulation No. 624 defines the procedures for using the platform.

The provisions of Cabinet Regulation No. 624 separate the responsibility for personal data, which is placed in the Data Distribution and Management Platform. According to Paragraphs 4, 5 and 6 although the data is placed in the platform under the supervision of the manager, the responsibility for proper handling of personal data remains with the data provider. The agreement between the data provider and the data recipient concerning data, including personal data, is standardised and is closed electronically in a simplified form in the State Information Resource, System and Interoperability Information System (VIRSIS) (Paragraph 31).

Furthermore, in line with the description of the measure, **the reform consists of developing the capacities of the public sector to manage, share and publish for repeated use datasets at its disposal.**

Paragraph 9 of Cabinet Regulation No. 624 states that “*the Data Distribution and Management Platform ensures the fulfilment of data circulation functions and tasks of several institutions*”. Therefore, the platform ensures that all public sector institutions have access to a single point of contact for all data in the public sector. This will contribute to increasing the capacity of public sector institutions to manage, share and publish datasets at its disposal, and improve the interoperability of data. The establishment of a technological solution for the consolidation, storage and circulation of personal data will improve the cross-sectoral use of data and enable state administration activities. Evidently, the circulation of data can happen repeatedly. Sections I, II, III, and IV of Cabinet Regulation No. 624 refer to data sharing management, data sharing between the involved institutions, as well as data sharing between data providers and data recipients. The regulation emphasises data sharing management, which inherently supports the concept of reuse. Sharing data implies that multiple institutions or entities may access and use the same datasets at different times, which aligns with repeated use.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C2.2-3-1-r- Development of a sustainable and socially responsible support framework for adult learning [57]

**Number and name of the Milestone:** 57 Enhance support for training of employees

**Qualitative Indicator:** Legal acts have entered into force

**Time:** Q4 2023

### 1. Context:

Milestone 57 is part of reform 2.3.1.r. which aims to increase the adult learning participation rate, facilitate reaching other targets set in the Education Development Guidelines 2021-2027, strengthen the legal framework for a sustainable and socially responsible support system for adult learning and create more opportunities and rights for employees including via enterprises (especially SMEs) to participate in education and training.

Milestone 57 concerns the entry into force of legal acts that 1) introduce more favourable tax treatment in the Law on Personal Income Tax of tuition fees covered by employers for higher education of employees; 2) amend the Labour Law to expand the right of employees to participate in training related to professional tasks; 3) adopt Cabinet of Ministers instructions to standardise the preparation of support measures for employers to train employees.

Milestone 57 is the first step of the implementation of the reform and together with milestone 60, related to the development of the Individual Learning Accounts (ILA) approach, it will be followed by milestone 58, related to the development of the concept of skills funds, target 56 related to increasing the share of adult participation in learning, target 59 related to piloting three skills funds and target 61, related to piloting the individual learning account approach. The reform has a final expected date for implementation of 30 June 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.	
2	Copy of the Cabinet of Ministers' overarching instructions "The procedure for implementing support measures for the sectoral needs-based professional development of employees", which was published in the Official Journal No.2024/242.37 on 12 December 2024 Nr. 242 and entered into force on 13 December 2024.	The Cabinet of Ministers' overarching instructions sets out the procedures for the design and coordination of support measures for line ministries. Link to the publication: <a href="https://www.vestnesis.lv/op/2024/242.37">https://www.vestnesis.lv/op/2024/242.37</a>

3	Copy of the law “Amendment to the Law on personal income tax”, which was published in the Official Journal No. 2023/247 on 21 December 2023 and entered into force on 1 January 2024.	The law on personal income tax was amended to include that the tuition fees paid by an employer for an employee is not considered income from paid work if the if the acquisition of higher education involves the acquisition of a qualification required by the employer. Link to the publication: <a href="https://likumi.lv/ta/id/348571-grozijumi-likuma-par-iedzivotaju-ienakuma-nodokli-">https://likumi.lv/ta/id/348571-grozijumi-likuma-par-iedzivotaju-ienakuma-nodokli-</a>
4	Copy of the law “Amendment to the Labour Law”, published in the Official Journal No. 2022/128.3 on 6 July 2022 and entered into force on 1 August 2022.	The amendment to the Labour Law includes that the employment contract must also include the employee’s right to training if the employer provides it. Link to the publication: <a href="https://www.vestnesis.lv/op/2022/128.3">https://www.vestnesis.lv/op/2022/128.3</a> .

**3. Analysis:**

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

**Legal acts have entered into force that:**

**1) Introduce more favourable tax treatment in the Law on Personal Income Tax of tuition fees covered by employers for higher education of employees;**

The amendment to the Law on Personal Income Tax was adopted on 7 December 2023, published in the Official Journal on 21 December 2023 and entered into force 1 January 2024 as specified in the amendment. Article 8 of the Law on Personal Income Tax was amended to include a norm providing that tuition fees paid by an employer for an employee’s higher education in state-accredited educational institutions in Latvia, educational institutions of EU Member States and countries of the European Economic Area will not be considered as income from paid employment within the meaning of paragraph 2 of this Article, if the acquisition of higher education involves the acquisition of a qualification required by the employer. Therefore, the amendment provides for more favourable tax treatment for higher education of employees.

**2) Amend the Labour Law to expand the right of employees to participate in training related to professional tasks;**

As part of the amendment of the Labour Law, which was adopted by the Latvian Parliament (*Saeima*) on 16 June 2022, published in the Official Journal on 6 July 2022 and entered into force on 1 August 2022 as specified in the amendment, Article 40 of the Labour Law was amended to include in the employment contract the employee’s right to training if the employer provides it (Article 40, Section 2, Clause 12), thus expanding the right of employees to participate in training related to professional tasks.

**3) Adopt Cabinet of Ministers instructions to standardise the preparation of support measures for employers to train employees.**

The overarching instruction “The procedure for implementing support measures for the sectoral needs-based professional development of employees”, which was adopted by the Cabinet of Ministers on 10 December 2024, published in the Official Journal on 12 December 2024 and entered into force on 13

December 2024 (hereinafter referred to as the ‘overarching instructions’), sets out the procedures for the design and coordination of support measures for line ministries. In accordance with point 2.3. of the Rules of Procedures of the Cabinet, the Cabinet may adopt an internal legal act – instructions of the Cabinet.

The overarching instructions establish a framework for the design of support measures, which, through set criteria and procedures, incentivise enterprises to develop the skills of their employees, as detailed in Paragraph 5 as well as in Sections II and III of the overarching instructions.

Section II outlines the conditions for the implementation of the support measures, with Paragraph 6 specifying that the type of support measure will be determined by the ministries, in the light of the strategic orientations and tasks set out in the Strategy.

Section III sets the conditions for receiving support. Paragraph 8 specifies the eligibility criteria for employers that must be included in the regulatory framework. For example, paragraph 9.3 requires that prior to the provision of support, an assessment of the employer’s professional development activities has been carried out and, in addition to any necessary training, the employer has made arrangements to specify how the employee can participate in career development training, and that the employer develops the skills of employees and ensures, in accordance with established procedures, that support measures are available to the employee. In addition, paragraph 8.4, requires the employer to certify, at the time of submission of the application for support, that the application corresponds to the employee’s need for professional development and additional educational activities.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C2.2-3-1-r- Development of a sustainable and socially responsible support framework for adult learning [60]

**Number and name of the Milestone:** 60 Development of the Individual Learning Accounts (ILA) approach

**Qualitative Indicator:** Regulations of the Cabinet of Ministers entered into force

**Time:** Q4 2023

### 1. Context:

Milestone 60 is part of reform 2.3.1.r. which aims to increase the adult learning participation rate, facilitate reaching other targets set in the Education Development Guidelines 2021-2027, strengthen the legal framework for a sustainable and socially responsible support system for adult learning and create more opportunities and rights for employees including via enterprises (especially SMEs) to participate in education and training.

Milestone 60 concerns the entry into force of Regulations specifying the development of the individual learning accounts (ILA) approach including the establishment of eligibility criteria and the establishment of criteria for the selection of educational providers.

Milestone 60 is the second milestone of the reform, together with milestone 57, related to the entry into force of a legal acts, will be followed by milestone 58 related to the development of the concept of skills funds, target 56 on increasing the share of adult participation in learning, target 59 on piloting three skills funds and target 61, related to piloting the individual learning account approach. The reform has a final expected date for implementation on 30 June 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone including all the constitutive elements have been satisfactory fulfilled.	
2	Copy of the Cabinet of Ministers Regulation No. 506 "The implementation regulations for the Recovery and Resilience Facility of Latvia's 2.3. reform and investment direction "Digital Transformation," 2.3.1.r. reform "Sustainable and Socially Responsible Support System for Adult Education Support," 2.3.1.4.i. investment "Development of the Individual Learning Account Approach"".	It was adopted by the Cabinet of Ministers on 23 July 2024, published in the Official Journal on 1 August 2024 and entered into force on 2 August 2024. The link to the publication: <a href="https://www.vestnesis.lv/op/2024/148.1">https://www.vestnesis.lv/op/2024/148.1</a> .

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

## **Entry into force of Regulations specifying the approach for the development of the individual learning account**

The Cabinet of Ministers Regulation No. 506 "The implementation regulations for the Recovery and Resilience Facility of Latvia's 2.3. reform and investment direction "Digital Transformation," 2.3.1.r. reform "Sustainable and Socially Responsible Support System for Adult Education Support," 2.3.1.4.i. investment "Development of the Individual Learning Account Approach"" (hereinafter – Regulation No. 506) was adopted by the Cabinet of Ministers on 23 July 2024, published in the Official Journal on 1 August 2024 and entered into force on 2 August 2024.

Paragraph 16 of Regulation No. 506 provides that the following educational programmes are eligible under the individual learning accounts approach: (i) vocational training programmes (sub-paragraph 16.1), (ii) professional development programmes (sub-paragraph 16.2), (iii) university or college level programmes (sub-paragraph 16.3), (iv) non-formal education programmes (sub-paragraph 16.4), (v) distance learning programmes in Latvia or via international learning platforms (sub-paragraph 16.5), as well as (vi) modular vocational education programmes (sub-paragraph 16.6). In accordance with paragraph 16 of the Regulation by completing an educational programme, a participant receives a completion certificate or in some cases obtains a professional qualification.

### **Including: (a) the establishment of eligibility criteria,**

According to Paragraph 4 of Regulation No. 506, the target group of the investment is adults: only individuals aged 18 or over can create individual learning accounts (Paragraph 35).

Paragraph 21 of Regulation No.506 sets out the conditions for funding the training programme and support measures under the individual learning accounts approach. The costs of the training programmes referred to in Sub-Paragraphs 16.1 and 16.2 shall be financed at a rate of 100% for persons who have completed the individual learning account through the platform and were approved by the beneficiary. The public funding for persons following the training programmes referred to in Sub-Paragraph 16.3, 16.4, 16.5 and 16.6 shall be granted at the rate of EUR 500 per person for a period of six months, with the person being able to accumulate the public funding allocated to him/her for two consecutive six-month periods. In the case of approval of funding, no later than three months from the date of approval of the individual learning account approach funding opportunity, the person applying for and approved for the learning programme must start the training. If the person chooses to accumulate the funds in the individual learning account, this must be done no later than two months after the allocation of the funds for the following period. In addition, the chosen training programme must be completed within the specified time limit.

If a person chooses a training programme that exceeds the available funding of EUR 500 per person for six months or EUR 1,000 per person for one year, he/she must cover the difference from his/her own financial resources or from employer funds or other financial resources (Paragraph 27).

According to Paragraph 29 of Regulation No.506, a person can only follow one training programme at a time with funding approved under the individual learning accounts approach and is only entitled to apply for the next training programme once the previous one has been completed.

In addition, if a person does not receive funding to access the individual learning account, he/she may choose any training programme available on the platform, with the cost of attending the training programme being covered by the individual's own resources or through employer funding or other financial means (Paragraph 30).

Furthermore, a person may not follow the same educational programme twice within the framework of public funding (Paragraph 45).

**(b) the establishment of criteria for the selection of educational providers.**

Paragraph 49 of Regulation No.506 sets out the criteria for the selection of an educational provider for the training programmes referred to in sub-paragraphs 16.1, 16.2, 16.3 and 16.5 for inclusion in the training programmes financed by the investment on the platform. These criteria include the need for the educational institution to be accredited and to have operated a licensed and accredited professional education programme for at least three years prior to the application. Furthermore, to be eligible, the educational provider must have been registered in the register of educational institutions for at least three years prior to the application. In addition, the educational provider must have delivered at least two training programmes in the relevant curriculum type and competence area of the Digital Competence Framework for Citizens (DigComp), at least at DigComp Level 3, with at least ten participants per group.

In addition, in accordance with Paragraph 50 of Regulation, educational providers must complete an application form certifying the areas of competence, the nature of the training programme, the costs and evidence of appropriate logistical facilities, as well as evidencing that their teachers meet certain requirements. In accordance with Paragraph 51, the educational institution must attach a document proving that it has carried out at least two educational programmes in line with the requirements of Paragraph 49 and a description of the educational programme in accordance with the requirements set out by the platform. If the conditions set out in Paragraphs 49, 50 and 51 are met, a cooperation agreement shall be signed with the educational institution granting it the status of educational service provider on the platform until 31 May 2026.

For the selection of educational service providers for the implementation of the educational programmes referred to in sub-paragraphs 16.4 and 16.6, the beneficiary of funding, the State Education Development Agency, shall carry out a public procurement procedure that is open, transparent, non-discriminatory and competitive, in accordance with the laws and regulations on public procurement (Paragraph 58).

The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the description and the qualitative indicator of milestone 60 and has undertaken the assessment on a revised basis. The description of the measure and the qualitative indicator refer to regulations in plural due to a translation error, as the Latvian word for regulation (“noteikumi”), does not distinguish between the singular and plural forms of the word. Against this background, the justification and substantiated evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

**4. Commission Preliminary Assessment: Satisfactory fulfilled.**



**Related Measure:** C2.2-3-2-2-i- Development of state and local government digital transformation skills and capabilities [74]

**Number and name of the Milestone:** 74 Public administration digital skills and competence framework developed

**Qualitative Indicator:** Competence framework is available in the State Administration School Training Management system and approved by an internal regulatory act of the School of State Administration

**Time:** Q2 2023

**1. Context:**

Milestone 74 is part of investment 2.3.2.2.i., which aims to increase the skills of employees of public administration in digital transformation and their use of technologies, in order to develop policies, fit for the digital age. The investment consists of increasing the digital competence and capacity of national government and local government employees.

Milestone 74 concerns the development of the public administration digital skills and competence framework, including curricula.

Milestone 74 is the first step of the implementation of the investment, and it will be followed by target 75 and target 76, related to the number of trainings in digital skills competence areas completed by public administration employees. The investment has a final expected date for implementation on 31 August 2026.

**2. Evidence provided:**

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.	
2	Copy of the Order of the School of Public Administration of 31 July 2024, No 01-02/37 on the approval of the digital competence skills framework.	The Order is signed by the director of the School of Public Administration.
3	Copy of Digital competence skills framework created through a contract between the School of Public Administration and the SIA HR Laboratory of 26 March 2024.	The Digital Skills and Competence Framework for Public Administration defines the 29 competencies grouped into six thematic areas: information and data literacy, digital communication and collaboration, digital content creation, cyber security, digitisation management and development, and cross-cutting skills, with each competency divided into four levels from beginner to expert. Link to the publication: <a href="https://mps.vas.gov.lv/ieraksts/publiskas-parvaldes-digitalo-prasmju-un-kompetencu-ietvars">https://mps.vas.gov.lv/ieraksts/publiskas-parvaldes-digitalo-prasmju-un-kompetencu-ietvars</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

**Public administration digital skills and competence framework, including curricula, shall be made available and trainings organised on the public administration's platform.**

The Order of the School of Public Administration of 31 July 2024, No. 01-02/37 approved the Public Administration Digital Skills and Competence Framework for Public Administration (hereinafter referred as 'competence framework') that was developed and is available in the School of Public Administration Learning Management System (<https://mps.vas.gov.lv/ieraksts/publiskas-parvaldes-digitalo-prasmju-un-kompetencu-ietvars>). The competence framework includes 29 competences grouped into six thematic areas: information and data literacy, digital communication and collaboration, digital content creation, cyber security, digitalisation management and development, and cross-cutting skills, with each competence being divided into four levels from beginner to expert. Each competency is defined and includes action indicators for each of the four levels to show the level of initial competence associated with each level. In accordance with the standardised approach of the framework which in detailed manner defines the requirements and necessary knowledge for the certain level of digital skills across competences (page 9; Table 1 on the elements of the competence framework structure) the framework is intended to help define job requirements, assess candidates, and guide staff development.

The trainings, and the curricula, are available on the website (<https://mps.vas.gov.lv/ieraksts/publiskas-parvaldes-digitalo-prasmju-un-kompetencu-ietvars>) to the public administration employees and include, for example, a training on "Digital tools for planning, monitoring, and team collaboration on a daily basis", "Artificial intelligence methods for day-to-day work and creativity" and "Effective email-management: learn Outlook functions in public administration." Based on the training catalogue provided on the website these training courses are already available to the interested parties with the functionality to enroll for the current training courses or provide interest for the upcoming trainings.

**4. Commission Preliminary Assessment:** Satisfactory fulfilled.

**Related Measure:** C2.2-3-2-3-i- Closing the digital divide for socially vulnerable learners and educational institutions [79]

**Number and name of the Target:** 79 Number of ICT equipment units for the target group (learners)

**Quantitative Indicator:** Number

**Baseline:** 0

**Target:** 26 620

**Time:** Q4 2023

#### 1. Context:

Target 79 is part of the measure 2.3.2.3.i., which aims to provide access to learning content and allow participating in remote learning process for the pupils from socially vulnerable groups. The investment consists of purchasing information and communication technology equipment for general education to support pupils from socially vulnerable groups.

Target 79 concerns the purchase and delivery of 26 620 laptops to municipalities or directly to educational institutions for general education.

Target 79 is the second and last target of the investment, and it follows the completion of milestone 77, related to the entry into force of a regulatory framework laying down procedures for the organisation and implementation of remote learning. The investment has a final expected date for implementation on 31 December 2023.

#### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the target (including all the constitutive elements) has been satisfactorily fulfilled.	
2	Copy of the Cabinet of Ministers Regulation No. 168 "Implementing rules for the second component 'Digital transformation' of the Latvian Recovery and Resilience Plan and the investment direction 'Digital skills' 2.3.2.2.i. implementing rules for the investment 'Bridging the digital divide for socially vulnerable groups and educational institutions'" which was adopted by the Cabinet of Ministers on 4 April 2023, published in the Official Journal on 6 April 2023 and entered into force on 7 April 2023.	The link to the publication in the Official Journal: <a href="https://likumi.lv/ta/id/340881">https://likumi.lv/ta/id/340881</a> .
3	List of purchased ICT equipment.	Numbered list of all 35 792 laptops purchased.
4	Copy of invoices for the 60 sample units of ICT equipment.	Purchase invoices with attached tables including the serial numbers of the purchased units.

5	Copy of acts of delivery for the 60 sample units of ICT equipment.	Acts of delivery from the supplier to the municipality or educational institution.
6	Copy of 173 Legal Transfer Acts.	Transfer acts of the equipment from the Ministry of Education and Science to municipalities or directly to educational institutions, including serial numbers of transferred units.
7	Copy of 48 Legal Cooperation Agreements between the Ministry of Education and Science and respective municipality or education institution.	

**3. Analysis:**

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the target.

**Number of ICT equipment units purchased and delivered to municipalities or directly to educational institutions for general education.**

Article 4(2) of the Cabinet of Ministers Regulation No. 168 “Implementing rules for the second component ‘Digital transformation’ of the second component of the Plan of the Latvian Recovery and Resilience Facility 2.3 and the investment direction ‘Digital skills’ 2.3.2.2.i. implementing rules for the investment ‘Bridging the digital divide for socially vulnerable groups and educational institutions’” (hereinafter ‘Cabinet of Ministers Regulation No. 168’), which was adopted by the Cabinet of Ministers on 4 April 2023, published in the Official Journal on 6 April 2023 and entered into force on 7 April 2023, specifies that 26 620 units of ICT equipment will be provided to the target group by 31 December 2023.

Latvia has also provided a numbered list of all ICT equipment purchased and delivered, which shows that a total of 35 792 laptops have been purchased and delivered, exceeding the target of 26 620 units. On the basis of the numbered list of all 35 792 units of ICT equipment purchased and delivered including their serial numbers, the Commission drew a sample of 60 randomly selected units of ICT equipment, representing 60 laptops being purchased and delivered.

The evidence provided for the sample of 60 units confirmed that the ICT equipment has been purchased and delivered to municipalities or directly to educational institutions for general education. The submitted evidence documents included purchase invoices for the 60 sample units of ICT equipment with attached tables including references to their serial numbers that matched the numbered list of all items purchased. The submitted evidence documents also included acts of delivery from the supplier to the municipality or educational institution for the 60 sample units of ICT equipment including references to their serial numbers that matched the numbered list of all items purchased. The submitted evidence documents further included legal transfer acts from the Ministry of Education and Science to municipalities or directly to educational institutions for general education with references to the serial numbers of the transferred units that were attached in separate tables in the case of Riga.

Each of the 60 sampled units of ICT equipment were checked by linking, through the unique serial number, each document to the information provided in the numbered list of all units purchased. In particular, it was checked that the serial number linked to the purchase invoice of the ICT equipment matches the sampling list. It was further checked that the serial number in the act of delivery to the project partner

(municipality or educational institution) matches the sampling list. The evidence documents provided for the sample of 60 units of ICT equipment confirm that these requirements of the target have been met.

Furthermore, in line with the description of the measure, **the investment consists of purchasing information and communication technology equipment for general education to support pupils from socially vulnerable groups.**

Article 2(1) of the Cabinet of Ministers Regulation No. 168 specifies that the objective of the investment is to ensure the availability of portable computer equipment to pupils from socially vulnerable groups. Article 3 defines what is considered under socially vulnerable groups, namely pupils in non-family care, pupils from needy households, pupils from low-income households, pupils with disabilities and pupils who have undergone a pedagogical or psychological assessment and have received an opinion recommending the provision and use of computer equipment, pupils from large families, and pupils from single-parent households. Finally, the cooperation partners are empowered to designate individual pupils as socially vulnerable, which enables them to ensure eligibility also of pupils who are vulnerable but do not fall in any of the above categories.

As the next step the legal cooperation agreements were concluded between the Ministry of Education and Science and the municipalities. These agreements explicitly refer to socially vulnerable groups, as defined in Cabinet of Ministers Regulation No. 168, as the target group.

Moreover, based on the cooperation agreements, the legal transfer acts were signed. These show that the ownership was transferred from the Ministry of Education and Science to the municipalities or to educational institutions. These agreements explicitly refer to socially vulnerable groups, as defined in Cabinet of Ministers Regulation No. 168, as the target group. The requirement of the destination of the portable computer equipment to pupils from socially vulnerable groups is provided in the legal transfer acts.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C3.3-1-1-r- Administrative territorial reform [84]

**Number and name of the Milestone:** 84 Entry into force of a new “Municipality Law”

**Qualitative Indicator:** Entry into force of the new “Municipality Law”

**Time:** Q4 2023

### 1. Context:

Milestone 84 is part of reform 3.1.1.r, which aims to ensure better governance at the municipal level, a clearer separation and division of competences between the decision-making and the executive powers and increasing the participation of citizens in the decision-making of local communities.

Milestone 84 concerns the entry into force of a new ‘Municipality Law’. This milestone is the only milestone of the reform.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.	
2	Copy of the “Municipality Law” adopted by the Parliament of Latvia on 20 October 2022.	The Law was published in the Official Journal of the Republic of Latvia on 4 November 2022 and entered into force on 1 January 2023. Link to the publication: <a href="https://www.vestnesis.lv/op/2022/215.1">https://www.vestnesis.lv/op/2022/215.1</a> .
3	Copy of the Declaration of the Government Action Plan adopted on 23 January 2019 on implementation of the planned activities of the Cabinet of Ministers led by Arturs Krisjanis Karins, point No. 228.	Link to publication: <a href="https://www.mk.gov.lv/lv/ministru-kabineta-vesture">https://www.mk.gov.lv/lv/ministru-kabineta-vesture</a> .

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities covers all constitutive elements of the milestone.

**Entry into force of the “Municipality Law” which shall review the functions and tasks of local governments, to align them with the outcome of the administrative territorial reform (replacing the Law on Local Government of 19.05.1994).**

The “Municipality Law” was adopted on 20 October 2022 by the Latvian Parliament (*Saeima*) and published in the Official Journal on 4 November 2022. The “Municipality Law” specifies the entry into force on 1 January 2023. Part 1 of the Transitional Arrangements of the “Municipality Law” provides that it is replacing the Law on Local Government of 19 May 1994.

The “Municipality Law” reviews the functions and tasks of local governments, following the administrative territorial reform adopted on 10 June 2020 which reduced the number of municipalities to 42 (versus 119 previously) and aimed at strengthening the powers of the municipalities and improving their governance.

**It shall ensure improved governance after the administrative territorial reform of the municipalities, promoting democratisation, and a clearer separation of the decision-making power from the executive, establishing a clear division of competences and functions, reducing the concentration of powers and increasing the participation of the local community on a regular basis.** Furthermore, in line with the description of the measure, the new law shall ensure better governance at the municipal level, a clearer separation and division of competences between the decision-making and the executive powers and increasing the participation of citizens in the decision-making of local communities.

The new “Municipality Law” strengthens municipal institutions and improves their operational efficiency in the context of the administrative territorial reform. Article 1 specifies that the objective of the “Municipality Law” is to ensure democratic, legal, efficient, sustainable, open and publicly accessible administration in the administrative territory of each local government, as well as balanced accessibility of local government services. Thus, in line with the description of the measure, the new law aims at ensuring better governance at the municipal level.

The law specifies a clear separation of competences between the council (Articles 10, 25, 67, 68, 77, 79), the chairperson and the vice-chairperson of the council (Article 17), and the executive director and deputy executive director of the municipality (Article 22). The competences and responsibility of each is clearly defined and delimited in the new law. This establishes a clear separation and division of competences and functions between the decision-making (council) and the executive (municipal administration) powers. The law also establishes the duty of the council to establish a central administration, which is a local government institution which shall provide organisational and technical services to the council, and its committees and shall perform other functions laid down in the by-laws of the local government (Article 20). All these elements contribute to reducing the concentration of powers.

In addition, the law defines the concept of local government, an independent elected decision-making body, as well as its competences and responsibility over a specific territory in the interest of its inhabitants (Articles 2, 3, 4, 5, 8). For instance, the Municipality Law prescribes the autonomous functions of local governments, including in the promotion of mobility and accessibility, by, among others, providing construction and maintenance of roads owned by the local government, and provision of functions and public services, thereby creating the synergy with the planned investments within the RRF plan.

In addition, the new law aims to increase the participation of citizens in the decision-making of local communities on a regular basis. For instance, the new law states that any draft binding regulations shall be published on the official website of the local government in accordance with the procedures laid down in the by-laws of the local government for the purpose of ascertaining the public opinion by providing a time limit which is not less than two weeks. The local government shall summarise the opinions received on the draft binding regulations and reflect them in the explanatory memorandum to the draft regulations (Article 46). In addition, a chapter in the “Municipality Law” is dedicated to the involvement of society in the work of a local government (Chapter VI), where the purpose and conditions for the involvement of society are defined and conditions of several specific participatory tools are regulated: advisory councils and commissions, public discussion, collective submission, local community council or participatory budget.

Finally, the “Municipality Law” prescribes the autonomous functions of local governments, including in the promotion of mobility and accessibility, inter alia, by providing construction and maintenance of roads

owned by the local government, and provision of functions and public services, thereby creating synergy with some planned investments within the RRP.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.



**Related Measure:** C3.3-1-1-3-i- Investments in business public infrastructure for the development of industrial parks and areas in regions [94]

**Number and name of the Milestone:** 94 Award of contracts for the development of industrial parks in the regions

**Qualitative Indicator:** Award of contracts for the projects' implementation

**Time:** Q4 2023

### 1. Context:

Milestone 94 is part of investment 3.1.1.3.i., which aims to support the infrastructure of industrial zones and attract investors and firms to Latvia's regions outside Riga helping to create high added-value and export-oriented jobs and to reduce the development divide between the Riga region and the rest of the country.

Milestone 94 concerns the award of contracts for the development of industrial parks in the regions.

Milestone 94 is the second milestone or target of the investment, and it follows the completion of milestone 93 related to the adoption of a support programme for the development of industrial parks and territories in the regions. It will be followed by targets 95, 96 and 97, related to the number of letters of intent/contracts concluded, the completed construction of industrial parks/territories where public infrastructure is developed in the regions and the creation of new jobs in the industrial parks with average salaries above the average salary in the respective economic sector. The investment has the final expected date for implementation on 31 August 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.	
2	Copy of the homepage of the Central Finance and Contracting Agency of Latvia with the list of project applicants that have been awarded contracts as a result of the project selection procedure.	The link to the official website: <a href="https://www.cfla.gov.lv/lv/3113i-investicijas-uznemejdarbibas-publika-ja-infrastruktura-industrialo-parku-un-teritoriju-attistisanai-regionos">https://www.cfla.gov.lv/lv/3113i-investicijas-uznemejdarbibas-publika-ja-infrastruktura-industrialo-parku-un-teritoriju-attistisanai-regionos</a>
3	Copy of the publication of the open call for project application No. 2022/202.PD2 in the Official Journal on 18 October 2022.	The link to the publication in the Official Journal: <a href="https://www.vestnesis.lv/op/2022/202.PD_2">https://www.vestnesis.lv/op/2022/202.PD_2</a> and the link to the tender regulation and project documentation: <a href="https://www.cfla.gov.lv/lv/3113i-investicijas-uznemejdarbibas-publika-ja-infrastruktura-industrialo-parku-un-teritoriju-attistisanai-regionos">https://www.cfla.gov.lv/lv/3113i-investicijas-uznemejdarbibas-publika-ja-infrastruktura-industrialo-parku-un-teritoriju-attistisanai-regionos</a>

4	Copy of the publication published on 9 May 2023 of the Central Finance and Contracting Agency of Latvia on the projects submitted in the open call for project applications.	The link to the official website: <a href="https://www.cfla.gov.lv/lv/jaunums/industri-alo-parku-un-teritoriju-attistisana-regionos-velas-ieguldit-124-miljonus-eiro">https://www.cfla.gov.lv/lv/jaunums/industri-alo-parku-un-teritoriju-attistisana-regionos-velas-ieguldit-124-miljonus-eiro</a>
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**3. Analysis:**

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

**Award of contracts for the development of industrial parks in the regions to private or public sector beneficiaries who have developed an industrial park development strategy or business plan.**

Five contracts for the development of industrial parks in the regions have been awarded to beneficiaries that have developed an industrial park development strategy or business plan:

- Development of an industrial park in Zemgale by Jelgava State City Local Government Institution "Central Administration", a contract awarded on 4 September 2023
- Development of an industrial park in Liepaja by Liepaja Special Economic Zone Board", a contract awarded on 23 November 2023
- Development of an industrial Park in Ventspils by Ventspils State City Local Government Institution "Ventspils Port", a contract awarded on 23 November 2023
- Development of East Latvia Smart Technology and Research Centre Industrial Park by Daugavpils State City Municipality, a contract awarded on 5 December 2023
- Development of an industrial park in Valmiera by Valmiera Municipality, a contract awarded on 27 December 2023

The list of the contracts awarded can be found in the homepage of the Central Finance and Contracting Agency of Latvia: <https://www.cfla.gov.lv/lv/3113i-investicijas-uznemejdarbibas-publiskaja-infrastruktura-industrialo-parku-un-teritoriju-attistisanai-regionos>

On 18 October 2022, a call for project application was published in the Official Journal (reference: No.2022/202.PD2): <https://www.vestnesis.lv/op/2022/202.PD2>. INine project applications were submitted following the call for project application.

According to Paragraph 28 of Cabinet Regulation No. 543, the call was open to both private merchants and public entities. Paragraph of Cabinet Regulations No. 543 stipulates that the project applicant may be a municipality, the institution created by it, the administration of the special economic zone, the company owned by a municipality, which performs the administrative tasks delegated by the municipality; a merchant, including a small, medium or large merchant without a share of the capital of the State or municipalities.

The Council Implementing Decision states in the milestone description that the contracts for the development of industrial parks in the regions should be awarded to private sector beneficiaries. The Council Implementing Decision also states in the measure description that the measure consists of *“tendering and awarding contracts for the development of industrial parks to specific beneficiaries who have developed an industrial territory or park development strategy or business plan”*. While the Recovery and Resilience Plan provides that *‘the planned project applicants are municipalities (including their authorities, municipal capital companies) and economic operators’*. Therefore, in line with the contextual and purpose interpretation of both wording of the Council Implementing Decision and the wording of the Recovery and Resilience Plan it is concluded that the intention of this measure was to open the call and

award of the contracts to both private and public entities. In accordance with Paragraph 28 of Cabinet Regulation No. 543, both private and public applicants were eligible to apply and as the result five contracts were awarded to public sector beneficiaries Jelgava State City Local Government Institution "Central Administration", Liepaja Special Economic Zone Board, Ventspils State City Local Government Institution "Ventspils Port", Daugavpils State City Municipality and Valmiera Municipality, in line with the intention of the measure. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**The selection criteria shall ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.**

Compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list is ensured with the application of the eligibility criterion No 3.14. For example, support is not available for activities related to fossil fuels, including their downstream use, with the exception of projects in the generation of electricity or heat, as well as related to transmission and distribution infrastructure, using natural gas which comply with the conditions set out in Annex III of the technical guidelines "do no significant harm" (2021/C58/01)".

All the selected projects met eligibility criterion No 3.14, ensuring compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) and relevant EU and national environmental legislation. None of the activities planned by the selected applicants are included in the exclusion list. Finally, none of the selected projects had participants in the EU Emissions Trading System and therefore EU ETS installations are not planned by any of the selected applicants, in accordance with Paragraph 22.4.4 of Cabinet Regulation No 543.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C3.3-1-1-4-i- Establishing a financing fund for the construction of low-rented dwellings [101]

**Number and name of the Target:** 101 Number of apartments within approved projects

**Quantitative Indicator:** Number

**Baseline:** 0

**Target:** 300

**Time:** Q4 2024

**1. Context:**

Target 101 is part of investment 3.1.1.4.i, which aims to stimulate housing supply through the provision of affordable housing, contribute to regional labour mobility, and help attract and retain skilled professionals in the regions.

Target 101 concerns the approval of projects for the construction of 300 apartments.

Target 101 is the fourth milestone or target of the investment, and it follows the completion of milestone 98 related to the entry into force of a new legal framework for rents to ensure a fair balance between the interests of the tenant and the landlord and to ease the resolution of rental disputes, milestone 99 related to the adoption of a housing affordability strategy and milestone 100 related to the entry into force of a low-rent housing regulation defining the size, scope and type of support and criteria for beneficiaries. It will be followed by target 102 related to the approval of projects for 167 additional apartments, and target 103 related to the construction of at least 300 apartments. The investment has a final expected date for implementation on 31 August 2026.

**2. Evidence provided:**

	Name of the evidence	Short description
1	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.	
2	Copy of the Annex 2 to the Loan Agreement No 277149/01.	Annex 2 to the Loan Agreement for the project implementation in Bauska.
3	Copy of the temporary energy certificate BIS-EED-2-2024-4339.	Temporary energy certificate of the building in Bauska.
4	Copy of the rent calculation for the project in Bauska.	
5	Copy of the Annex 2 to the Loan Agreement No 275339/02.	Annex 2 to the Loan Agreement for the project implementation in Jelgava.
6	Copy of the temporary energy certificate BIS-EED-2-2024-928.	Temporary energy certificate for one of the two buildings in Jelgava.

7	Copy of the temporary energy certificate BIS-EED-2-2024-929.	Temporary energy certificate for one of the two buildings in Jelgava.
8	Copy of the rent calculation for the project in Jelgava.	
9	Copy of the Annex 2 to the Loan Agreement No 276040/02.	Annex 2 to the Loan Agreement for the project implementation in Tukums.
10	Copy of the temporary energy certificate BIS-EED-2-2024-2771.	Temporary energy certificate for the building in Tukums.
11	Copy of the rent calculation for the project in Tukums.	
12	Copy of the Annex 2 to the Loan Agreement No 220235/01.	Annex 2 to the Loan Agreement for the project implementation in Valmiera.
13	Copy of the temporary energy certificate BIS-EED-2-2024-1526.	Temporary energy certificate for one of the two buildings in Valmiera.
14	Copy of the temporary energy certificate BIS-EED-2-2024-1527.	Temporary energy certificate for one of the two buildings in Valmiera.
15	Copy of the rent calculation for the project in Valmiera.	

**3. Analysis:**

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the target.

**The funding shall have been approved by national development institution Altum for the projects of at least 300 apartments.**

Four loan agreements for the funding of the projects have been signed between Altum and the real estate developers:

- On 28 May 2024 for a project of 120 apartments in Valmiera;
- On 5 June 2024 for a project of 60 apartments in Bauska;
- On 27 June 2024 for a project of 116 apartments in Jelgava;
- On 27 June 2024 for a project of 18 apartments in Tukums.

Article 2.1.12 of Annex 2 of each Loan Agreement refers to the number of apartments to be built within the funded project. In total, the funding for the construction of 316 apartments has been approved.

**As part of the approved projects, housing shall be provided for a low rent (indicatively, EUR 4.40/m<sup>2</sup>).**

All approved projects have submitted the rent calculations resulting from the Compensation and Overcompensation Model, which was approved by the Ministry of Economy and is available on their website. Annex 2 to each Loan Agreement (Article 2.1.11), which forms an integral part of this Agreement, establishes that the Compensation and Overcompensation Model is one of the mandatory documents the project developer has to include in their application to obtain the capital rebate. The Compensation and Overcompensation Model sets, based on the costs of the project, the maximum rent for each project to an amount that does not exceed the actual rent calculated and published by the Ministry of Economy,

which refers to the rent set in the Regulation No. 459 and adjusted every year as specified in the Regulation

According to point 22.1 of Regulation No. 459, in the context of the investment for low-rent dwellings, the rent for 2022 is set at maximum EUR 5/m<sup>2</sup>, taking into account high inflation in construction costs that year as well as wage growth. The rent in the context of the investment for low-rent dwellings is set at EUR 6.39/m<sup>2</sup> in 2024. This means that in order for a project to be approved, its maximum rent must be EUR 6.39/m<sup>2</sup> in 2024.

In the Commission assessment of milestone 100 as part of the second payment request, the ceiling of EUR 5/m<sup>2</sup> (compared to the rent ceiling of EUR 4.40 mentioned indicatively in the Council Implementing Decision, which has a purely indicative nature) was assessed as affordable for low-income households in Latvia. The rent ceiling was increased from EUR 5.00 per m<sup>2</sup> in 2022 to EUR 5.87 in 2023 (+17.2% compared with 2022) and then to EUR 6.39 in 2024 (+9.1% compared with 2023) on the basis of point 22.2 and 22.1 of Regulation No. 459, which allow to increase the rent taking into account inflation as well as wage growth. These adjustments are in line with the national inflation rate (17.2% in 2022 and 9.1% in 2023) and more moderate than cumulative average wage growth over the two years 2022-2023 (30.3%). Therefore, considering that an indicative rent ceiling of EUR 5 per m<sup>2</sup> was considered affordable in 2022, the rent ceiling of EUR 6.39 per m<sup>2</sup> in 2024 does not render the dwellings unaffordable for low-income households in Latvia given that the minimum wage has increased even more strongly than average wages (it was raised from EUR 500 to EUR 620 on 1 January 2023, or 24.0%, and from EUR 620 to EUR 700 on 1 January 2024, or 12.9%). This also supports the conclusion of continued affordability for low-earning households. On this basis, the rent calculated within the approved projects according to the Compensation and Overcompensation Model provided by the Ministry of Economy is considered as low rent.

As demonstrated by the rent calculations for each project based on the Compensation and Overcompensation Model, all approved projects ensure that the rent does not exceed EUR 6.39/m<sup>2</sup> in 2024:

- Project in Valmiera: EUR 5.03/m<sup>2</sup>
- Project in Bauska: EUR 6.39/m<sup>2</sup>
- Project in Jelgava: EUR 6.30/m<sup>2</sup>
- Project in Tukums: EUR 6.39/m<sup>2</sup>

In accordance with Regulation No. 459, after the building is put into operation, the rent may change depending on the actual costs, as long as it does not exceed the actual rent calculated and published by the Ministry of Economics.

Lastly, Article 48.2 of Regulation No. 459 indicates that SIA "Possessor – Public Asset Manager" ('the Possessor') enters into a Monitoring Agreement with the project developer. Article 79.2 of the Cabinet of Ministers Regulation No. 459 ensures the supervision of the conformity of rental contracts with this Regulation by the Possessor. The Monitoring Agreement includes penalties for non-compliance of rental fees with the requirements of the Regulation.

**The approved projects shall meet high quality requirements: (1) the building shall be a nearly zero-energy building; (2) Appropriate quality tests (acoustic measurements, building air permeability test) shall be carried out at the time of entry into service.**

In accordance with Article 26.2 of Regulation No. 459, as well as Article 3.1.1 (a) of Annex 2 of each Loan Agreement, temporary energy certificates have been provided for the four projects prior to granting the loan. These demonstrate that all the buildings have been designed to be nearly zero-energy buildings.

In addition, Article 55.5 of Regulation No. 459 and Articles 2.1.5 of Annex 2 to each Loan Agreement ensure that, once the buildings are completed, one of the conditions for granting the capital rebate is the provision of a document proving that the building is a nearly zero-energy building.

Articles 26.2., 26.3. and 26.4. of Regulation No. 459 and Articles 2.1.6 and 2.1.7 of Annex 2 to each Loan Agreement stipulate as a mandatory requirement that appropriate quality tests (acoustic measurements, building air permeability test) shall be carried out at the time of entry into service.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C3.3-1-1-6-i- Purchase of zero-emission vehicles for the performance of municipal functions and related services [108]

**Number and name of the Target:** 108 Number of electric school buses under contracts awarded for the purchase of electric buses for the performance of the municipal functions and related services

**Quantitative Indicator:** Number

**Baseline:** 0

**Target:** 15

**Time:** Q4 2024

### 1. Context:

Target 108 is part of investment 3.1.1.6.i, which aims at improving the functions and services of the municipalities regarding the mobility of students while optimising the school network.

Target 108 concerns the number of electric school buses under contracts awarded for the purchase of electric buses for the performance of the municipal functions and related services.

Target 108 is the second milestone or target of the investment, and it follows the completion of milestone 107 related to the adoption of a support programme for the performance of local government functions and the purchase of transport vehicles for the provision of public services. It will be followed by target 109, related to the delivery of these buses to the municipalities as beneficiaries for municipal transport of learners. The investment has a final expected date for implementation on 31 December 2025.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the target (including all the constitutive elements) has been satisfactorily fulfilled.	
2	Copy of the publication of 21 November 2022 on the first open call for project applications No. 2022/225.PD1 in the Official Journal "Latvijas Vēstnesis".	The link to the Official Journal publication: <a href="https://www.vestnesis.lv/op/2022/225.PD1">https://www.vestnesis.lv/op/2022/225.PD1</a>
3	Copy of the publication of 28 March 2023 on the additional open call for project applications No. 2023/62.PD3 in the Official Journal "Latvijas Vēstnesis".	The link to the Official Journal publication: <a href="https://www.vestnesis.lv/op/2023/62.PD3">https://www.vestnesis.lv/op/2023/62.PD3</a>
4	Copy of the tender regulation and project selection documentation of the first call for project applications).	The link to the documents: <a href="https://www.cfla.gov.lv/lv/3116i-pasvaldibu-funkciju-istenosanai-un-pakalpojumu-sniegsanai-nepieciesamo-bezemisiju-transportlidzeklu-iegade">https://www.cfla.gov.lv/lv/3116i-pasvaldibu-funkciju-istenosanai-un-pakalpojumu-sniegsanai-nepieciesamo-bezemisiju-transportlidzeklu-iegade</a>
5	Copy of the tender regulation and project selection documentation of the additional call for project applications).	Link to the documents: <a href="https://www.cfla.gov.lv/lv/3116i-u2">https://www.cfla.gov.lv/lv/3116i-u2</a>



6	Copy of the webpage of the Central Finance and Contracting Agency of Latvia with the list of beneficiaries who were awarded contracts in the first call for project applications of the project selection procedure.	Link to the documents: <a href="https://www.cfla.gov.lv/lv/3116i-pasvaldibu-funkciju-istenosanai-un-pakalpojumu-sniegsanai-nepieciemamo-bezemisiju-transportlidzeklu-iegade#apstiprinatie-projektu-iesniegumi">https://www.cfla.gov.lv/lv/3116i-pasvaldibu-funkciju-istenosanai-un-pakalpojumu-sniegsanai-nepieciemamo-bezemisiju-transportlidzeklu-iegade#apstiprinatie-projektu-iesniegumi</a>
7	List of contracts concluded with beneficiaries for the purchase of 24 electric buses for the performance of autonomous municipal functions and related services.	NA
8	Copy of the 17 e-signed contracts concluded with beneficiaries with the total RRF funding awarded and planned amount of electric buses in each project.	NA

### 3. Analysis

The justification and substantiating evidence provided by the Latvian authorities covers all constitutive elements of the milestone.

#### Award of contracts for the purchase of 15 electric buses

On 21 November 2022, a first call for project applications was published in the Official Journal in accordance with the Cabinet of Ministers Regulation No. 673 of 25 October 2022 “Regulation for implementing the investment measure No. 3.1.1.6.i. ‘Purchase of zero-emission vehicles for the performance of municipal functions and services’” (publication No. 2022/225.PD1). Further to the selection process, based on the awarded contracts provided by Latvia, 12 contracts were signed with municipalities for the purchase of 17 electric buses.

On 28 March 2023, an additional call for project applications was published in the Official Journal (publication No. 2023/62.PD3). Further to the selection process, based on the awarded contracts provided by Latvia, a further five contracts were signed with municipalities for the purchase of seven electric buses.

Therefore, in total, 17 contracts were awarded for the purchase of 24 electric buses. However, based on the information provided by the Latvian authorities, two contracts were later terminated by the municipalities. Therefore, 15 contracts for the purchase of 21 electric buses remain.

#### for the performance of the municipal functions and related services

As per the assessment of milestone 107 in the Commission’s preliminary assessment of Latvia’s second payment request of 10 April 2024, Art. 2 of Cabinet Regulation No. 673 specifies the objective of the investment as regards the transport of learners in the territory of the Republic of Latvia, except the territory of Riga municipality, to educational establishments and back to their place of residence. As stated in the article, *“the investment shall aim to improve the implementation of municipal functions and services provided by focusing on the mobility of learners, while promoting the reach of the school network”*. The call for projects refers to Regulation No. 673 and to the performance of the municipal functions and related services. In addition, the awarded contracts refer in several instances to the performance of municipal functions and related services, for example in the name of each project.

### 4. Commission Preliminary Assessment: Satisfactorily fulfilled.

**Related Measure:** C3.3-1-2-r- Access to social and employment services in support of minimum income reform [111]

**Number and name of the Milestone:** 111 Entry into force of legislative amendments to improve the minimum income support system

**Qualitative Indicator:** Entry into force of legislative amendments to improve the minimum income support system

**Time:** Q1 2023

### 1. Context:

Milestone 111 is part of the reform 3.1.2.r., which aims to reduce inequality, improve the social safety net and foster social integration and inclusion in Latvia.

Milestone 111 concerns the entry into force of legislative amendments to improve the minimum income support system (as of 2023).

Milestone 111 is the second step in the implementation of the reform, and it follows the completion of milestone 110 related to the adoption of the strategic framework for further development of the minimum income support system. The reform has a final expected date for implementation on 31 March 2023.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.	
2	Copy of the Law “Amendments to the Law on Social Security” adopted on 8 March 2023 by the Latvian Parliament ( <i>Saeima</i> ) and entered into force on 1 July 2023.	The link to the publication: <a href="https://likumi.lv/ta/id/340390-grozijumi-likuma-par-socialo-drosibu">https://likumi.lv/ta/id/340390-grozijumi-likuma-par-socialo-drosibu</a> - In addition, the consolidated version of the law: <a href="https://likumi.lv/ta/id/36850-par-socialo-drosibu">https://likumi.lv/ta/id/36850-par-socialo-drosibu</a>
3	Copy of the Law “Amendments to the Law on State Social Benefits” adopted 8 March 2023 and entered into force on 1 July 2023.	The link to the publication: <a href="https://likumi.lv/ta/id/340385-grozijumi-valsts-socialo-pabalstu-likuma">https://likumi.lv/ta/id/340385-grozijumi-valsts-socialo-pabalstu-likuma</a> In addition, the consolidated version of the law: <a href="https://likumi.lv/ta/id/68483-valsts-socialo-pabalstu-likums">https://likumi.lv/ta/id/68483-valsts-socialo-pabalstu-likums</a>
4	Copy of the Law “Amendments to the Law On State Pensions” adopted 8 March 2023 and entered into force on 1 July 2023.	The link to the publication: <a href="https://likumi.lv/ta/id/340387-grozijumi-likuma-par-valsts-pensijam">https://likumi.lv/ta/id/340387-grozijumi-likuma-par-valsts-pensijam</a> In addition, the consolidated version of the law: <a href="https://likumi.lv/ta/id/38048-par-valsts-pensijam">https://likumi.lv/ta/id/38048-par-valsts-pensijam</a>

5	Copy of the Law “Amendments to the Law on Mandatory Social Insurance Against Accidents at Work and Occupational Diseases” adopted 8 March 2023 and entered into force on 1 July 2023.	The link to the publication: <a href="https://likumi.lv/ta/id/340388-grozijums-likuma-par-obligato-socialo-apdrosinasanu-pret-nelaiemes-gadijumiem-darba-un-arodslimibam">https://likumi.lv/ta/id/340388-grozijums-likuma-par-obligato-socialo-apdrosinasanu-pret-nelaiemes-gadijumiem-darba-un-arodslimibam</a> In addition, the consolidated version of the law: <a href="https://likumi.lv/ta/id/37968-par-obligato-socialo-apdrosinasanu-pret-nbsp-nelaiemes-gadijumiem-darba-un-arodslimibam">https://likumi.lv/ta/id/37968-par-obligato-socialo-apdrosinasanu-pret-nbsp-nelaiemes-gadijumiem-darba-un-arodslimibam</a>
6	Copy of the Law “Amendments to the Law on Social Services and Social Assistance” adopted 8 March 2023 and entered into force on 1 July 2023.	The link to the publication: <a href="https://likumi.lv/ta/id/340389-grozijumi-socialo-pakalpojumu-un-socialas-palidzibas-likuma">https://likumi.lv/ta/id/340389-grozijumi-socialo-pakalpojumu-un-socialas-palidzibas-likuma</a> In addition, the consolidated version of the law: <a href="https://likumi.lv/ta/id/68488-socialo-pakalpojumu-un-socialas-palidzibas-likums">https://likumi.lv/ta/id/68488-socialo-pakalpojumu-un-socialas-palidzibas-likums</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

**Entry into force of legislative amendments to improve the minimum income support system, which shall include: — a floor of the minimum income threshold of not less than 20% of the median income; — the procedure for revising the minimum income thresholds, which is to take place on an annual basis (from 2023), on the basis of changes in the median income and ensuring that the minimum income thresholds are not changed in the event of a decrease in the median income.** Furthermore, in line with the description of the measure, the entry into force of legislative amendments by the national Parliament to improve the minimum income support system, including setting a floor of the minimum income of no less than 20% of the median income and establishing a procedure for annual positive indexation (as of 2023).

A set of legislative amendments was adopted on 8 March 2023 by the Latvian Parliament (*Saeima*), the national Latvian Parliament, and entered into force on 1 July 2023 as specified in each legislative amendment, with the aim to improve the minimum income thresholds.

More specifically, new Article 2.<sup>2</sup>, part 2 of the Law “Amendments to the Law on Social Security” states that the minimum income threshold shall not be less than 20% of the median income, in accordance with the milestone description.

Article 2.<sup>2</sup> part 3 of the Law “Amendments to the Law on Social Security” specifies that the minimum income thresholds should be revised on an annual basis as of 2023, in accordance with the milestone description and that this revision happens on the basis of changes in the median income (as published by the Central Statistical Bureau).

Section 2 Paragraph 3 of the Law on Social Benefits specifies that, in case of a decrease in the median income, the minimum income thresholds are not changed. Given that the law entered into force on 1 July 2023, the first revision took place on 1 January 2024 as specified in Law “Amendments to the Law on Social Security”.

Given these legislative changes, other laws were accordingly amended:

1. The Law “Amendments to the Law on State Benefits” (Section 13 Paragraph 1 and Paragraphs 1.1, 1.2, 1.3 and 1.5) determines the methodological basis and amount of state social security benefits for low and very low-income residents.
2. The Law “Amendments to the Law on State Pensions” (Section 12 Paragraph 2, Paragraph 2.1, Section 16 Paragraph 1 Clause 2, Paragraph 2 and 3, Section 23 Paragraph 9) specifies the methodology for calculating the minimum old-age pension, disability pension, and survivor’s pension, linking it to a percentage value of the median income.
3. The Law “Amendments to the Law on Mandatory Social Insurance Against Accidents at Work and Occupational Diseases” (Section 23 Paragraph 10) determines the methodology for calculating the minimum amount of the survivor’s loss based on a percentage value of the median income.
4. The Law “Amendments to the Law on Social Services and Social Assistance” (Section 13 Paragraphs 8, 9, 10, Section 33, Section 35 Paragraphs 4 and 5) specifies the guaranteed minimum income threshold at 20% of the median income, the income threshold of a needy and low-income household at 50% of the median income, criteria for assessing the material situation of the household and coefficients for different types of households.

On 5 October 2023 a judgement by the Constitutional Court of the Republic of Latvia (available at [https://www.satv.tiesa.gov.lv/wp-content/uploads/2023/10/2022-34-01\\_spriduma\\_kopsavilkums.pdf](https://www.satv.tiesa.gov.lv/wp-content/uploads/2023/10/2022-34-01_spriduma_kopsavilkums.pdf)) was pronounced establishing that the aforementioned minimum income support system reform was incompatible with Articles 1 and 109 of the Constitution of the Republic of Latvia and that the related amendments to the laws were declared null and void as of 1 January 2025. The effects of the revision that took place in 2024 according to those amendments remain as the minimum income support was delivered on that basis.

Following the above-mentioned judgment, a set of legislative amendments was adopted on 4 December 2024 by the Latvian Parliament (*Saeima*) and entered into force on 1 January 2025, to raise the minimum income threshold to 22% of the median income, ensuring continuity of the minimum income reform.

New Article 2.<sup>2</sup>, part 2 of the Law on Social Security states that the minimum income threshold shall not be less than 22% of the median income.

In addition, new Article 2.<sup>2</sup>, part 3 of the Law on Social Security” specifies that the minimum income thresholds should be revised on an annual basis on 1 January and that this revision happens on the basis of changes in the median income (as published by the Central Statistical Bureau).

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C3.3-1-2-2-i- Development of a forecast tool [119]

**Number and name of the Milestone:** Completion of technical specifications for the social security forecasting tool information system

**Qualitative Indicator:** Technical specifications approved by the Ministry of Welfare and ready for submission to the information system developer

**Time:** Q3 2024

### 1. Context:

Milestone 119 is part of measure 3.1.2.2.i., which foresees the development of a forecast tool that shall upgrade the macroeconomic modelling capacity for assessing the long-term sustainability of the social security system.

Milestone 119 refers to the completion of technical specifications for a new social security forecasting tool information system.

Milestone 119 is the second milestone of the reform, and it follows the completion of Milestone 118 which provided for the award of a contract for the development of econometric models and a methodology for the forecasting tool and for the development of technical specifications for the information system, as well as the supervision of system development. It will be followed by target 120 which will conclude the development of the forecasting tool. The investment has a final expected date for implementation on 31 March 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document justifying how the milestone including all the constitutive elements was satisfactory fulfilled.	
2	Copy of the Technical Specification for the social security long-term forecast tool, version 1.0, dated 12 October 2023. Copy of the updated Technical Specification for the social security long-term forecasting tool, version 1.1, dated 30 May 2024	
3	Copy of an extract from the Technical Specification that describes current situation.	
4	Copy of the Transfer and Acceptance Act in relation to contract Nr. LM2023/34-2-01/51 of 12 June 2023.	The Transfer and Acceptance Act whereby the Ministry of Welfare (MoW) and "Ernst & Young Baltic" acknowledge that services for the development of the long-term social security forecast tool have been delivered in time, in full scope and in good quality, signed electronically on 6 November 2023.

5	Copy of contract between the Ministry of Welfare and "Ernst & Young Baltic" for expert services for the development of the technical specification of the forecasting tool and monitoring of the tool development process execution.	Contract LM2023/34-2-01/51 electronically signed on 12 June 2023.
6	Copy of amendment No 1 to contract LM2023/34-2-01/51 of 12 June 2023 concluded between the Ministry of Welfare and "Ernst & Young Baltic" for expert services for the development of the technical specification of the forecasting tool and monitoring of the tool development process execution.	With this amendment it was agreed to extend the deadline for drawing up the technical specification until 12 October 2023. The amendment was electronically signed on 25 July 2023.
7	Copy of amendment No 2 to contract LM2023/34-2-01/51 of 12 June 2023 concluded between the Ministry of Welfare and "Ernst & Young Baltic" for expert services for the development of the technical specification of the forecasting tool and monitoring of the tool development process execution.	With this amendment it was agreed to extend the deadline for drawing up the technical specification until 26 October 2023. The amendment was electronically signed on 17 October 2023.
8	Copy of the meeting minutes of the National Working Group Nr2/2023, dated 19 October 2023 and copy of electronic letter of agreement from other members of the national working group who did not participate in the meeting.	The Working Group indicated that the Technical Specification is ready to be submitted to the Ministry of Welfare procurement commission.
9	Copy of the feasibility study report, evaluating the models currently used.	Signed by the representative of MoW on 11 August 2023. The feasibility study report feeds into preparation of the Technical Specifications.

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

#### **Completion of technical specifications for a new social security forecasting tool information system.**

Completion of technical specifications for a new social security forecasting tool information system is evidenced by the Technical Specification for the social security long-term forecast tool, version 1.0 dated 12 October 2023, and the Transfer and Acceptance Act signed on 6 November 2023 in relation to contract Nr. LM2023/34-2-01/51 of 12 June 2023, whereby the parties the Ministry of Welfare and "Ernst & Young Baltic" acknowledge the completion of development of the technical specifications for long-term social security forecast tool.

A national working group has been established, which is led by the Ministry of Welfare, and consists of Ministry of Finance, Ministry of Environmental Protection and Regional Development, Bank of Latvia, Central Statistical Bureau, Employer's Confederation of Latvia, representatives of the Latvian Free Trade Union Confederation and representatives of the scientific sector, with the possibility of involving other representatives as necessary. The tasks of this national working group include, among others, the approval of the technical specification of the forecasting tool.

The approval was included in the agenda of the national working group, as evidenced by the meeting minutes of national Working Group Nr 2/2023, dated 19 October 2023, indicating that the technical specification is ready to be submitted to the procurement commission of the Ministry of Welfare. On 19 October 2023, the national working group accepted the technical specification of the forecasting tool and decided to submit it to the Procurement Committee of the Ministry of Welfare. In addition, in order to obtain a comprehensive assessment of the sectoral representatives, the members of the national working group who were not present at the meeting were asked to provide written confirmation (by e-mail) that they had no objection to the technical specification. In accordance with the email correspondence between the MoW and MoEPRD from 11 December 2023, the email correspondence between the MoW and the Latvian Employers Confederation, the email correspondence between the MoW and the Bank of Latvia and the email correspondence between the MoW and the representative of the "BDO Latvia", this consultation resulted in an additional proposal to involve social security experts with previous experience in macroeconomic forecasting and relevant tools in the development of the forecasting tool, which was considered and added to the technical specification.

**The technical specifications shall include: - an evaluation report on the current forecasting tool and its options and recommendations for the development of the new forecasting tool;**

Technical Specification for the social security long-term forecast tool, version 1.0 dated 12 October 2023 includes an evaluation report on the current forecasting tool and its options and recommendations for the development of the new forecasting tool (section 2 of the Technical Specification, as well as section 4.1.1).

The evaluation of the current forecasting tool, prepared by the service provider "Ernst & Young Baltics" as part of the procurement "Expert services for the development of the technical specification and monitoring of the development process of the forecasting tool", in the form of the evaluation report was signed by the representative of the MoW on 11 August 2023. The preliminary report evaluated the models currently used by the MoW and the Central Statistical Bureau and their capabilities, summarising findings and proposing solutions for the new forecasting tool. The report concluded that the social security and pensions forecasting model developed by WoW is mainly used to prepare the necessary data for the European Commission's ageing report. Work with the model is limited, moreover, changes have occurred in the regulatory framework related to the pension system of Latvia. The existing model does not allow for the incorporation of new functionalities without major modifications of model algorithms and technical elements. The preliminary report highlights the insufficient flexibility in the models in Latvia, the lack of detailed description and documentation, and the need for a new technical tool for pension forecasting. Recommendations are laid out throughout the technical specification, including section 3 (as regards the system architecture, user interface and user management, version control system and data storage), section 4 (as regards business processes, user groups, upload and download processes, including for reports produced by the system), section 5 (as regards functional requirements, data requirements, algorithm requirements, section 6 (non-functional requirements), section 7 (organisational requirements).

**- technical specifications for the development of system (the technical specification shall also include a requirement for the application of the Agile methodology during the system development phases).**

Section 1.4. of the Technical Specification version 1.0 dated 12 October 2023 provides that the developer should apply an iterative development methodology (e.g. Agile) in software development. The updated version 1.1 dated 20 May 2024 approved by the Ministry of Welfare as documented in minutes of the Procurement Committee meeting of 2 July 2024 and published as part of the procurement documentation

further specified that Agile methodology must be used during the system development (section 1.4, page 9).

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.



**Related Measure:** C3.3-1-2-3-i- Resilience and continuity of the long-term social care [122]

**Number and name of the Target:** 122 Conclusion of contracts on the implementation of projects

**Quantitative Indicator:** Number of contracts

**Baseline:** 0

**Target:** 6

**Time:** Q2 2023

### 1. Context:

The objective of this investment measure is to improve the resilience and continuity of the long-term care service in Latvia through the construction of new facilities for long-term care services provision operating a community-based care model.

Target 122 requires that the Central Finance and Contracting Agency has concluded at least six contracts on the establishment of new places for the provision of long-term care services close to the family environment.

Target 122 follows milestone 121 which concerned the completion of the standard construction design for the new long-term care facilities. It will be followed by target 123 related to the creation of new places for the provision of long-term care services close to the family environment for 408 persons of retirement age. The investment has a final expected date for implementation on 30 June 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the target including all the constitutive elements was satisfactorily fulfilled.	
2	List provided by the Ministry of Welfare including copies of the concluded electronically signed contracts on the establishment of new long-term care services.	
3	Copy of contract No.3.1.2.3.i.0/2/23/A/CFLA/001 signed on 12 March 2024 between the Central Finance and Contracting Agency and Bauska municipality	
4	Copy of contract No.3.1.2.3.i.0/2/23/A/CFLA/002 signed on 9 May 2024 between the Central Finance and Contracting Agency and Madona municipality	
5	Copy of contract No.3.1.2.3.i.0/2/23/A/CFLA/003 signed on 11 June 2024 between the Central Finance and Contracting Agency and Riga municipality	

6	Copy of contract No.3.1.2.3.i.0/2/24/A/CFLA/005 signed on 17 December 2024 between the Central Finance and Contracting Agency and foundation “Evangelical Lutheran community diacony centre of Rauna”	
7	Copy of contract No.3.1.2.3.i.0/2/24/A/CFLA/009 signed on 18 December 2024 between the Central Finance and Contracting Agency and SIA “Magnum Social & Medical Care”	
8	Copy of contract No.3.1.2.3.i.0/2/24/A/CFLA/010 signed on 18 December 2024 between the Central Finance and Contracting Agency and SIA “Magnum Social & Medical Care”	
9	Copy of contract No.3.1.2.3.i.0/2/24/A/CFLA/008 signed on 18 December 2024 between the Central Finance and Contracting Agency and SIA “Magnum Social & Medical Care”	
10	Copy of contract No.3.1.2.3.i.0/2/24/A/CFLA/011 signed on 20 December 2024 between the Central Finance and Contracting Agency and "Latvia's Samaritans' Association”	
11	Copy of contract No.3.1.2.3.i.0/2/24/A/CFLA/007 signed on 15 January 2025 between the Central Finance and Contracting Agency and SIA “Magnum Social & Medical Care”	

**3. Analysis:**

The justification and substantiating evidence provided by the Latvian authorities covers all constitutive elements of the target.

**The Central Finance and Contracting Agency has concluded at least 6 contracts on the establishment of new places for the provision of long-term care services close to the family environment:**

**The first contract No.3.1.2.3.i.0/2/23/A/CFLA/001** was signed on 12 March 2024 between the Central Finance and Contracting Agency and Bauska municipality. Article 3 of the contract states that the target of the project is the **creation of 32 new places** for the provision of long-term care services close to the family environment by 30 June 2026. Furthermore, point 2.1.19 of Annex 1 ‘General terms of the agreement’ requires the beneficiary to apply the principles established by the Ministry of Welfare for the provision of services close to the family environment.

**The second contract No.3.1.2.3.i.0/2/23/A/CFLA/002** was signed on 9 May 2024 between the Central Finance and Contracting Agency and Madona municipality. Article 3 of the contract states that the target of the project is the **creation of 32 new places** for the provision of long-term care services close to the family environment by 30 June 2026. Furthermore, point 2.1.19 of Annex 1 ‘General terms of the agreement’ requires the beneficiary to apply the principles established by the Ministry of Welfare for the provision of services close to the family environment.

**The third contract No.3.1.2.3.i.0/2/23/A/CFLA/003** was signed on 11 June 2024 between the Central Finance and Contracting Agency and Riga municipality.

Article 3 of the contract states that the target of the project is the **creation of 96 new places** for the provision of long-term care services close to the family environment by 30 June 2026. Furthermore, point 2.1.19 of Annex 1 'General terms of the agreement' requires the beneficiary to apply the principles established by the Ministry of Welfare for the provision of services close to the family environment.

**The fourth contract No.3.1.2.3.i.0/2/24/A/CFLA/005** was signed on 17 December 2024 between the Central Finance and Contracting Agency and foundation "Evangelical Lutheran community diacony centre of Rauna".

Article 3 of the contract states that the target of the project is the **creation of 16 new places** for the provision of long-term care services close to the family environment by 30 June 2026. Furthermore, point 2.1.20 of Annex 1 'General terms of the agreement' requires the beneficiary to apply the principles established by the Ministry of Welfare for the provision of services close to the family environment.

**The fifth contract No.3.1.2.3.i.0/2/24/A/CFLA/009** was signed on 18 December 2024 between the Central Finance and Contracting Agency and SIA "Magnum Social & Medical Care" for the construction of new long-term care facilities in Liepāja. Article 3 of the contract states that the target of the project is the **creation of 48 new places** for the provision of long-term care services close to the family environment by 30 June 2026. Furthermore, point 2.1.20 of Annex 1 'General terms of the agreement' requires the beneficiary to apply the principles established by the Ministry of Welfare for the provision of services close to the family environment.

**The sixth contract No.3.1.2.3.i.0/2/24/A/CFLA/01** was signed on 18 December 2024 between the Central Finance and Contracting Agency and SIA "Magnum Social & Medical Care" for the construction of new long-term care facilities in Augšdaugava. Article 3 of the contract states that the target of the project is the **creation of 48 new places** for the provision of long-term care services close to the family environment by 30 June 2026. Furthermore, point 2.1.20 of Annex 1 'General terms of the agreement' requires the beneficiary to apply the principles established by the Ministry of Welfare for the provision of services close to the family environment.

**The seventh contract No.3.1.2.3.i.0/2/24/A/CFLA/008** was signed on 18 December 2024 between the Central Finance and Contracting Agency and SIA "Magnum Social & Medical Care" for the construction of new long-term care facilities in Olaine. Article 3 of the contract states that the target of the project is the **creation of 48 new places** for the provision of long-term care services close to the family environment by 30 June 2026. Furthermore, point 2.1.20 of Annex 1 'General terms of the agreement' requires the beneficiary to apply the principles established by the Ministry of Welfare for the provision of services close to the family environment.

**The eighth contract Nr. 3.1.2.3.i.0/2/24/A/CFLA/011** was signed on 20 December 2024 between the Central Finance and Contracting Agency and "Latvia's Samaritarians Association" for the construction of new long-term care facilities in Bišumuiža.

Article 3 of the contract states that the target of the project is the **creation of 40 new places** for the provision of long-term care services close to the family environment by 30 June 2026. Furthermore, point 2.1.20 of Annex 1 'General terms of the agreement' requires the beneficiary to apply the principles established by the Ministry of Welfare for the provision of services close to the family environment.

**The ninth contract 3.1.2.3.i.0/2/24/A/CFLA/007** was signed on 15 January 2025 between the Central Finance and Contracting Agency and SIA “Magnum Social & Medical Care” for the construction of new long-term care facilities in Talsi district.

Article 3 of the contract states that the target of the project is the **creation of 48 new places** for the provision of long-term care services close to the family environment by 30 June 2026. Furthermore, point 2.1.20 of Annex 1 ‘General terms of the agreement’ requires the beneficiary to apply the principles established by the Ministry of Welfare for the provision of services close to the family environment.

Thereby the Latvian authorities have demonstrated the conclusion of nine contracts on the establishment of new places for the provision of long-term care services close to the family environment.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C3.3-1-2-4-i- Synergistic development of social and vocational rehabilitation services for the promotion of the resilience of people with functional impairment [124]

**Number and name of the Milestone:** 124 Description of the vocational rehabilitation service adopted

**Qualitative Indicator:** Adoption of a description of the vocational rehabilitation services

**Time:** Q1 2023

### 1. Context:

Milestone 124 is part of measure 3.1.2.4.i., which aims to improve the social inclusion and rehabilitation of persons with functional impairments through the development and application of a uniform service standard.

Milestone 124 concerns the adoption of the description of the vocational rehabilitation service.

Milestone 124 is the first step in the implementation of the investment, and it will be followed by milestone 125, related to the adaptation of building infrastructure, including promotion of environmental accessibility and energy efficiency, and the improvement of the technical and material equipment.

The investment has a final expected date for implementation on 30 June 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.	
2	Copy of the Protocol No. 1-22/01 of the Advisory Council of the Social Integration State Agency meeting on 15 March 2023.	On 15 March 2023, the members of the Advisory Council of the Social Integration State Agency (include representatives from Ministry of Welfare, Ministry of Education and Science, Social Integration State Agency, and NGOs) adopted the description of the vocational rehabilitation service.
3	Extract of the relevant parts of the description of a vocational rehabilitation service proving alignment with the description of the milestone in the CID.	
4	Full description of the vocational rehabilitation service e-signed by the director of the Social Integration State Agency on 31 March 2023.	

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities covers all constitutive elements of the milestone.

**The Advisory Council of the Social Integration State Agency has adopted and the Agency for Social Integration has approved the description of a vocational rehabilitation service, that promotes the maintenance, renewal and acquisition of new education or skills for reemployment as soon as possible, promoting the safety of customers. Furthermore, in line with the description of the measure, the measure consists of the development, piloting and adoption of a vocational rehabilitation service standard that promotes the maintenance, renewal and acquisition of new education or skills for reemployment for persons with physical impairments.**

The Advisory Council of the Social Integration State Agency adopted the description of the vocational rehabilitation on 15 March 2023. This decision is enacted in the Protocol No. 1-22/01 of the Advisory Council of the Social Integration State Agency meeting on 15 March 2023. The Director of the Agency for Social Integration approved (e-signed) the description of the vocational rehabilitation service on 31 March 2023.

The vocational rehabilitation service aims to be an early intervention-based and employment-oriented model of mutually integrated rehabilitation services for maintaining or restoring the working capacity, including the maintenance, renewal and acquisitions of new education or skills, of persons with functional impairments, reorienting the vocational rehabilitation approach towards anticipatory action and providing early intervention to the person immediately after medical rehabilitation in order to maximise the rehabilitation potential and maintain the person's motivation to return to the labour market as soon as possible (page 14 of the description). Rebuilding work capacity is one of the main objectives of the vocational rehabilitation service and one of the preconditions is a faster start of rehabilitation. Therefore, the first six months are critical to implement return-to-work measures. The vocational rehabilitation service is a client-centred approach and includes an assessment of the client's functioning and needs, as well as an integrated rehabilitation plan. For example, if the client does not have the capacity to return to his/her previous job or field of professional activity and requires the acquisition of new skills, knowledge and competences (reskilling), the client will benefit from the vocational suitability assessment service.

The vocational suitability assessment service aims at restoring and maintaining a person's ability to work and motivation to return to the labour market as soon as possible (page 16 of the description).

The vocational rehabilitation service also includes measures for the maintenance, renewal and acquisition of professional knowledge or skills, including new vocational education, support to traineeships and entry into employment, individual social rehabilitation for the restoration of work capacity career counselling, measures to promote and support motivation, and psychological support to promote participation in the labour market, as well as an individualised roadmap, which includes recommendations on the measures necessary to make the return to work possible. The description specifies that the purpose of the vocational suitability assessment service is to promote the maintenance, renewal or acquisition of professional knowledge or skills and the restoration of individual social rehabilitation (pages 7 and 8 of the description).

The vocational rehabilitation service also promotes the safety of customers with individual counselling in adapting the physical working environment six months after completion of vocational training (page 8 of the description).

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C3.3-1-2-5-i- Participation in the labour market of unemployed, job-seekers and people at risk of unemployment [127]

**Number and name of the Milestone:** 127 A retraining and up-skilling offer, with a focus on digital skills, has been established to clients (unemployed, jobseekers, persons at risk of unemployment) of the State Employment Agency for the job-rich recovery of the economy by implementing active labour market policy measures

**Qualitative Indicator:** Adoption of a new retraining and upskilling offer (including digital skills) for the State Employment Agency clients

**Time:** Q2 2023

### 1. Context:

Measure 3.1.2.5.i. aims to improve the upskilling and reskilling of low-skilled workers and unemployed to improve their job opportunities in the labour market.

Milestone 127 concerns the adoption of a new retraining and upskilling offer (including digital skills) for the State Employment Agency clients.

Milestone 127 is the first step of the implementation of the investment. It will be followed by milestone 128 related to the development of a digital tool for skills assessment and target 129 and target 130 related to participation in the labour market of unemployed, jobseekers and people at risk of unemployment. The investment has a final expected date for implementation on 31 August 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.	
2	Copy of the Training Commission Decision No. 1/2023 of 19 June 2023 on the common list of training measures available to the Latvian Employment Service clients.	Link: <a href="https://www.lm.gov.lv/lv/darba-tirgus-prasmes-prasmju-prognozes-apmacibu-saraksti">https://www.lm.gov.lv/lv/darba-tirgus-prasmes-prasmju-prognozes-apmacibu-saraksti</a>
3	Copy of the Training Commission Decision No. 4/2022 of 17 November 2022 on the new list of non-formal education programmes, including digital skills and computer science programmes, available to the Latvian Employment Service clients.	Link: <a href="https://www.lm.gov.lv/lv/media/21147/download?attachment">https://www.lm.gov.lv/lv/media/21147/download?attachment</a>
4	Copy of the Training Commission Decision No. 3/2022 of 8 August 2022 on the list of non-formal education programmes - vehicle driving programmes available to the Latvian Employment Service clients.	Link: <a href="https://www.lm.gov.lv/lv/media/20174/download?attachment">https://www.lm.gov.lv/lv/media/20174/download?attachment</a>

5	Copy of the Training Commission Decision No. 1/2022 of 25 March 2022 on the list of vocational education programmes and online courses/modules within the tertiary education available to the Latvian Employment Service clients.	Link: <a href="https://www.lm.gov.lv/lv/media/19091/download?attachment">https://www.lm.gov.lv/lv/media/19091/download?attachment</a>
6	Copy of the Training Commission Decision No. 3/2021 of 1 November 2021 on the list of competitiveness-raising measures available to the Latvian Employment Service clients (short-term training modules).	Link: <a href="https://www.lm.gov.lv/lv/media/17400/download?attachment">https://www.lm.gov.lv/lv/media/17400/download?attachment</a>
7	Copy of the extract from the relevant parts of the offer, in particular the focus on digital skills.	Link: <a href="https://www.lm.gov.lv/lv/darbatirgus-prasmes-prasmju-prognozes-apmacibu-saraksti">https://www.lm.gov.lv/lv/darbatirgus-prasmes-prasmju-prognozes-apmacibu-saraksti</a> - section "Training Lists".
8	Copy of the Statute of the Joint Adult Education Coordination Commission.	Electronically signed by the Minister of Economics on 17 July 2024.
9	Copy of the Order No 1-6.1/2024/72 issued on 25 July 2024 concerning the composition of the Joint Adult Education Coordination Commission.	Electronically signed by the Minister of Economics on 25 July 2024.

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

**An offer of retraining and up-skilling programmes to clients of the Latvian Employment Service (unemployed, jobseekers, persons at risk of unemployment) has been adopted at the meeting of the Latvian Training Commission in accordance with the measures of active labour market policy for the recovery of the job-friendly economy.** Furthermore, in line with the description of the measure, the measure consists of developing a re-training and up-skilling offer with a focus on digital skills for clients (unemployed, jobseekers, persons at risk of unemployment) of the State Employment Agency (SEA) implementing active labour market policy measures, [...].

The common list of training measures available to the clients of the Latvian Employment Service (hereinafter – the LES), i.e. unemployed, jobseekers, persons at risk of unemployment<sup>1</sup>, an offer of retraining and up-skilling programmes to clients of the LES was adopted at the meetings of the Latvian Training Commission, as evidenced by the Latvian Training Commission Decision No 1/2023 of 19 June 2023, Decision No. 3/2022 of 8 August 2022, Decision No. 4/2022 of 17 November 2022, and Decision No. 1/2022 of 25 March 2022, by including programmes in fields such as digital skills/computer science, vehicle driving programmes and vocational education. Current and updated lists of training programmes for the LES clients are available online, as evidenced by the extract from the relevant parts of the offer, in particular the focus on digital skills. As evidenced by the Latvian Training Commission Decision No 1/2023 of 19 June 2023, the offer of retraining and up-skilling programmes for the unemployed, jobseekers, persons at risk of unemployment (hereinafter – the clients) consists of:

- continuing vocational training and vocational development programmes (for example, available programmes: "Accounting", "Practical marketing") (Annex 1 to the Decision);



- non-formal training, including digital skills and computer science programmes (for example, available programmes: “Effective work with Microsoft Excel, data analysis and visualisation”) (Annex 2 to the Decision);
- vehicle driving programmes (available programmes: different categories of the licenses) (Annex 4 to the Decision);
- short-term training or so-called competitiveness-raising measures (thematic areas of training have been approved, for example “Public speech and methods of presentation”, “Preparation of motivation letters and preparation for an interview”) (Annex 5 to the Decision).

Additionally, the role of the Latvian Training Commission was to regularly review and approve training areas, educational programmes and basic social and professional skills in which it is necessary to carry out training to the LES clients, in accordance with the current labour market demand and forecasts on the development of economic sectors. The Latvian Training Commission, organised by the Ministry of Welfare, included representatives from the Ministry of Welfare, the LES, the Ministry of Economy, the Ministry of Education and Science, the Employers’ Confederation of Latvia, the Latvian Information and Communication Technology Association, the Latvian Chamber of Commerce and Industry, the Association of Large Cities of Latvia, the Investment and Development Agency of Latvia, the Free Trade Union Confederation of Latvia, the Latvian Union of Local Governments, the State Centre for Education, the State Education Quality Agency, the Latvian Trade Association and the Ministry of Agriculture. The Latvian authorities informed the Commission services that from July 2024 on the basis of the “Statute of the Joint Adult Education Coordination Commission”, approved by the Ministry of Economy on 17 July 2024, and Order No. 1-6.1/2024/72 issued on 25 July 2024 concerning the composition of the Joint Adult Education Coordination Commission (hereinafter – the order), the Training Commission is integrated into the Joint Adult Education Coordination Commission under the Human Capital Development Council governed by the Ministry of Economy. It is mandated to review the training programmes offered to the target groups of the SEA.

The Council Implementing Decision required that an offer of retraining and up-skilling programmes to clients of the LES (unemployed, jobseekers, persons at risk of unemployment) is adopted at a meeting of the Latvian Training Commission. Since 17 July 2024 the offer of retraining and up-skilling programmes to clients of the LES has been adopted at meetings of the Joint Adult Education Coordination Commission. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the Joint Adult Education Coordination Commission is established to further integrate the training process for the unemployed, jobseekers and persons at risk of becoming unemployed. As evidenced by the part 2 of the order, the Joint Adult Education Coordination Commission is an intersectoral collegial expert institution established by the Ministry of Economics to ensure a coordinated training offer in the field of adult education, implement harmonised activities of the involved institutions, and coordinate governance in the field of adult education to achieve the strategic goals of human capital development. Moreover, the restructuring was done to combine the Adult Education Governance Council led by the Ministry of Education and Science and the Training Commission led by the Ministry of Welfare. Therefore, this minimal deviation does not affect the progress towards achieving the investment that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Furthermore, the Latvian authorities have explained that in order to take a decision on adding or removing a certain education/training programme to/from the list, the Latvian Training Commission analysed information on long-term, medium-term and short-term labour market forecasts (available at <https://prognozes.em.gov.lv>, <https://prognozes.nva.gov.lv>) on the number of unemployed registered by the LES in certain occupations, the number of registered vacancies in certain occupational fields, the

involvement of the LES clients in educational programmes, the profile of long-term unfilled vacancies, clients' willingness to acquire certain skills and competences, job placement rates after participation in training measures, etc. Proposals can be submitted by the members of the Latvian Training Commission, other institutions or civil society, e.g. experts from sectoral expert councils (<https://www.nozaruekspertupadomes.lv/nozaru-ekspertu-padomes>), which, among others, promote and regularly evaluate questions related to improving the efficiency and quality of vocational education and different vocational education programmes in economic sectors. The Joint Education Governance Council in accordance with part 3 of the order will continue conduct regular analysis of adult education outcomes and performance indicators, as well as implement impact assessments; provide recommendations to institutions involved in adult education governance, including representatives of employers and sectoral associations, to enhance adult participation in adult education and promote sectors to attract new employees.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C3.3-1-2-5-i- Participation in the labour market of unemployed, jobseekers and people at risk of unemployment [128]

**Number and name of the Milestone:** 128 Development of a digital tool for skills assessment

**Qualitative Indicator:** Digital tool developed and implemented

**Time:** Q4 2023

**1. Context:**

Milestone 128 is part of measure 3.1.2.5.i., which aims to improve the upskilling and reskilling of low-skilled workers and unemployed to improve their job opportunities in the labour market. The measure consists of developing a digital tool for the assessment of skills, developing a re-training and up-skilling offer with a focus on digital skills for State Employment Agency (SEA) clients, and upskilling at least 20 450 persons. It complements the Active Labour Market Policy (ALMP) measures planned under cohesion funds, which are expected to start after the end of the RRF investment.

Milestone 128 concerns the development of a digital tool for skills assessment. It envisages that the State Employment Agency has developed and implemented a digital assessment tool for an improved skills profiling system. This shall ensure the assessment of the skills and competences of the agency clients thereby aiding the completion of an appropriate offer of retraining and the acquisition of skills, depending on the individual’s level of knowledge and skills. The digital skills assessment tool shall supplement the client profiling method currently used by the agency and the results of the tests shall be used in the client career advice process and in the preparation of the individual training offer.

Milestone 128 is the first step of the implementation of the investment, and it will be followed by targets 129 and 130, related to the quantitative indicators for upskilling unemployed, jobseekers and people at risk of unemployment. The investment has a final date of implementation 31 August 2026.

**2. Evidence provided:**

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.	
2	Copy of the Transfer and Acceptance Act, by representatives of the beneficiary the SEA and the service provider SIA “Midis”.	The Transfer and Acceptance Act was electronically signed on 8 December 2023.
3	A note provided by SEA containing a) a brief description of the digital tool for skills assessment; and b) a description of how the client profiling method works and how it is supplemented with the digital tool.	
4	Copy of an extract of SEA’s methodological recommendations for client profiling.	
5	Copy of an extract from the SEA’s Quality Management System manual (section 4.2.5).	

6	Extract from SEA's internal document approval workflow for amendments to section 4.2.5 of the SEA QMS manual.	
7	Copy of an extract from SEA's internal methodological recommendations for entering data into BURVIS system as regards clients' career consultations.	
8	Copy of an extract from SEA's Quality Management System's manual (section 4.2.18).	
9	Extract from SEA's internal document approval workflow for amendments to section 4.2.18 of the SEA QMS manual.	
10	Copy of a description on the interpretation of results of digital skills assessment test No. 2.	
11	Copy of a description on the interpretation of results of digital skills assessment test No. 1.	

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

#### **The State Employment Agency has developed and implemented a digital assessment tool for an improved skills profiling system**

As evidenced by the Transfer and Acceptance Act, electronically signed on 8 December 2023 by representatives of the State Employment Agency (hereinafter - SEA) and the service provider SIA "Midis" and the 'on-the-spot check' of 28 November 2024, the digital assessment tool for an improved skills profiling system has been developed and implemented. Link to the Test 1: <https://testi.ekarjera.lv/tests/prasmju-novertesana>; and Test 2: <https://testi.ekarjera.lv/tests/prasmju-novertesana-darbam-dazados-apstaklos>.

During the 'on-the-spot check' the Commission services accessed the link provided by the authorities to verify that the digital assessment tool for an improved skills profiling system has been developed and implemented. This check was completed successfully, confirming that the digital assessment tool has been developed and implemented. The new digital assessment tool was publicly available and well-functional, thereby improving the skills profiling system by enabling any client of the Agency to use the new functionality for assessing their skills. The authorities demonstrated how the completed test results are fed into the IT systems used by SEA employees and how they appear in each client's profile as accessed by SEA employees during the interview and profiling process.

In addition, the Latvian authorities have also provided a summary description explaining how the new tool improves the SEA's client profiling system. The tool serves as an addition to the existing profiling method, which is based on a client's first interview and data from the BURVIS information system used by SEA. The digital tool for skills assessment provides two additional testing options allowing for a more in-depth assessment of each client's job opportunities and barriers to getting a job, based on a self-assessment method of the client's skills. The digital tool also helps to gain insight into the level of clients' existing skills and preparedness to work in different working environments, thereby enabling better career guidance and more suitable work and training activities offer.

The digital assessment tool **shall ensure the assessment of the skills and competences of the agency clients, to complete an appropriate offer of retraining and acquisition of skills, depending on the individual's level of knowledge and skills.**

As verified during the 'on-the-spot check' on 28 November, the digital assessment tool provides an additional possibility for the assessment of the skills and competences of the agency's clients through test No. 1 '[Skills Assessment test](#)' and test No. 2 '[Assessing Skills for Work in Different Environments](#)'. The Skills Assessment test is a self-assessment test which includes 75 questions (statements) covering 75 different skill areas and is divided into five groups: personal skills, cognitive skills, social skills, functional skills, and management skills. The test 'Assessing Skills for Work in Different Environments' is a self-assessment test that includes 35 questions (statements) covering seven different commonly observed work settings: physical demands, outdoor work, fixed work arrangements, flexible work arrangements, hazardous work, intellectual demands, and indoor work. The nature of the tests demonstrate that they supplement the assessment of skills and competences of the agency's clients and offer additional information to SEA employees thereby enabling them to offer more appropriate training and acquisition of skills opportunities, depending on the identified level of knowledge and skills of each individual.

**The client profiling method currently used by the agency shall be supplemented by a digital skills assessment tool (tests) and the results of the tests shall be used in the client career advice process and in the preparation of the individual training offer.**

The Latvian authorities have provided copies of relevant extracts from the SEA's Quality Management System manual and internal methodological recommendations demonstrating the integration of the new digital tool in their client profiling method. Point 4.2. of the SEA Quality Management System manual, version of 30 April 2024, recommends the use of the new digital tool for skills assessment. The methodological recommendations for profiling of the unemployed, version of 30 April 2024, include section II "Skills assessment tests", where it is also laid out that the test completion is recommended and that SEA clients shall be offered a career consultation where test results shall be assessed. During the 'on-the-spot' check, the authenticity of the workflow by which the versions of 30 April 2024 to the manuals were adopted was verified. Additionally, the Latvian authorities have provided a note with a description how the digital tool supplements the client profiling method, as previously described. During individual career counselling session, the career counsellor interprets the test results for the SEA client, giving an in-depth explanation of results achieved and offering participation in defined training programmes. Test results are used to identify suitable training path and suitable job offers. In cases where the client has not chosen to participate in vocational counselling services, test results can be discussed and interpreted by the SEA employee assigned for a particular client.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C4.4-2-1-r- Human resources and upskilling [143]

**Number and name of the Milestone:** 143 Human resources development strategy

**Qualitative Indicator:** The Latvian authorities have adopted a comprehensive health workforce strategy, which includes models for lifelong learning and for health workforce planning

**Time:** Q2 2023

### 1. Context:

The measure 4.2.1.r. aims to improve the human resources management and upskilling in the health sector by developing a comprehensive human resources strategy. A new remuneration model for healthcare staff shall be developed and implemented. Additionally, an IT tool for forecasting future health workforce needs will be developed.

Milestone 143 is the first step of the implementation of the reform, and it will be followed by milestone 144, related to the adoption of the human resources mapping in this payment request, milestone 145, related to entry into force of the new remuneration model for the healthcare staff, and milestone 146, related to the adoption of a model for health workforce planning. The reform has a final expected date for implementation on 31 December 2024.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary note duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.	
2	Copy of "Health workforce Development Strategy from 2025 up to 2029" approved by the Cabinet of Ministers on 17 December 2024.	Published in the Official Journal No.2024/250.27 on 27 December 2024. Link to the publication: <a href="https://www.vestnesis.lv/op/2024/250.27">https://www.vestnesis.lv/op/2024/250.27</a>
3	Copy of the order No 1194 of the Cabinet of Ministers of 18 December 2024 on the "Health workforce Development Strategy from 2025 up to 2029"	Published in the Official Journal No.2024/250.27 on 27 December 2024. Link to the publication: <a href="https://www.vestnesis.lv/op/2024/250.27">https://www.vestnesis.lv/op/2024/250.27</a>
4	Copy of the proposals received during the public consultation on the draft information report "Health workforce Development Strategy up to 2029" on 9 February 2024.	Link to the publication on the Ministry of Health website: <a href="https://www.vm.gov.lv/lv/media/13398/download?attachment">https://www.vm.gov.lv/lv/media/13398/download?attachment</a>
5	Copy of the public record of the public consultation on the draft "Health Workforce Development strategy until 2029'.	Link to the publication: <a href="https://tapportals.mk.gov.lv/public_participation/294ad2e9-54e7-4f04-ad2a-153dcf52c7d9">https://tapportals.mk.gov.lv/public_participation/294ad2e9-54e7-4f04-ad2a-153dcf52c7d9</a>
6	Copy of the Cabinet of Ministers' Rules of Procedure, Cabinet of Ministers regulation No 606, adopted on 7 September 2021, entered into force on 9 September 2021.	Link to the publication: <a href="https://likumi.lv/ta/id/325944-ministru-kabineta-kartibas-rullis">https://likumi.lv/ta/id/325944-ministru-kabineta-kartibas-rullis</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

**A human resources development strategy has been adopted, in consultation with social partners and other stakeholders, in accordance with the Cabinet of Ministers' Rules of Procedure.**

The "Health Workforce Development Strategy from 2025 up to 2029" has been approved by the Cabinet of Ministers on 18 December 2024 as evidenced by the Cabinet of Ministers order No 1194, clause 1.

The strategy is comprehensive and organised in three parts. The first part "Planning and Financing" focuses on balancing the demand and needs for medical staff through better planning, forecasting and mapping as well as the modernisation of the medical staff register. The second part "Education and employment" aims to align study content with labour markets needs through a sustainable lifelong learning model and coordination, introduction of a simulation approach and improvements in medical educational content. The third part "Work Environment and Performance" focuses on staff well-being and lays out a way forward in such areas as employment conditions, motivation, including remuneration, improvements in infrastructure and overall well-being.

The Cabinet of Ministers Rules of Procedure as set out in the Cabinet of Ministers regulations No 606 Section VI, published on 7 September 2021 and entered into force on 9 September 2021. "Agreement of Drafts and Provision of Opinions the process on how the responsible ministry prepares the draft for agreement, indicating the relevant ministries and authorities to be consulted. For example, clause 52.2.7. stipulates that the organisations of the National Tripartite Co-operation Council – the Employers' Confederation of Latvia and the Free Trade Union Confederation of Latvia – are to be consulted if a draft affects interests of employers and employees.

The copy of the public record of the public consultation on the draft strategy "Health Workforce Development strategy up to 2029" demonstrates that a public discussion took place on 9 February 2024 to consult such relevant stakeholders as (i) Riga Stradins University, (ii) University of Latvia, (iii) Large Hospital Association, (iv) Hospitals' association, (v) Nurses' association, (vi) Family doctors' association and others. The public consultation was open to the above-mentioned legal entities as well as any natural person, for example, medical personnel, medical support personnel, other health care workers, students and residents.

The list of proposals discussed at the meeting on 9 February 2024 demonstrates that proposals from the social partners including trade unions and employers, as well as other stakeholders, were considered when developing and adopting the strategy.

**The health workforce strategy shall provide a framework for the development of health workforce planning mechanism,**

The health workforce strategy's first part "Planning and Financing" (paragraphs 61 – 83, pages 15-21) provides for a health workforce planning mechanism. The workforce mechanism is described as a planning and forecasting model (IT tool) that provides macro-level planning of health professionals. It uses data from the Health Inspectorate, State Employment Agency, and Central Statistical Bureau. The model calculates the estimated shortage or surplus of healthcare professionals, considering factors like the number of professionals per 100 000 residents, average professionals per speciality, and potential return of professionals from other sectors. It also projects demand scenarios for 5, 10, and 15-year periods based

on healthcare system development, demographics, technology, and service organisation trends. The model highlights the potential for innovation in healthcare service provision and its impact on required professionals and new competencies. The model will require regular updates to ensure its accuracy.

**including needs for under-graduate and post-graduate study places,**

Task 3.1.5.2.2. of the first part of the strategy (page 28) concerns under-graduate study places. Task 3.1.5.2.2. requires determining uniform principles for planning and financing the number of medical study places in institutions of higher education, including taking into account the new institutional financing model of institutions of higher education by 2029.

Task 4.1.5.2.3. of the first part of the strategy (page 29) concerns post-graduate study places. Task 3.1.5.2.3. requires specifying the criteria for planning the number and distribution of resident positions by 2025.

**a robust information system that shall include up-to-date information at individual level on the development of the skills and competences of medical practitioners during their career and an effective lifelong learning planning and management.**

The health workforce strategy's first part "Planning and Financing" (paragraphs 89-94, pages 23-24) calls for the modernisation an information system – single medical staff register. Paragraph 90 of the strategy defines that the single register solution will be developed, combining the different existing medical and medical support staff registers, thus creating a single source of data on healthcare practitioners. Paragraph 93 of the strategy defines that the new register will serve as a unified data source for the data of healthcare workers and institutions, which would provide high-quality, up-to-date and first-hand data. The proposed solution will ensure safe and stable digital environment thus ensuring the robustness of the system. The unified register will include information at the individual level on the development of health care specialist skills and competencies during the career and will also allow for effective planning and management of lifelong learning. The strategy includes the planned architecture of the registry (image number 8, page 24). Task 3.1.5.1.1. (page 27) provides for the development, implementation, and maintenance of a single register by 2027.

**The strategy shall also lay out the principles of the healthcare remuneration model. Furthermore, in line with the description of the measure, the strategy shall cover such actions as the development of a new salary model [..].**

The third part "Work environment and performance" of the strategy lays down the main principles of the new healthcare remuneration model, which is a significant healthcare workforce retention and motivation element. Paragraph 151 (pages 54-55) of the strategy states that the healthcare remuneration model shall be based on principles of predictable, fair and gradual wage increases, aiming to create a motivating and efficient remuneration system for healthcare professionals. To ensure the implementation and fair distribution of any additional budget allocations for wage increases, legislative changes are planned to reduce the proportion of the variable part in the total remuneration, promote convergence of the wages of different categories of healthcare professionals and regulate the distribution principles.

The strategy covers the actions of the development of the new salary model under the task "3.3.1.2."Establish a compensation and motivation system" (pages 61-63). In particular, action point 3.3.1.2.1. (page 61) under the task "3.3.1.2. Compensation and motivation system established" stipulates the aim of fostering the annual increase in compensation for medical professionals by fully leveraging the opportunities within the fiscal space and anticipating an appropriate wage proportion between the average wages of doctors, medical and patient care personnel, and those of medical and patient care



support staff within the state-funded healthcare services. The action point requires the additional state budget resources to be allocated from 2028 onwards and the legislative changes to be implemented by 31 March 2025.

**Furthermore, in line with the description of the measure, the human resources strategy for the health sector shall be based on a mapping of human resources.**

The first part of the strategy “Planning and financing”, subsection “3.1.2. Mapping” (paragraphs 84-88, pages 21-22) describes the mapping that has been used for the elaboration of the strategy, the process of mapping and the purposes of it. Based on the results of the mapping, ensuring human resources in primary care as well as attraction of carers has been identified as a priority and covered horizontally in the framework of the strategy (paragraph 88, page 23).

**In line with the description of the measure, the strategy shall cover provision of basic medical training.**

The second part of the strategy “Education and employment” includes a section on basic medical education (paragraphs 126—136, pages 40-42). Task 3.2.4.1 and its sub-tasks (page 43-45) envisage development of new training programmes and ensuring basic medical training in line with the labour market needs.

**In line with the description of the measure, the strategy shall cover retention measures.**

The third part “Work environment and performance” focuses on well-being of the medical staff. Through a set of measures in the areas of uniform employment conditions, improvements in infrastructure and well-being at work, the strategy aims to improve the satisfaction of medical staff at work. In particular, with support of ESF+, the authorities plan to implement task 3.4.1.2.6 (page 63) to attract medical staff to the healthcare sector and retain them, including those who have never worked or have left the public health system.

**In line with the description of the measure, the strategy shall cover the development of a human resources database.**

The health workforce strategy’s first part “Planning and Financing” (paragraphs 89-94, pages 23-24) provides for the modernisation of the information system: single medical staff register will serve as a database of medical staff.

**In line with the description of the measure, the reform shall also establish a framework to strengthen the medical education system, providing for the introduction of a sustainable model for continuing education and a coordination mechanism to ensure and monitor the quality of educational content, as well as a simulation approach at all levels of education.**

The second part of the strategy “Education and employment” includes a framework for strengthening the medical education system by providing for a lifelong learning model (paragraphs 107-112, pages 35-37), a coordination mechanism for training (Image 9, page 36) and a simulation approach in training at all levels of education (paragraphs 113-125, pages 37-40).

Task 3.2.4.4. and its sub-tasks, page 47-50, of the document demonstrate that the strategy aims to create a uniform lifelong learning system for health professionals. Sub-task 3.2.4.4.1, page 48 of the document demonstrates that the strategy proposes the establishment of a sustainable lifelong learning model and coordination mechanism for training, which will facilitate the development and implementation of training programmes, as well as ensure the effective use of resources.

The section on the development of coordinated simulated medicine development (paragraphs 113-125, pages 37-40) highlights that the strategy promotes the use of simulation-based training methods to improve the skills and competencies of health professionals. Task 3.2.4.3. and its sub-tasks, page 46-47, envisage the development of simulations in medical education, development of the Medical Education Technology Centre as methodological excellence centre and investments for simulation infrastructure are planned in university and regional hospitals. The simulation infrastructure shall be used at all levels of education - for the training of students and resident doctors, as well as clinical university hospital staff and regional medical practitioners (image 10, page 39).

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C4.4-2-1-r- Human resources and upskilling [144]

**Number and name of the Milestone:** 144 Adoption of Human Resources Mapping in Healthcare

**Qualitative Indicator:** Human resources mapping developed and approved by the Ministry of Health

**Time:** Q4 2024

### 1. Context:

Measure 4.2.1.r. aims to improve the human resources management and upskilling in the health sector.

Milestone 144 concerns the development of human resources mapping in healthcare. The mapping shall include detailed information on the number of health professionals working in different disciplines at all levels of care.

Milestone 144 is the second milestone of the reform, and together with milestone 143 related to the adoption of the human resources strategy in healthcare, is in this payment request. It will be followed by milestone 145 related to the implementation of a new remuneration model for healthcare staff and milestone 146 related to the adoption of a model for healthcare workforce planning.

The reform has a final expected date for implementation on 31 December 2024.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary note duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.	
2	Copy of the 2nd deliverable of the Directorate-General for Structural Reform Support project "Health Workforce Strategy in Latvia" - Analysis of Health Workforce and Training System	Link: <a href="https://www.vm.gov.lv/lv/media/12516/download?attachment">https://www.vm.gov.lv/lv/media/12516/download?attachment</a> Report date: 1 August 2023 Publication: 9 October 2023 <a href="https://www.vm.gov.lv/lv/nodevumi">https://www.vm.gov.lv/lv/nodevumi</a> .
3	Copy of the 4 <sup>th</sup> deliverable of the Directorate-General for Structural Reform Support project "Health Workforce Strategy in Latvia" – Health Workforce Planning Model	Link: <a href="https://www.vm.gov.lv/lv/media/12951/download?attachment">https://www.vm.gov.lv/lv/media/12951/download?attachment</a> Report date: 5 December 2023 Publication: 13 December 2023 <a href="https://www.vm.gov.lv/lv/nodevumi">https://www.vm.gov.lv/lv/nodevumi</a> .
4	Copy of the 5 <sup>th</sup> deliverable of the Directorate-General for Structural Reform Support project "Health Workforce Strategy in Latvia" – Action Plan on Health Workforce Training and Skills development	Link: <a href="https://www.vm.gov.lv/lv/media/12948/download?attachment">https://www.vm.gov.lv/lv/media/12948/download?attachment</a> Report date: 5 December 2023 Publication: 13 December 2023 <a href="https://www.vm.gov.lv/lv/nodevumi">https://www.vm.gov.lv/lv/nodevumi</a> .

5	Copy of the Rule of Order of the Ministry of Health from 25 February 2022 No. 38 On Establishment of a Steering Committee and an operational Working Group for the project supported by the European Commission's Directorate-General for Structural Reform support No. REFORM/SC2021/09 Establishment of a Steering Committee and an operational Working Group.	Electronically signed on 25 February 2022.
6	Copy of the Rule of Order of the Ministry of Health from 26 May 2023 No. 01-01.1/73 On Amending rule of order No. 38 of the Ministry of Health of 25 February 2022 on the establishment of a Management Committee and an operational Working Group for Project No REFORM/SC2021/09 supported by the Directorate-General for Structural Reform support of the European Commission.	Electronically signed on 26 May 2023.
7	Copy of the minutes No. 5 of the Steering Committee of the project Supported by the European Commission's Directorate-General for Structural Reform support No. REFORM/SC2021/09 "On Health Workforce Strategy in Latvia "with attachment.	Electronically signed on 29 August 2023 Link: <a href="https://www.vm.gov.lv/lv/media/12489/download?attachment">https://www.vm.gov.lv/lv/media/12489/download?attachment</a>
8	Presentation of the Steering Committee meeting of 29 August 2023.	Date: 29 August 2023 Link: <a href="https://www.vm.gov.lv/lv/media/12492/download?attachment">https://www.vm.gov.lv/lv/media/12492/download?attachment</a>
9	Copy of the Minutes No. 6 of the Steering Committee of the project Supported by the European Commission's Directorate-General for Structural Reform support No. REFORM/SC2021/09 "On Health Workforce Strategy in Latvia".	Electronically signed on 7 November 2023.

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

#### **The human resources in healthcare mapping has been completed.**

The human resources mapping in healthcare has been completed and is included in the document on "Analysis of Health Workforce and Training System". The report was completed by EY on 1 August 2023. The purpose of this document is to evaluate the provision of existing medical personnel and medical educational organisation in Latvia. Section 2 "Mapping of the healthcare staff" (pages 17–40) of the document "Analysis of Health Workforce and Training System" is the key element of the mapping of the available human resources in healthcare in 2023. It covers the number of health professionals per discipline, analysis of their workload, age structure, regional distribution, places of employment and remuneration.

With the order No 38 of 25 February 2022 the Minister of Health established a steering committee of the project REFORM/SC2021/09 "Health Workforce Strategy in Latvia". Article 2 of the order provides for the

delegation of the functions of monitoring and managing the strategic and technical aspects of the project to the steering committee. As evidenced by the decision of the meeting minutes No 5 of 29 August 2023, the steering committee approved the deliverable “Analysis of Health Workforce and Training System”, which includes the mapping. The document was published on the Ministry of Health website <https://www.vm.gov.lv/lv/media/12516/download?attachment>

**The mapping shall include detailed information on the number of health professionals working in different disciplines, in the public and in the private sector, at all levels of care.**

Section 2 “Mapping of healthcare staff” (pages 17-40) of the “Analysis of Health Workforce and Training System” provides detailed information on the existing number of health professionals across various disciplines. It covers both public and private sectors taken together at all levels of care, ensuring a comprehensive understanding of the healthcare workforce landscape.

Table 3 “The forecast number of medical personnel, broken down by the doctor's main specialties” on pages 21-22 of the “Analysis of Health Workforce and Training System” lists the medical disciplines and the number of health professionals working in the said disciplines, covering all levels of care. For example, there were 114 surgeons, 1371 family doctors and 399 paediatricians in June 2023.

**The mapping shall also include detailed information on the workload borne by health professionals**

Table 4 “The average workload per 1 medical staff in primary speciality and shortages” on page 23 of the “Analysis of Health Workforce and Training System” demonstrates the existing workload borne by health professionals.

The tables in the annex to the “Analysis of Health Workforce and Training System” provide more granular information such as total workload per speciality by regions (table 16, page 115-116) as well as average workload per 1 medical staff (table 18, pages 117-121).

The workload is calculated in terms of full-time equivalent (168 hours worked per month) and is based on State Revenue Data; it does not include self-employed and those employed in micro-enterprises.

**and on continuous training, highlighting the criticalities in the assessed levels of qualification and in the readiness to deal with technological and organisational innovation.**

Section 3 “Evaluation of the medical education system” (pages 40–80) looks at the educational institutions and programmes (pages 41-44), education pathways, including continuous education requirements (pages 44-47), skills and competences and their development (pages 47-53), including those needed to deal with technological and organisational innovation. Section 3.4 “Organisation of continuous learning” (pages 53-79) looks at the organisational aspects of continuous training and provides recommendations for further improvement.

The report highlights the criticalities in the assessed levels of qualification and in the readiness to deal with technological and organisational innovation (page 51). The report finds that the descriptions of general skills included in the professional standard do not provide for the competences of implementing health care innovations and new solutions essential for the profession, such as: “understanding of telemedicine principles and opportunities for improving health care services”, “integrated health care systems, which include understanding of various health care-related information mutual interaction of systems and data exchange”; “understanding of medical technology and data support in clinical decision-making” etc.

To cope with technological and organisational innovation, digital skills are particularly important. Based on international practice analysis, the report highlights seven key competence groups needed for digitalisation of healthcare such as clinical information systems and technologies, clinical and medical care IT standards, health care IT projects, knowledge management and others. The report concludes that the current professional standards of medical practitioners do not require to develop digital competences to the extent expected at international level (page 51). Moreover, continuous trainings only partially cover the digital skills development (page 53).

The milestone is further specified in the Operational Arrangements, which requires **the mapping to include the total number of health professionals in the public and private sector taken together.**

The mapping includes the total number of health professionals in the public and private sector taken together. As provided in the “Analysis of Health Workforce and Training System”, section 2 “Mapping of medical practitioners” part on “Data Sources” (page 18) where it is described that the data is based on State Revenue Service data and data from the register of medical practitioners and medical treatment support persons, stating that the data sources include all medical practitioners and they are not selected or analysed based on their employers type (private or public sector), thus it includes the total number of health professionals in the public and private sector taken together.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C4.4-2-1-r- Human resources and upskilling [146]

**Number and name of the Milestone:** 146 Adoption of a model for health workforce planning

**Qualitative Indicator:** Adoption and deployment of a model for forecasting future health workforce needs

**Time:** Q4 2024

### 1. Context:

Milestone 146 is part of reform 4.2.1.r., which aims to improve the human resources management and upskilling in the health sector by developing a comprehensive human resources strategy. A new remuneration model for healthcare staff shall be developed and implemented. Additionally, an IT tool for forecasting future health workforce needs will be developed.

Milestone 146 concerns a model (IT tool) to forecast the future needs of health workforce developed. The model shall provide estimates on the need for healthcare professionals, by specialty and geographic area, the need for professional development of health professionals as well as the expected gaps in workforce supply. The model is to be used for planning purposes.

Milestone 146 is the fourth and last milestone of the reform and it is accompanied by milestone 145, related to the entry into force of the new remuneration model for the healthcare staff, in this payment request. It follows the completion of milestone 143, related to the adoption of human resources development strategy, and milestone 144, related to the adoption of the human resources mapping.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.	
2	Copy of the 4th deliverable of the Directorate-General for Structural Reform Support project "Health Workforce Strategy in Latvia" – Health Workforce Planning Model	Link: <a href="https://www.vm.gov.lv/lv/media/12951/download?attachment">https://www.vm.gov.lv/lv/media/12951/download?attachment</a> Report date: 5 December 2023 Publication: 13 December 2023 Link to publication: <a href="https://www.vm.gov.lv/lv/nodevumi?utm_source=https%3A%2F%2Ffeuc-word-edit.officeapps.live.com%2F">https://www.vm.gov.lv/lv/nodevumi?utm_source=https%3A%2F%2Ffeuc-word-edit.officeapps.live.com%2F</a>
3	Copy of the Rule of Order of the Ministry of Health from 25 February 2022 No. 38 On Establishment of a Steering Committee and an operational Working Group for the project supported by the European Commission's Directorate-General for Structural Reform support No. REFORM/SC2021/09 Establishment of a Steering Committee and an operational Working Group.	Electronically signed on 25 February 2022.

4	Copy of the Rule of Order of the Ministry of Health from 26 May 2023 No. 01-01.1/73 On Amending rule of order No 38 of the Ministry of Health of 25 February 2022 on the establishment of a Management Committee and an operational Working Group for Project No REFORM/SC2021/09 supported by the Directorate-General for Structural Reform support of the European Commission.	Electronically signed on 26 May 2023.
5	Copy of the minutes No. 6 of 14 December 2023 of the Steering Committee of the project Supported by the European Commission's Directorate-General for Structural Reform support No. REFORM/SC2021/09 "On Health Workforce Strategy in Latvia".	Electronically signed on 14 December 2023.

**3. Analysis:**

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

**A model (IT tool) to forecast the future needs of health workforce delivered and approved by the Ministry of Health.**

As evidenced by the "Health Workforce Planning Model", dated 5 December 2023 and prepared by E&Y as part of the Technical Support Instrument project "Health workforce strategy in Latvia", in cooperation with the Directorate-General for Structural Reform Support of the European Commission, the health workforce planning model in the form of a report and an operational Microsoft Power Business Intelligence tool (IT tool) to forecast the future needs of health workforce has been developed.

With Order No 38 of 25 February 2022 the Minister of Health established the steering committee of the project REFORM/SC2021/09 "Health Workforce Strategy in Latvia". Article 2 of the order provides for the delegation of the functions of monitoring and managing the strategic and technical aspects of the project to the Steering Committee. As evidenced by the decision of the meeting minutes No 6 of 7 November 2023, the steering committee approved the deliverable 4 "Health Workforce Planning Model".

The Commission services conducted an on-the-spot check on 9 April 2024 to verify the fulfilment of the milestone's description. This check was completed successfully, confirming that the model as an IT tool to forecast the future needs of health workforce has been developed and delivered by the Ministry of Health. In particular, the authorities demonstrated how the tool provides estimates based on projected population health care needs and the organisation of healthcare service delivery, on the need for healthcare professionals, by specialty and geographic area, place of practice, as well as the need for professional development of health professionals and expected gaps in workforce supply.

**The model is to be used for planning purposes.**

As described in the "Health Workforce Planning Model" (page 6), the purpose of the planning model is to be used for planning purposes to support country-level health workforce planning by retrieving forecasts of the future demand and supply of medical personnel. The model is based on two main elements – health workforce supply and demand. The demand for health workforce is derived from the overall demand for healthcare services that is heavily impacted by public health status and demographic trends. The supply of health workforce is a combination of currently practising health workforce, graduates (that start



working within Latvian healthcare system), activated health workforce (incl. persons returned to healthcare from other sectors of the economy or for other reasons (such as re-emigration)) as well as health workforce leaving the healthcare system as a result of natural causes of leave (death, retirement) and emigration.

The Commission services conducted an on-the-spot check on 9 April 2024 to verify if the model is to be used for planning purposes. This check was completed successfully, confirming that the results can be used for short- and medium- term planning purposes. The authorities demonstrated that the model provides supply and demand estimates with 5-year intervals, namely, for 2028, 2033 and 2038. The authorities demonstrated that the tool can visualise the need for healthcare specialists by specialty, geographic area, namely municipalities, place of practice and hospital collaboration area. As an example, the authorities showed how the tool allows to estimate the number of nurses needed in Daugavpils city and Daugavpils hospital collaboration area in 2028, 2033 and 2038.

**The model shall provide estimates, based on projected population health care needs and the organisation of healthcare service delivery, on:**

As evidenced by the “Health Workforce Planning Model”, the model provides estimates, based on existing and projected population health care needs, in particular taking into account (i) public health development tendencies (section 3.1., pages 17 – 19), (ii) demographic situation and future forecasts (section 3.2., pages 19-21) and (iii) the organisation of healthcare service delivery, in particular taking into account (iv) technology development (section 3.3., pages 21) and (v) service delivery development (page 22).

Section 3.1. on public health development tendencies (pages 17–19), examines the healthcare needs of the population, specifically focusing on the prioritised areas, which include heart and circulatory diseases, oncology, mental health, maternal and child health, rare diseases, palliative care, and medical rehabilitation. These areas are identified as needing significant improvement and resource allocation in order to address the healthcare needs of the population and align with European Union trends. The report also emphasises the need for better preparedness in the healthcare system, particularly in crisis situations.

Section 3.2. on demographic situations (pages 19-21) considers the ageing, low birth rates and emigration trends from 2000 onwards, as well as forecasts the demographic situation in 2028, 2033 and 2038.

Section 3.3. on technology development (page 21) considers such future development tendencies as AI, genome sequencing, telemedicine and such.

Section 3.4. on organisation delivery (page 22) considers the impact of integrated care and precision medicine, which is a medical approach that aims to tailor healthcare to individual patients based on their unique genetic makeup, lifestyle, and environmental factors.

Taking into the account these trends in public health, demographics, technology, healthcare organisation development, international comparisons, and data on the current provision of healthcare professionals in Latvia, and in collaboration with professional associations, demand scenarios were developed.

The Commission services conducted an on-the-spot check on 9 April 2024 to verify if the model can provide estimates, based on projected population health care needs and the organisation of healthcare service delivery. This check was completed successfully, confirming the fulfilment of the requirement. The authorities explained that the model considers the demographic trends for the next 5-, 10- and 15-year periods, based on population data and forecasts of the Ministry of Economics and other

sources. The authorities demonstrated that population forecasts in the tool are available for 2028, 2033 and 2038 and can be visualised at municipality and hospital network level.

**- The need for healthcare professionals, by specialty and geographic area / place of practice;**

In the Section 4 (pages 23-43), the health workforce planning model describes the approach, algorithms and calculations for the planning model and the necessary data is included to forecast the need for healthcare professionals, by specialty and geographic area or place of practice.

Annex 1 to the “Health Workforce Planning Model” (pages 54-118) provides information on the forecast need of healthcare professionals by specialty for the years 2028, 2033 and 2038. It also provides data on the need for healthcare professionals by geographic area at the level of municipalities as well as by hospital collaboration areas.

The Commission services conducted an on-the-spot check on 9 April 2024 to verify if the tool can provide estimates based on the need for healthcare professionals, by specialty and geographic area / place of practice. This check was completed successfully, confirming the fulfilment of the requirement. The authorities demonstrated that the forecast tool can visualise the need for healthcare specialists by speciality, geographic area, namely municipalities, place of practice and hospital collaboration area. As an example, the need for nurses in Daugavpils city and Daugavpils hospital collaboration area for 2028, 2033 and 2038 was demonstrated.

**- The need for professional development of health professionals,**

The need for professional development of health professionals is further analysed in section 4.4.3. “Skill-mix’, development of skills and competences” (pages 37-42). Proposals for possible skill-mixes to alleviate health workforce shortages are provided (page 41). The Section 4.4.4. “Possible policy interventions” provides more details on how policy intervention may affect different values of the model. For example, providing state paid professional development is one of the policy actions that could positively impact the number of people returning to the medical sector from other sectors or from long-term leave and reduce the number of people leaving the sector (e.g., emigration).

The Commission services conducted an on-the-spot check on 9 April 2024 to verify if the tool can provide estimates based on the need for professional development of health professionals. This check was completed successfully, confirming the fulfilment of the requirement. The authorities demonstrated that the resulting gap analysis data can be broken down by speciality and explained that the remaining gap can be largely closed by increasing or reducing the number of graduates in a specific speciality. Therefore, the gap also serves to provide the estimates on the need for professional development of health professionals.

**- Expected gaps in workforce supply.**

Section 4.2. on the demand and supply to the “Health Workforce Planning Model” demonstrates how the gaps in workforce supply in total persons employed and full-time equivalent (FTEs), by specialties are calculated. The formula for calculating the gap is provided on page 30. The applied formula quantifies the difference between the needed FTE medical personnel and the current practicing FTEs, accounting for factors such as retirements, new graduates entering the workforce, professionals returning from other sectors or leaving for various reasons, including retirement and emigration. The resulting gap provides insight into workforce shortages or surpluses within the healthcare sector based on projected demands and existing personnel dynamics. As a result, the model forecasts an overall gap of 2,409 medical

professionals by 2028, 3,977 by 2033 and 10,134 by 2038. The data can be broken down by persons and FTEs, professions/specialities as well as by geographic areas and hospital network collaboration areas.

The Commission services conducted an on-the-spot check on 9 April 2024, to verify if the tool can provide estimates based on the expected gaps in workforce supply. This check was completed successfully, confirming the fulfilment of the requirement. The authorities demonstrated that the tool forecasts the expected gaps in health workforce supply in terms of number of health care professionals and in full-time equivalents for 2028, 2033 and 2038.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C4.4-2-1-1-i- Support for the implementation of the human resources development system [147]

**Number and name of the Milestone:** 147 A coordinating mechanism for health workforce training established

**Qualitative Indicator:** A coordination mechanism for continuous health workforce training ensuring cooperation between the involved institutions, methodological management and quality control established by the Ministry of Health

**Time:** Q4 2023

**1. Context:**

Milestone 147 is part of investment 4.2.1.1.i. which aims to develop a common approach for continuous education in health and introduce a simulation approach in the health learning process.

Milestone 147 requires the establishment of a coordination mechanism for the management of the continuous education in healthcare.

Milestone 147 is the first step of the implementation of the investment, and it will be followed by milestone 148, related to introduction of simulation approach in healthcare learning process. The reform has a final expected date for implementation on 31 August 2026.

**2. Evidence provided:**

	Name of the evidence	Short description
1	Summary note duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.	
2	Copy of the decision of the Ministry of Health approving “On the approval of the model of continuous education organisation and the establishment of a coordination mechanism”.	Decision is issued by the State Secretary of Health Ministry on 24 January 2024. (internal filing system No 01-01.1/10).
3	5th deliverable of the Directorate-General for Structural Reform Support project “Health Workforce Strategy in Latvia” – Action Plan on Health Workforce Training and Skills development	Link: <a href="https://www.vm.gov.lv/lv/media/12948/download?attachment">https://www.vm.gov.lv/lv/media/12948/download?attachment</a> Report date: 5 December 2023 Publication: 13 December 2023 <a href="https://www.vm.gov.lv/lv/nodevumi">https://www.vm.gov.lv/lv/nodevumi</a> .
4	Copy of the order of the Ministry of Health approving “Guidelines for procurement documentation for procurement of the development, updating and/or implementation of training programmes in the field of health”.	Decision is issued by the State Secretary of the Ministry of Health on 11 July 2024. (internal filing system No 01-01.1/115).

5	Guidelines for procurement documentation regarding the procurement of training programme development, updating and/or programme implementation in the field of health.	Decision is issued by the State Secretary of the Ministry of Health on 11 July 2024. (internal filing system No 01-01.1/115). Link: <a href="https://www.vm.gov.lv/lv/cilvekresursu-nodrosinajums-un-prasmju-pilnveide-421r-un-4211j">https://www.vm.gov.lv/lv/cilvekresursu-nodrosinajums-un-prasmju-pilnveide-421r-un-4211j</a>
6	Consolidated version of internal regulatory act of the Ministry of Health 09 May 2024 No 9 "Procedure for organizing training and experience exchange events" (amendments 17 June 2024. No 14 "Procedure for organizing training and experience exchange events").	
7	Curriculum Quality Assessment Questionnaire	Annex 13 to the internal regulatory act of the Ministry of Health dated 09 May 2024 No. 9 - European Social Fund Plus project No. 4.1.2.6/1/24/l/001 "Providing educational opportunities for persons involved in treatment"
8	Rule of Order of the Ministry of Health from 25 February 2022. No. 38 On Establishment of a Steering Committee and an operational Working Group for the project supported by the European Commission's Directorate-General for Structural Reform support No. REFORM/SC2021/09 Establishment of a Steering Committee and an operational Working Group.	
9	Minutes No. 6 of 7 November 2023 of the Steering Committee of the project Supported by the European Commission's Directorate-General for Structural Reform support No. REFORM/SC2021/09 "On Health Workforce Strategy in Latvia".	
10	Rule of Order of the Ministry of Health from 1 February 2024. No. 01-01.1/19 On the establishment of the Human Resources Training Consultative Working Group	

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

**The establishment of a coordination mechanism for the management of the continuous education process, as evidenced by the relevant supporting documents of the Ministry of Health (e.g. orders, decisions).**

With the order No 38 of 25 February 2022 the Minister of Health established a steering committee of the project REFORM/SC2021/09 "Health Workforce Strategy in Latvia". Article 2 of the order provides for the delegation of the functions of monitoring and managing the strategic and technical aspects of the project

to the steering committee. As evidenced by the decision included on the meeting minutes No 6 of 7 November 2023, the steering committee approved the deliverable No. 5 “Action Plan on Health Workforce Training and Skills development”, which outlines the design and purpose of the coordination mechanism for the management of the continuous education process.

The coordination mechanism for the management of the continuous education process was established by the Decision No 01-01-1/10 of the Ministry of Health on 24 January 2024. In accordance with this decision, the Human resources development unit of the Ministry of Health is tasked to ensure the approbation and implementation of the approved coordination mechanism as per the “Action Plan on Health Workforce Training and Skills development”. One of the main goals of the action plan is to define a clear coordinating model for continuous professional development of the health workforce (page 7). The coordination model, a governance structure and clear lines of responsibility and accountability are established as shown in figure No. 4, page 58 of the “Action Plan on Health Workforce Training and Skills development”. It demonstrates the coordination between the Ministry of Health and relevant stakeholders, for example, healthcare institutions, education institutions, employers for three main process streams: (i) identification of training needs at individual and macro level, (ii) implementation of training measures, including procurement of trainings and information distribution and conduction of trainings, and (iii) quality control.

Furthermore, since the establishment of the coordination mechanism on 24 January 2024, notable progress has been made in executing the action plan. For example, the composition and operating principles of the Human Resources Training Consultative Working Group have been revised as per order No 01-01/1/19 of the Ministry of Health and in line with task 1.1.1., page 62 of the “Action Plan on Health Workforce Training and Skills development”. With decision No 04-01.1/115 of 11 July 2024, the Ministry of Health approved the procurement documentation in relation to the acquisition of services for the development, update, and implementation of training programmes in line with task 2.1.1., page 63 of the “Action Plan on Health Workforce Training and Skills development”.

**The organisational model for continuing training shall be developed, focusing on the content of the training, the form of training, the necessary facilities and equipment (e.g. simulations, use of virtual reality, etc.),**

The organisational model for continuing training has been developed and is included in the section 2 “Model of the organisation of continuous education of medical practitioners”, pages 13-62 of the “Action Plan on Health Workforce Training and Skills development”.

The organisation model covers the content of the training as one of the processes is to identify training needs at individual and macro level. Section 2.1.3. notes the lack of structured and systematic identification of further education needs and proposes solutions at macro (section 2.1.3.1., pages 16 – 18) and micro level (section 2.1.3.2., pages 19-20) reflected in the organisational model. As a result, the training content at profession and specialisation level can be defined and improved.

The organisational model also covers the form of training, the necessary facilities and equipment (e.g. simulations, use of virtual reality, etc.) in section 2.1.4. “Implementation of continuous education”, (pages 21 – 51). In particular, section 2.1.4.4. “Selection of learning format appropriate for the needs of improvement of skills and competences of medical personnel and continuing education programmes” (pages 39 – 49), includes recommendations for training infrastructure development (page 39), namely, to expand clinical and simulation-based training, broaden practical training methods (e.g., case analysis, role-playing) and update procurement requirements to support these changes. Additionally, it includes a description of simulation-based training and the necessary infrastructure (page 39 – 49). It is

recommended to expand and improve simulation-based education for both formal training and continuing professional development. Simulation allows healthcare professionals to safely acquire clinical skills, particularly in areas like residency training, where it has been shown to improve patient outcomes and team collaboration. Currently, most simulation facilities are in Riga, limiting access for regional providers. Therefore, expanding simulation training across the country and integrating various technologies, such as mannequins and virtual reality, is crucial. It is also recommended to establish a collaborative network of simulation centers, involving universities and hospitals to ensure equal access to skills development and ultimately improve patient care quality. A description of principles for spatial planning for simulation-based training is also included (page 49). The principles of space planning for simulation-based learning involve not only investments in simulation technologies but also in providing appropriate training spaces, for example, an instruction room for introductory briefings; hallways to facilitate access between examination rooms and simulated patient areas; adequately sized examination rooms with various simulation technologies for groups of 12 to 20 people; a debriefing room for discussing task outcomes; and a control room for instructors to monitor and guide training. Additionally, storage space for simulators and materials is recommended, comprising at least 10% of the total training area.

**as well as cooperation mechanisms between educational institutions, clinical university hospitals, regional hospitals and other key stakeholders.**

The organisational model also covers cooperation mechanisms between educational institutions, clinical university hospitals, regional hospitals, and other key stakeholders, as shown in figure No.4 in “Model of the organisation of continuous education of medical practitioners” on the page 58 of the “Action Plan on Health Workforce Training and Skills development” and the activity plan on implementing the changes in the further education organisation (table 3, pages 62-66). It demonstrates the cooperation between educational institutions (such as University of Latvia, Riga Stradins University and Daugavpils University as listed on page 16) and the key stakeholders as sectoral professional organisations, Centre for Disease Prevention and Control, National Health Service, Health Inspectorate, Health Care Employers Association, Ministry for Environmental Protection and Regional Development, Latvian Association of Local and Regional Governments, Latvian Medical Association, Latvian Nurse Association, Latvian Hospital Association. Tasks under section include such actions towards improved cooperation between different stakeholders as changes in the human resources training advisory groups composition and operation principles (task 1.1.1.); organising requests for information to identify the continuing education needs of healthcare professionals (task 1.1.2); ensuring the exchange of information between the medical institutions and the Ministry of Health about the identified micro-level medical personnel continuing education needs (task 1.2.3.). The cooperation of clinical university hospitals and regional hospitals is further elaborated in section 2.1.4.5 on regional availability of further education of medical personnel, page 50 of the Action Plan.

**The organisational model, a governance structure and clear lines of responsibility and accountability shall be established.**

In the organisational model, a governance structure and clear lines of responsibility and accountability are established as shown in figure No.4, page 58 of the “Action Plan on Health Workforce Training and Skills development”. The Ministry of Health has a lead coordination role. The structure demonstrates the roles and responsibilities of different organisations in the three levels of coordination processes: (i) identification of training needs at individual and macro level, (ii) implementation of training measures, including procurement of trainings and information distribution and conduction of trainings, and (iii) quality control.

Section 2.2.1., page 55 of the Action Plan, describes in more detail the leading role of the Ministry of Health as the coordinating institution in all the management processes of continuing training of medical practitioners. The activity plan for implementation of further changes in the organisation of further education is included in section 3, pages 62-67. The action plan includes a list of tasks to be completed, including the responsible institutions, involved institutions and timeline for completion thus clearly demonstrating the responsibility and accountability.

Section 3.2., pages 76-79 of the Action Plan, includes the action plan control mechanism. This consists of 9 indicators, monitoring frequency and Ministry of Health as responsible for monitoring of implementation.

**Guidelines for the procurement of training services, as well as quality standards for training and system for monitoring and evaluating.**

Section 2.1.4.1 Selection of continuing education organisers from publicly funded continuing education events of the “Action Plan on Health Workforce Training and Skills development” includes recommendations for the procurement of training services (pages 23 -24). With decision No 04-01.1/115 of 11 July 2024, the Ministry of Health at the level of State Secretary approved the guidelines for the procurement of development, revision and/or implementation of training programmes in the field of health care. The implementation of continuing education programmes includes creating training programmes suitable for the needs of medical personnel, selecting appropriate training formats, engaging qualified individuals for programme implementation, and organising training events. Training quality standards are to be included in the procurement procedure documents and the qualification requirements for applicants set in accordance with the Public Procurement Law and in collaboration with experts in the specific field. The guidelines are mandatory for the training programme procurements conducted by the Ministry of Health and its subordinate state administration institutions. Each institution must apply these guidelines as appropriate to its procurement organisation procedures.

Section 2.1.5., pages 52- 53 of the action plan covers the quality control of further education content. The organisational model as shown in figure No.4, page 58 of the action plan, demonstrates that quality control for further training evaluation shall be performed through a coordination platform by health care industry, professional associations, medical institutions, educational institutions. At the same time, these institutions will also collect and publish further training evaluations done by the trained medical practitioners. Task direction 3 on monitoring the quality of continuing education activities on page 66 of the Action Plan further specifies the actions to be taken such as (i) defining specific roles and responsibilities for overseeing and controlling continuing education for healthcare professionals at the sector level, (ii) amending legal basis to allow healthcare institutions registered as professional continuing education centres to plan and implement informal continuing education activities without requiring prior approval from the certification institution and (iii) ensuring the collection and publication of evaluations for continuing education activities funded by public sources to make the evaluations accessible to healthcare professionals. As per task 4.3., page 67 of the Action Plan, the Ministry of Health is tasked to conduct a detailed study on the implementation of potential solutions for a continuing education coordination platform and decide on the solution to be implemented.

Moreover, internal regulatory act No. 9 issued by the Ministry of Health on 9 May 2024 outlines the procedures for organising training and experience exchange events for healthcare professionals. The document establishes the requirements for developing and updating a human resource training plan, creating training programmes and methodological tools, selecting and attracting trainees, and implementing training. It emphasises the importance of ensuring the quality of education by monitoring and verifying service providers' compliance with contract requirements, checking participants' adherence



to the target audience, documenting training sessions, and issuing recognised educational documents to participants who fulfil the programme requirements. Quality control is further reinforced by the Ministry's right to observe classes, conduct surveys, and handle other quality-related issues, ensuring that training programmes are effectively enhancing the competencies of healthcare professionals in line with the project's quantitative and qualitative indicators. The act also provides for anonymous feedback mechanisms for participants to assess the quality and utility of the training programmes. The curriculum quality assessment questionnaire to that effect has been developed.

Furthermore, in line with the description of the measure, **the investment consists of the establishment of a coordination mechanism and covers aspects such as methodological management, quality control of the education content, sustainable financing.**

The "Action Plan on Health Workforce Training and Skills development" establishing the coordination mechanism, covers methodological management in particular for simulation-based training, where the methodological management function is entrusted to the Medical Education Technology Centre and envisages that the Centre shall provide support to other education institutions in creating education content as well as methodological support in implementing such programmes and training the trainers (page 44-45).

Section 2.1.5., pages 52- 53 of the action plan covers the quality control of further education content. It looks at macro level controls when selecting and certifying the training by assessing the quality of the content, relevance and trainer's competence, and micro level when the trained medical practitioners provide their feedback on the training received.

Section 2.1.6., pages 53- 54 of the action plan looks at the current education financing principles. Currently, the state budget does not provide funds for the continuing education of healthcare professionals, which makes European Social Fund (ESF) financing crucial, and a significant part of the financial burden also falls on the healthcare institutions and the healthcare professionals themselves. This is not a sustainable model. It covers the recommendations for implementation of a sustainable financing for further education, for example, to ensure sustainable financing for the continuing education of healthcare professionals, it is recommended to gradually transition from EU funded programmes to state budget funding to prevent any financial gaps between two EU fund programming periods. In the long term, it is also recommended to establish a state budget-funded system that covers mandatory continuing education. The indicative amount of public funding for the acquisition of compulsory continuing education content is presented in table 1 on the pages 15-17 of the Action Plan.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C4.4-3-1-1-i- Support for assessing and improving the quality and accessibility of non-hospital secondary healthcare [152]

**Number and name of the Milestone:** 152 Study on the quality, accessibility and availability of non-hospital secondary healthcare

**Qualitative Indicator:** A study on the quality accessibility and availability of non-hospital secondary healthcare published by the Ministry of Health

**Time:** Q4 2023

### 1. Context:

Milestone 152 is part of investment 4.3.1.1.i., which aims to assess and improve the quality and accessibility of state paid non-hospital secondary health services.

Milestone 152 concerns a completion of a study that covers the assessment of the quality, availability and accessibility of non-hospital secondary care. The study includes health system assessment and proposals for systemic improvement.

Milestone 152 is the second milestone of the investment, and it follows the completion of milestone 151 on the development of the methodology for the study. It will be followed by milestone 153, related to entry into force of amendments to legal acts expected to improve the quality and availability of non-hospital secondary healthcare. The investment has a final expected date for implementation on 31 December 2024.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) has been satisfactorily fulfilled.	
2	Copy of the Study on the quality, accessibility and availability of non-hospital secondary healthcare - <i>Secondary and big data processing – statistical analysis, visualisation and mapping</i> (1 <sup>st</sup> volume).	Volume 1 of the study "Assessment and improvement of the quality and availability of secondary ambulatory health care". Completed in June 2024. Links: <a href="https://www.vm.gov.lv/lv/veselibas-aprupes-ilgtspeja-parvaldibas-stiprinasana-efektiva-veselibas-aprupes-resursu-izlietosana-kopeja-valsts-budzeta-veselibas-aprupes-nozare-palielinajums-431r">https://www.vm.gov.lv/lv/veselibas-aprupes-ilgtspeja-parvaldibas-stiprinasana-efektiva-veselibas-aprupes-resursu-izlietosana-kopeja-valsts-budzeta-veselibas-aprupes-nozare-palielinajums-431r</a> <a href="https://www.vmnvd.gov.lv/lv/petijums-par-sekundaras-ambulatoras-veselibas-aprupes-kvalitates-un-pieejamibas-novertesanu-un-uzlabosanu">https://www.vmnvd.gov.lv/lv/petijums-par-sekundaras-ambulatoras-veselibas-aprupes-kvalitates-un-pieejamibas-novertesanu-un-uzlabosanu</a>

3	Copy of the Study on the quality, accessibility and availability of non-hospital secondary healthcare - <i>Population Survey</i> (2 <sup>nd</sup> volume).	Volume 2 of the study "Assessment and improvement of the quality and availability of secondary ambulatory health care". Completed in June 2024. Links: <a href="https://www.vm.gov.lv/lv/veselibas-aprupes-ilgtspeja-parvaldibas-stiprinasana-efektiva-veselibas-aprupes-resursu-izlietosana-kopeja-valsts-budzeta-veselibas-aprupes-nozare-palielinajums-431r">https://www.vm.gov.lv/lv/veselibas-aprupes-ilgtspeja-parvaldibas-stiprinasana-efektiva-veselibas-aprupes-resursu-izlietosana-kopeja-valsts-budzeta-veselibas-aprupes-nozare-palielinajums-431r</a> <a href="https://www.vmnvd.gov.lv/lv/petijums-par-sekundaras-ambulatoras-veselibas-aprupes-kvalitates-un-pieejamibas-novertesanu-un-uzlabosanu">https://www.vmnvd.gov.lv/lv/petijums-par-sekundaras-ambulatoras-veselibas-aprupes-kvalitates-un-pieejamibas-novertesanu-un-uzlabosanu</a>
4	Copy of the Study on the quality, accessibility and availability of non-hospital secondary healthcare - <i>Survey of Organisations</i> (3 <sup>rd</sup> volume).	Volume 3 of the study "Assessment and improvement of the quality and availability of secondary ambulatory health care". Completed in June 2024. Links: <a href="https://www.vm.gov.lv/lv/veselibas-aprupes-ilgtspeja-parvaldibas-stiprinasana-efektiva-veselibas-aprupes-resursu-izlietosana-kopeja-valsts-budzeta-veselibas-aprupes-nozare-palielinajums-431r">https://www.vm.gov.lv/lv/veselibas-aprupes-ilgtspeja-parvaldibas-stiprinasana-efektiva-veselibas-aprupes-resursu-izlietosana-kopeja-valsts-budzeta-veselibas-aprupes-nozare-palielinajums-431r</a> <a href="https://www.vmnvd.gov.lv/lv/petijums-par-sekundaras-ambulatoras-veselibas-aprupes-kvalitates-un-pieejamibas-novertesanu-un-uzlabosanu">https://www.vmnvd.gov.lv/lv/petijums-par-sekundaras-ambulatoras-veselibas-aprupes-kvalitates-un-pieejamibas-novertesanu-un-uzlabosanu</a>
5	Copy of the Study on the quality, accessibility and availability of non-hospital secondary healthcare - <i>Expert Survey Phase 1</i> (4.1 volume).	Volume 4.1 of the study "Assessment and improvement of the quality and availability of secondary ambulatory health care". Completed in June 2024. Links: <a href="https://www.vm.gov.lv/lv/veselibas-aprupes-ilgtspeja-parvaldibas-stiprinasana-efektiva-veselibas-aprupes-resursu-izlietosana-kopeja-valsts-budzeta-veselibas-aprupes-nozare-palielinajums-431r">https://www.vm.gov.lv/lv/veselibas-aprupes-ilgtspeja-parvaldibas-stiprinasana-efektiva-veselibas-aprupes-resursu-izlietosana-kopeja-valsts-budzeta-veselibas-aprupes-nozare-palielinajums-431r</a> <a href="https://www.vmnvd.gov.lv/lv/petijums-par-sekundaras-ambulatoras-veselibas-aprupes-kvalitates-un-pieejamibas-novertesanu-un-uzlabosanu">https://www.vmnvd.gov.lv/lv/petijums-par-sekundaras-ambulatoras-veselibas-aprupes-kvalitates-un-pieejamibas-novertesanu-un-uzlabosanu</a>
6	Copy of the Study on the quality, accessibility and availability of non-hospital secondary healthcare - <i>Expert Survey Phase 2</i> (4.2 volume).	Volume 4.2 of the study "Assessment and improvement of the quality and availability of secondary ambulatory health care". Completed in June 2024. Links: <a href="https://www.vm.gov.lv/lv/veselibas-aprupes-ilgtspeja-parvaldibas-stiprinasana-efektiva-veselibas-aprupes-resursu-izlietosana-kopeja-valsts-budzeta-veselibas-aprupes-nozare-palielinajums-431r">https://www.vm.gov.lv/lv/veselibas-aprupes-ilgtspeja-parvaldibas-stiprinasana-efektiva-veselibas-aprupes-resursu-izlietosana-kopeja-valsts-budzeta-veselibas-aprupes-nozare-palielinajums-431r</a> <a href="https://www.vmnvd.gov.lv/lv/petijums-par-sekundaras-ambulatoras-veselibas-aprupes-kvalitates-un-pieejamibas-novertesanu-un-uzlabosanu">https://www.vmnvd.gov.lv/lv/petijums-par-sekundaras-ambulatoras-veselibas-aprupes-kvalitates-un-pieejamibas-novertesanu-un-uzlabosanu</a>

7	Copy of the Study on the quality, accessibility and availability of non-hospital secondary healthcare - <i>Expert Discussion</i> (5 <sup>th</sup> volume).	Volume 5 of the study "Assessment and improvement of the quality and availability of secondary ambulatory health care". Completed in June 2024. Links: <a href="https://www.vm.gov.lv/lv/veselibas-aprupes-ilgtspeja-parvaldibas-stiprinasana-efektiva-veselibas-aprupes-resursu-izlietosana-kopeja-valsts-budzeta-veselibas-aprupes-nozare-palielinajums-431r">https://www.vm.gov.lv/lv/veselibas-aprupes-ilgtspeja-parvaldibas-stiprinasana-efektiva-veselibas-aprupes-resursu-izlietosana-kopeja-valsts-budzeta-veselibas-aprupes-nozare-palielinajums-431r</a> <a href="https://www.vmnvd.gov.lv/lv/petijums-par-sekundaras-ambulatoras-veselibas-aprupes-kvalitates-un-pieejamibas-novertesanu-un-uzlabosanu">https://www.vmnvd.gov.lv/lv/petijums-par-sekundaras-ambulatoras-veselibas-aprupes-kvalitates-un-pieejamibas-novertesanu-un-uzlabosanu</a>
8	Copy of the extract of the health system assessment and proposals for systemic improvement (6 <sup>th</sup> volume).	Extract of the health system assessment and proposals for systemic improvement. Completed in June 2024. Links: <a href="https://www.vm.gov.lv/lv/veselibas-aprupes-ilgtspeja-parvaldibas-stiprinasana-efektiva-veselibas-aprupes-resursu-izlietosana-kopeja-valsts-budzeta-veselibas-aprupes-nozare-palielinajums-431r">https://www.vm.gov.lv/lv/veselibas-aprupes-ilgtspeja-parvaldibas-stiprinasana-efektiva-veselibas-aprupes-resursu-izlietosana-kopeja-valsts-budzeta-veselibas-aprupes-nozare-palielinajums-431r</a> <a href="https://www.vmnvd.gov.lv/lv/petijums-par-sekundaras-ambulatoras-veselibas-aprupes-kvalitates-un-pieejamibas-novertesanu-un-uzlabosanu">https://www.vmnvd.gov.lv/lv/petijums-par-sekundaras-ambulatoras-veselibas-aprupes-kvalitates-un-pieejamibas-novertesanu-un-uzlabosanu</a>
9	Copy of the Letter from National Health Service about the Study (electronically signed 20 August 2024, No 16-7/15518/2024).	Letter from the National Health Service on the completion of the study "Assessment and improvement of the quality and availability of secondary ambulatory health care".
10	Approval by Ministry of Health of a Study (electronically signed on 04 September 2024, No 01-16.1/3345)	Approval by Ministry of Health of a study "Assessment and improvement of the quality and availability of secondary ambulatory health care".

### 3. Analysis:

The justification and substantiating evidence provided by the Latvia authorities cover all constitutive elements of the milestone.

#### Study carried out and published by the Ministry of Health

The study on the quality, accessibility and availability of non-hospital secondary healthcare has been carried out 'Study on the quality, accessibility and availability of non-hospital secondary healthcare' which consists of 6 volumes. The study was conducted in accordance with a previously developed by the National Health Service methodology for conducting a study on the quality and availability of non-hospital secondary healthcare, which was approved by the Ministry of Health on 6 July 2023, and the criteria set out therein, and is structured as follows: (1) analysis of secondary and big data; (2) a quantitative survey of secondary ambulatory health care service providers; (3) a survey of medical personnel involved in providing secondary non-hospital health care; (4) a quantitative survey of the population; (5) focus group discussions; and (6) conclusions and recommendations. It provides a comprehensive analysis of the non-hospital secondary care, in particular on the current situation and future potential scenarios in a three, five, seven and ten-year perspective (volume 1, pages 10-167).

With letter No. 16-7/15518/2024, dated 20 August 2024, the National Health Service submits the completed study to the Ministry of Health for approval. With letter No. 01-16.1/3345, dated 4 September 2024, the Ministry of Health confirms that it has received, evaluated and approved the study.

The Council Implementing Decision required that the study is carried out and published by the Ministry of Health. The study was carried out by the National Health Service. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the National Health Service is a State direct administration authority under the authority of the Ministry of Health. As evidenced by the Cabinet of Ministers regulation No. 850 of 1 November 2011 on the statutes of the National Health Service, Article 3.3 sets out one of the functions of the National Health Service, which includes analysing the financial and volume indicators of health care services, forecasting the volume of health care services, and assessing the need for these services. As such, carrying out a study on the quality, accessibility, and availability of non-hospital secondary healthcare services falls within the area of competence of the National Health Service. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The study has been published by the Ministry of Health, as evidenced by its publication on the Ministry of Health's website (link to the Ministry of Health website: <https://www.vm.gov.lv/lv/veselibas-aprupes-ilgtspeja-parvaldibas-stiprinasana-efektiva-veselibas-aprupes-resursu-izlietosana-kopeja-valsts-budzeta-veselibas-aprupes-nozare-palielinajums-431r>).

**that covers the assessment of the quality, availability and accessibility of non-hospital secondary care,**

The quality, availability and accessibility of the secondary healthcare services were assessed from different perspectives, i.e. – existence, convenience, compliance, financial affordability and acceptability (volume 6, page 15).

Regarding the **quality** of the non-hospital secondary care, the study found that there are not strictly developed and defined quality criteria. It found that service providers associate quality with quick availability (42% of respondents) and timely, accurate care. Over the past five years, the quality of the services has improved (51.48% of specialists), and patients are mostly satisfied (85%) (volume 6, page 15). The quality of examinations and day hospitals was rated highest, while specialised services were rated slightly lower (volume 2, page 8). The most important factors that influence the quality of services, according to secondary medical outpatient services specialists, are patient involvement, cooperation with the specialist, continuous improvement of knowledge, keeping up with new developments in the field, and available funding (volume 4.2, page 7). The main problems in ensuring the quality of healthcare are a lack of funding and a lack of specialists (volume 3, page 12).

The **availability** of the Latvian secondary ambulatory health care system was assessed according to the methodology of the study, which distinguished five dimensions: approachability, timeliness, ease and convenience, availability, affordability and appropriateness (volume 1, section 1 – 5, pages 10-167):

- From the perspective of **approachability**, the availability of human resources was analysed by examining the availability of medical specialists, examinations, rehabilitation services, specialised services, day hospitals. The ratio of specialists, examinations, services to the population, the number of services provided, territorial distribution and time dynamics were considered. The dynamics of new specialists entering the industry was also examined separately (volume 1, pages 10-101).
- From the **perspective of timeliness**, ease and convenience, waiting lines for medical services were evaluated looking at different specialties and regions. The situation was also compared with the

dynamics of other EU Member States. The self-reported unmet needs for healthcare services due to the long waiting times were also analysed (volume 1, pages 102-139).

- From the **compliance perspective**, the availability of treatment resources was evaluated, focusing on the availability of medical equipment, human resources and medication in proportion to the population, in the context of the EU and the dynamics of time (volume 1, pages 140-150).
- From the **affordability perspective**, the structure of expenses was evaluated in different sections. The study evaluated the extent to which cost affects the population's access to and satisfaction with healthcare services, identifying areas where cost is a significant barrier (volume 1, pages 151-157).
- From the **perspective of appropriateness**, an essential component is inhabitants' self-assessments of their health status, satisfaction with medical services, their level of health literacy, education level and others (volume 1, pages 158 – 167).

The **availability** of secondary healthcare services is affected by several factors, including general availability, where queues are long, especially for haematologists, oncologists, endocrinologists, cardiologists, neurologists, otolaryngologists and pulmonologists; availability on time – although 60% of secondary healthcare institutions also offer services on weekends and evenings, 20-25% of patients are dissatisfied with the appointment options at their convenient time; geographical availability – geographical accessibility is not a significant problem, but a concentration of specialists in Riga has been found; financial availability – financial availability is an important aspect, as many services are used by patients for a fee (volume 6, pages 15-17).

The assessment of physical **accessibility** of the premises is described in volume 1, section 2.3. Almost all non-hospital secondary healthcare providers believe their facilities are tailored to the comfort of patients, offering environmental accessibility, technical aids for patients with reduced mobility, and accessible parking space provision (volume 1, page 123, volume 3, Section 3.2, pages 28-30). Patients also agree, with very few problems in this area (volume 2, page 8).

The study identifies the weak spots in the provision of state-paid non-hospital secondary healthcare services. For example, the organisation survey identified such weak spots as a lack of specialists and support staff, inadequate funding and remuneration, inadequacies in the patient flow process, gaps in IT and data digitalisation, bureaucratic obstacles, and too low service payment tariffs (volume 3, pages 12-13), as well as the most important opportunities for improving their accessibility and quality, and the most significant threats to the improvement of their availability and quality (volume 2, page 13).

#### **including non-hospital secondary health service level mapping**

Volume 1 of the study, "Secondary and big data processing – statistical analysis, visualisation and mapping", includes a detailed mapping of non-hospital secondary health services at various data levels. For example, the mapping covers different specialties of doctors (volume 1, Section 1.1), which shows the distribution of various medical specialties across Latvia. Additionally, the mapping includes examinations by region (volume 1, Section 1.2), rehabilitation services (volume 1, section 1.3), specialised services (volume 1, section 1.4) and day hospital services (volume 1, section 1.5).

#### **and the impact of the administrative territorial reform.**

The impact of the administrative territorial reform on non-hospital secondary healthcare accessibility is discussed in Volume 6 of the study. The study finds that the reform had a minimal impact on accessibility. A comparison of the overall data on waiting times for specialists and examinations reveals no significant differences before and after the reform. However, potential benefits may emerge in the long term if the

newly created municipalities, resulting from the reform, manage their budgets more efficiently and invest in healthcare infrastructure (volume 6, pages 111-112).

**The study includes health system assessment and proposals for systemic improvement.**

The study includes a comprehensive health system assessment and proposals for systemic improvements, as outlined in volume 6, section "Recommendations", pages 132-138. Two types of recommendations are presented: content-related and methodological. The content-related recommendations (pages 132-136) include an assessment of the health system, as well as proposals for systemic improvement. The methodological recommendations focus on data quality (volume 6, page 136). The recommendations are then prioritised as follows:

1. Stabilisation and increase of funding;
2. Increase of service quotas for the most severely affected services;
3. Prioritisation of digitalisation;
4. Promotion of public health literacy;
5. Strengthening cooperation between family doctors and specialists;
6. Improvement of the remote consultation model;
7. Establishment of hospital cooperation area;
8. Introduction of uniform patient-reported experience measures (PREMs) and patient-reported outcome measures (PROMs);
9. Increase of the role of nurses and assistant doctors in the provision of services;
10. Introduction of coordinators;
11. Attraction of specialists in regions.

Furthermore, in line with the description of the measure, **mapping of comprehensive non-hospital secondary care needs and challenges linked to the implementation of the administrative territorial reform.**

Volume 1 of the study, "Secondary and big data processing – statistical analysis, visualisation and mapping", includes a detailed mapping of non-hospital secondary health services at various data levels (pages 10-65). Volume 1 identifies in detail the shortage and future needs of specialists observed by territorial units in Latvia. It was concluded that there is a pronounced lack of specialists in such areas as occupational health, dermatology, endocrinology and nephrology, where there is also a risk of aging of medical specialists (volume 1, page 8).

The challenges linked to the administrative territorial reform on non-hospital secondary healthcare accessibility is discussed in Volume 6 of the study, pages 112-113. The territorial reform in Latvia, which reduced the number of municipalities from 119 to 43, aimed to create more economically viable administrative territories. The main goals of the reform were focused on economic development and more efficient use of municipal resources; however, the study finds that the reform's impact on healthcare is limited and indirect. The reform did not involve the reorganisation of the healthcare system, and the distribution of healthcare institutions and the state-funded healthcare services remained unchanged. The study found that the availability of non-hospital secondary healthcare services has not changed significantly before and after the reform, and the waiting times for specialist services have even increased in some cases.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C5.5-1-1-1-i- Operationalisation of a fully-fledged innovation system governance model [155]

**Number and name of the Target:** 155 Contracting or appointing the human resources needed

**Quantitative Indicator:** Number of people

**Baseline:** 0

**Target:** 19

**Time:** Q4 2023

### 1. Context:

Target 155 is part of measure C5.5-1-1-1-i aims to operationalise a model for the governance of the innovation system.

Target 155 concerns contracting or appointing at least 19 people for functions related to the innovation of governance by the Ministry of Economics and the Latvian Investment and Development Agency.

Target 155 is the first step of the implementation of the investment, and it will be followed by milestone 156, related to publishing of monitoring reports providing information on each research and innovation strategy for smart specialisation (RIS3) area, and on the performance and functioning of the new innovation governance model. The investment has a final expected date for implementation on 31 August 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the target (including all the constitutive elements) has been satisfactorily fulfilled.	
2	Work contracts	Eight work contracts with the Latvian Investment and Development Agency (LIDA): <ul style="list-style-type: none"><li>- Concluded on 28 July 2020 for the position of Senior Project Manager in Ventspils incubator, Nr. PERS-DLIG-2020/20 (Annex 18.3)</li><li>- Concluded on 15 September 2022 for the position of Senior Project Manager in the Department of Innovation and Technology, Nr.2-7/2022/29 (Annex 18.5)</li><li>- Concluded on 27 January 2023 for the position of Lead Expert in the Department of Foreign Trade Facilitation, Nr.2-7/2023/5 (Annex 18.4)</li><li>- Concluded on 05 December 2023 for the position of Lead Expert RIS3, Coordinator of the Biomedicine Steering Group in the</li></ul>



		<p>Department of Innovation and Technology, Nr.2-7/2023/40 (Annex 18.1)</p> <ul style="list-style-type: none"> <li>- Concluded on 15 December 2023 for the position of Lead Expert RIS3, Coordinator of the ICT Steering Group in the Department of Innovation and Technology, Nr.2-7/2023/41 (Annex 18.2)</li> <li>- Concluded on 30 October 2023 for the position of Senior Project Manager (Consortia and Strategic Liaison Officer) in the Department of Innovation and Technology, Nr. 2-7/2023/36 (Annex 20.2).</li> <li>- Concluded on 19 July 2023 for the position of Head of the Innovation Management Division in the Department of Innovation and Technology, Nr. 2 -7/2023/20 (Annex 20.3). The original contract was extended until 30 July 2026 by Order No 2-9/2023/1183 of the Latvian Investment and Development Agency, effective as of 1 January 2024 (Annex 25.2).</li> <li>- Concluded on 15 December 2023 for the position of Senior Project Manager (Technology Events Organiser) in the Department of Innovation and Technology, Nr. 2-7/2023/42 (annex 20.1).</li> </ul>
3	Orders of appointment by the Latvian Investment and Development Agency	<p>Seven Orders of appointment by the Latvian Investment and Development Agency:</p> <p><b>Leading/Senior experts</b></p> <ul style="list-style-type: none"> <li>- Order of transfer to the post of Lead Expert RIS3, Coordinator of the Smart Energy Steering Group, Nr. 2-9/2023/1051, effective as of 29 December 2023 (annex 17.2)</li> <li>- Order of transfer to the post of Lead Expert RIS3, Coordinator of Bioeconomy RIS3 Steering Group, Nr. 2-9/2023/1048, effective as of 15 December 2023 (annex 17.3)</li> <li>- Order of transfer to the post of Lead Expert, RIS3 Photonics and Smart Materials, Nr. 2-9/2023/1069, effective as of 15 December 2023 (annex 17.4)</li> </ul> <p><b>Senior project manager</b></p> <ul style="list-style-type: none"> <li>- Order of transfer to the post of Senior Project Manager (Mission Coordinator), Nr. 2-9/2023/1052, effective as of 29 December 2023 (annex 23.1)</li> </ul> <p><b>Representatives in Latvian External Economic Representations abroad</b></p> <ul style="list-style-type: none"> <li>- Order of transfer to the post of Head of the Latvian External Economic Representation in Brussels, Belgium, Nr. 2-9/2021/540, effective as of 23 August 2021 (annex 19.1)</li> <li>- Order of appointment as an Official in the Latvian External Economic Representation in Tel Aviv, Israel, effective as of 15 November 2022, Nr. 2-9/2022/951 (annex 19.2)</li> </ul>

		<ul style="list-style-type: none"> <li>- Order of appointment to the post of Official in the Latvian External Economic Representation in Geneva, Switzerland, Nr. 2-9/2023/687, effective as of 28 August 2023 (annex 19.3)</li> </ul>
4	Orders of appointment by the Ministry of Economics	<p>Six Orders of appointment by the Ministry of Economics</p> <ul style="list-style-type: none"> <li>- Order of appointment as Senior Expert in the Department for Business Competitiveness, Nr. 4.1-8.2/2022/597, effective as of 14 November 2022 (annex 25.3)</li> <li>- Order of transfer to the position of Senior Expert in the Department for Business Competitiveness, Nr. 4.1-8.14/2023/414, effective as of 1 November 2023 (annex 25.4).</li> <li>- Order of transfer to the position of Senior Analyst in the Smart Specialisation Strategy (RIS3) Analytical Service Department, Nr. 4.1-8.14/2023/510, effective as of 15 December 2023 (annex 25.5)</li> <li>- Order of transfer to the position of Senior Expert in the Department for Business Competitiveness, Nr. 4.1-8.14/2023/512, effective as of 27 December 2023 (annex 25.6)</li> <li>- Order of transfer to the position of Senior Analyst in the Smart Specialisation Strategy (RIS3) Analytical Service, Nr. 1-8.14/2023/511, effective as of 15 December 2023 (annex 25.7)</li> <li>- Order of transfer to the position of Senior Expert in the Department for Business Competitiveness for two employees, Nr. 4.1-8.14/2022/598, effective as of 14 November 2022 (Annex 25.8).</li> </ul>
5	Job descriptions	<p>Job descriptions:</p> <ul style="list-style-type: none"> <li>- Lead Experts in the Department of Innovation and Technology of LIDA (Annex 16)</li> <li>- Senior Project Managers in the Department of Innovation and Technology of LIDA (Annexes 13 to 15)</li> <li>- Head of Unit in the Department of Innovation and Technology of LIDA (Annex 12)</li> <li>- Head of Office in a LIDA representation abroad (Annexes 9 to 11)</li> <li>- Senior Experts in the Department for Business Competitiveness of the Ministry of Economics (Annexes 4 to 8)</li> <li>- Analysts in the Department for Business Competitiveness of the Ministry of Economics (Annexes 2 and 3)</li> </ul>
6	Copy of the Informative report on the implementation of Reform 5.1.r and Investment 5.1.1.1.i of the Latvia's Recovery and Resilience Plan	<p>Informative Report approved by the Cabinet of Ministers on 13 June 2023, meeting protocol No. 32 § 45 (Annexes 1 and 1.1). The Informative Report lays out the responsibilities of Ministry of Economics and the Latvian Investment and Development Agency with respect to the reform of the innovation governance model.</p>

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the target.

**The Ministry of Economics and the Latvian Investment and Development Agency shall contract or appoint at least 19 people [...].**

The Latvian Investment and Development Agency (LIDA) has contracted 5 Research and Innovation Strategies for Smart Specialisation (RIS 3) Lead Experts in its Department of Innovation and Technology:

- Contract concluded on 28/07/2020 for the position of Senior Project Manager in Ventspils incubator, Nr. PERS-DLIG-2020/20 (Annex 18.3) and Order of transfer to the post of Lead Expert RIS3, Coordinator of Bioeconomy RIS3 Steering Group, Nr. 2-9/2023/1048, effective as of 15 December 2023 (annex 17.3)
- Contract concluded on 15/09/2022 for the position of Senior Project Manager in the Department of Innovation and Technology, Nr.2-7/2022/29 (Annex 18.5) and Order of transfer to the post of Lead Expert, RIS3 Photonics and Smart Materials, Nr. 2-9/2023/1069, effective as of 15 December 2023 (annex 17.4)
- Contract concluded on 27/01/2023 for the position of Lead Expert in the Department of Foreign Trade Facilitation, Nr.2-7/2023/5 (Annex 18.4) and Order of transfer to the post of Lead Expert RIS3, Coordinator of the Smart Energy Steering Group, Nr. 2-9/2023/1051, effective as of 29 December 2023 (annex 17.2)
- Contract concluded on 05/12/2023 for the position of Lead Expert RIS3, Coordinator of the Biomedicine Steering Group in the Department of Innovation and Technology, Nr.2-7/2023/40 (Annex 18.1)
- Contract concluded on 15/12/2023 for the position of Lead Expert RIS3, Coordinator of the ICT Steering Group in the Department of Innovation and Technology, Nr.2-7/2023/41 (Annex 18.2)

The Latvian Investment and Development Agency (LIDA) has appointed 3 Representatives in Latvian External Economic Representations abroad:

- Order of transfer to the post of Head of the Latvian External Economic Representation in Brussels, Belgium, Nr. 2-9/2021/540, effective as of 23 August 2021 (annex 19.1)
- Order of appointment as an Official in the Latvian External Economic Representation in Tel Aviv, Israel, effective as of 15 November 2022, Nr. 2-9/2022/951 (annex 19.2)
- Order of appointment to the post of Official in the Latvian External Economic Representation in Geneva, Switzerland, Nr. 2-9/2023/687, effective as of 28 August 2023 (annex 19.3)

The Latvian Investment and Development Agency (LIDA) has contracted or appointed 4 senior figures in its Department of Innovation and Technology:

- Order of transfer to the post of Senior Project Manager (Mission Coordinator), Nr. 2-9/2023/1052, effective as of 29 December 2023 (annex 23.1)
- Contract concluded on 15 December 2023 for the position of Senior Project Manager (Technology Events Organiser) in the Department of Innovation and Technology, Nr. 2-7/2023/42 (annex 20.1)
- Contract concluded on 30 October 2023 for the position of Senior Project Manager (Consortia and Strategic Liaison Officer) in the Department of Innovation and Technology, Nr. 2-7/2023/36 (Annex 20.2)

- Contract concluded on 19 July 2023 for the position of Head of Innovation Management Division in the Department of Innovation and Technology, Nr. 2 -7/2023/20 (Annex 20.3). The original contract was extended until 30 July 2026 by Order No 2-9/2023/1183 of the Latvian Investment and Development Agency, effective as of 1 January 2024 (Annex 25.2).

Ministry of Economics has appointed 5 Senior Experts in its Department for Business Competitiveness:

- Order of appointment as Senior Expert in the Department for Business Competitiveness, Nr. 4.1-8.2/2022/597, effective as of 14 November 2022 (annex 25.3)
- Order of transfer to the position of Senior Expert in the Department for Business Competitiveness, Nr. 4.1-8.14/2023/414, effective as of 1 November 2023 (annex 25.4)
- Order of transfer to the position of Senior Expert in the Department for Business Competitiveness, Nr. 4.1-8.14/2023/512, effective as of 27 December 2023 (annex 25.6)
- Order of transfer to the position of Senior Expert in the Department for Business Competitiveness for two employees, Nr. 4.1-8.14/2022/598, effective as of 14 November 2022 (Annex 25.8)

Ministry of Economics has appointed 2 people in the position of Analyst in its Smart Specialisation Strategy (RIS3) Analytical Service:

- Order of transfer to the position of Senior Analyst in the Smart Specialisation Strategy (RIS3) Analytical Service Department, Nr. 4.1-8.14/2023/510, effective as of 15 December 2023 (annex 25.5)
- Order of transfer to the position of Senior Analyst in the Smart Specialisation Strategy (RIS3) Analytical Service, Nr. 1-8.14/2023/511, effective as of 15 December 2023 (annex 25.7).

**[..] for ensuring the performance of the functions assigned to these institutions in relation to the innovation governance.**

Measure 5.1.1.1.i., to which target 155 is associated, and measure 5.1.r are strictly linked. Under measure 5.1.r, whose achievements were already assessed in the context of the second payment request in relation to milestone 154, a new framework governing the functioning of the national innovation system was established. As part of the reform effort, specific functions were distributed to the Latvian Investment and Development Agency and to the Ministry of Economics in the context of the new innovation governance. The Information Report on the implementation of Reform 5.1.r and Investment 5.1.1.1.i of the Latvia's Recovery and Resilience Plan approved by the Cabinet of Ministers on 13 June 2023, meeting protocol No. 32 § 45 (hereinafter "the Report"), as evident by its paragraph 1, was prepared to ensure the respect of the principles of effective, transparent and sound financial management in connection with the implementation of reform 5.1.r and investment 5.1.1.1.i of the Latvian Recovery and Resilience Plan (Annexes 1 and 1.1). The Report sets out i) objectives, milestones to be achieved and monitoring indicators, ii) the available funding; iii) the rights and responsibilities of the beneficiary and the institutions involved in the innovation governance model; iv) the eligible actions and the conditions for the eligibility of costs, v) the conditions for the implementation of the investment and the arrangements for monitoring implementation. In its paragraph 28, the Report specifies that one milestone to be achieved under the investment is that 19 people are attracted by 31 December 2023. Chapter III of the Report specifies the responsibilities of the institutions and beneficiaries involved in the innovation system governance model, including of LIDA and the Ministry of Economics.

The table below demonstrates the correspondence between the tasks assigned to the contracted/appointed employees as per their job descriptions (column 2) and the tasks assigned to the relevant institution under Chapter III of the Report (column 3).

Specialists hired by LIDA	Job description of each type of specialist in institution	Job description of each type of specialist according to the Information Report
5 RIS3 Lead Experts	<p>Responsibilities specified in the job description (Annex 16 where there is one job description for all experts, which each expert must follow):</p> <ul style="list-style-type: none"> <li>• Carry out a set of measures for the development of long-term strategies and annual action plans in the field of RIS3;</li> <li>• Continuous improvement, implementation, monitoring and implementation of long-term strategies and annual action plans in the field of RIS3;</li> <li>• To evaluate the results of the long-term strategy of the RIS3 field;</li> <li>• Analyse, accumulate and collect data for the implementation and updating of the RIS3 strategy in the relevant RIS3 area;</li> <li>• Lead the activity of the RIS3 field management group;</li> <li>• Make changes in the composition of the management group of the RIS3 field, ensuring their compliance with the relevant regulatory enactments, as well as adequate representation of the RIS3 field, observing the triple helix principle.</li> </ul>	<p>Responsibilities performed in accordance with Article 42 of the Informative Report (<i>Annex 1</i>):</p> <ul style="list-style-type: none"> <li>• update, monitor and implement long-term strategies in the field of RIS3 in cooperation with LIDA;</li> <li>• in cooperation with the Ministry of Education, carry out an evaluation of the results of RIS3 strategies;</li> <li>• manage and change the RIS3 area management groups in each of the RIS3 areas.</li> </ul>
3 LIDA Representatives in Latvian External Economic Representations abroad	<p>Annexes 9 to 11 detail the duties to be performed by employees of Latvian External Economic Representations abroad. For easier traceability, a list of some of the five duties is provided, comparing them with the duties included in the Informative Report.</p> <p><b>Responsibilities specified in the job description (<i>Annex 9 Israel technology representation staff</i>):</b></p> <ul style="list-style-type: none"> <li>• To carry out an evaluation of the market situation of the country of representation and to provide consultations to the companies of Latvia and the country of representation</li> <li>• search for cooperation partners, provide support in maintaining business contacts, promote the conclusion of cooperation agreements;</li> <li>• identification of cooperation contacts, free services for the selection of contacts in</li> </ul>	<p>Responsibilities performed in accordance with Article 44 of the Informative Report (<i>Annex 1</i>):</p> <ul style="list-style-type: none"> <li>• representing the interests of companies and research and knowledge dissemination organisations with the aim of promoting their participation in international projects, alliances, consortia, initiatives and procurement of international organisations. Providing representation to promote cooperation with such organisations as the European Organisation for Nuclear Research (hereinafter - CERN), the European Space Agency</li> </ul>

	<p>distant and hard-to-reach markets for Latvian merchants, other informative support with the aim of helping merchants enter distant and hard-to-reach markets.</p> <ul style="list-style-type: none"> <li>• address potential strategic partners (technology consultants, research organisations, chambers of commerce and industry, etc.) for cooperation with the LIDA Investment Attraction Department and the Innovation and Technology Department with the aim of promoting the development of the Latvian start-up ecosystem;</li> <li>• to organise events for the participants of the ecosystem of the value chains of the RIS3 smart specialisation field, involving potential strategic cooperation partners of the representative country, with the aim of helping Latvian entrepreneurs and research organisations to create new commercial cooperation, including "Horizon Europe" and other research projects of the European Union, the European Space Agency or CERN and within development project consortia.</li> </ul> <p><b>Responsibilities specified in the job description (Annex 10 Brussels technology representation staff):</b></p> <ul style="list-style-type: none"> <li>• ensure the representation of Latvia's interests in the development of the European Commission and other international research programmes and directions - implement related lobby activities, especially in connection with the directions of the "Horizon Europe" programme;</li> <li>• to provide information to Latvian entrepreneurs (businessmen) and scientific institutions about the situation of the European Commission's innovation support programmes (not only in connection with "Horizon 2020"), the existing barriers, the structure of partners, possible cooperation channels, the position of member states and organisations and other related information;</li> <li>• in cooperation with the Department of Technology, propose proposals for the organisation of LIDA activities in order to</li> </ul>	<p>(hereinafter - ESA), as well as the United Nations;</p> <ul style="list-style-type: none"> <li>• providing free consultations on the preparation of project applications in programmes such as Horizon Europe, Digital Europe, CERN, ESA, etc., as well as the selection and conditions of projects suitable for the programmes;</li> <li>• identification of cooperation contacts, free services for the selection of contacts in distant and hard-to-reach markets for Latvian merchants, informational support of others with the aim of helping merchants enter distant and hard-to-reach markets</li> </ul>
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	<p>improve cooperation between scientific organisations and businessmen. Also to promote the participation of Latvian businessmen and scientific organisations in the European Commission's support programme projects, including "Horizon Europe".</p> <ul style="list-style-type: none"> <li>• provision of free consultations on the preparation of project applications, on the selection and conditions of projects applied in the programmes;</li> <li>• work with individual projects - look for cooperation partners, provide support in maintaining business contacts, promote the conclusion of cooperation agreements</li> </ul> <p><b>Responsibilities specified in the job description (Annex 11 Switzerland technology representation staff):</b></p> <ul style="list-style-type: none"> <li>• ensure the representation of Latvia's interests at CERN - implement related lobbying activities for the successful participation of Latvian companies in CERN procurement and the entry of the Republic of Latvia into the list of CERN member states, providing free consultations on the preparation of project applications, on the selection and conditions of projects suitable for the programmes;</li> <li>• establish and maintain regular contacts with other CERN-related, international, private and municipal institutions;</li> <li>• identify and map Latvian industry in the context of CERN, identifying R&amp;D&amp;I capable companies;</li> <li>• disseminate information to CERN about Latvia's national economy, innovations, companies (businessmen), scientific organisations;</li> </ul>	
4 senior figures	<p>Annexes 12 to 15 detail the duties to be performed by project personnel involved in the project. For easier traceability, an enumeration of some of the responsibilities is provided, comparing them with the responsibilities included in the Information Report.</p> <p><b>Responsibilities included Annex 12:</b></p>	<p>Responsibilities performed in accordance with Article 43 of the Informative Report (Annex 1):</p> <ul style="list-style-type: none"> <li>• promote the involvement of companies and research and knowledge dissemination organisations in international research and</li> </ul>

	<ul style="list-style-type: none"> <li>• To promote the cooperation of Latvian research organisations and businessmen in international projects.</li> <li>• to ensure the research of international technology market demands foreseen within the framework of projects.</li> <li>• Ensure implementation of ecosystem approach in RIS3 specialisation areas.</li> </ul> <p><b>Responsibilities included Annex 13:</b></p> <ul style="list-style-type: none"> <li>• To carry out a set of measures for identifying potential participants of Important Project of Common European Interest (IPCEI), providing pre-selection and advisory support to project applicants as necessary;</li> <li>• Promote the exchange of information on the current events of value chains and their participants between participating LIDA structural units and customer service managers (KAV) of ecosystem participants, organise and communicate about the RIS3 strategy between sectors and research organisations or the country, communication with cooperation partners in the fields of RIS3;</li> <li>• In accordance with the competence of the structural unit, use and ensure high-quality data input and their processing in the databases, information systems and platforms determined for ensuring the operation of the LIDA.</li> </ul> <p><b>Responsibilities included Annex 14:</b></p> <ul style="list-style-type: none"> <li>• coordinate the analytical process of mission, value chains and the performance indicators of their ecosystems, respectively providing the necessary data and their summaries such as the ecosystem support activities carried out by LIDA, ecosystem growth indicators, etc., which would result in the implementation and updating of the long-term strategy in the field of RIS3 and the coordination of activities of LIDA</li> <li>• Carry out a set of measures to identify potential participants of Important Projects of Common European Interest (IPCEI),</li> </ul>	<p>development programmes and projects, while LIDA does not carry out supported activities in the interests of companies whose support qualifies as commercial activity support;</p> <ul style="list-style-type: none"> <li>• in cooperation with the RIS3 management group, coordinate the development of the long-term strategy of the RIS3 specialisation area;</li> <li>• analyse, accumulate and collect data for the implementation and updating of RIS3 strategies in each RIS3 area;</li> <li>• organise and communicate the developed strategy between sectors and research organisations or the country.</li> </ul>
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	<p>provide pre-selection and consultative support to project applicants as necessary;</p> <ul style="list-style-type: none"> <li>• Carry out a set of measures for the development of the long-term strategy of the RIS3 area, implementing mission projects;</li> <li>• Promote the exchange of information on the current events of value chains and their participants between participating LIDA structural units and customer service managers (KAV) of ecosystem participants, organise and communicate about the RIS3 strategy between sectors and research organisations or the country, communicate with cooperation partners in the fields of missions and RIS3.</li> </ul> <p><b>Responsibilities included Annex 15:</b></p> <ul style="list-style-type: none"> <li>• Carry out a set of measures for the development of the long-term strategy of the RIS3 field, promoting the involvement of the RIS3 fields in the consortium and for the promotion of strategic cooperation;</li> <li>• Carry out a set of measures to promote the internationalisation of value chain ecosystems, promote the involvement of various organisations, such as companies and research and knowledge dissemination organisations, in international research and development programmes and projects, provide consultations, incl. for inclusion in strategic collaborations and consortia, international value chains, participation in such European programmes as Horizon Europe, Digital Europe, Interregional Innovation Investments (I3), European Innovation Ecosystems (EIE), also participation in the European Space Agency, European Organisation for Nuclear Research (CERN) United Nations Organisations, etc. in calls and projects of international organisations;</li> <li>• Coordinate the analysis process of value chains and their ecosystems' performance indicators, the preparation, announcement and implementation of research and expert procurement, respectively providing the</li> </ul>	
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	<p>necessary data and their summaries such as the ecosystem support activities carried out by LIDA, ecosystem growth indicators, etc., which would result in the implementation of the long-term strategy of the RIS3 area and updating;</p> <ul style="list-style-type: none"> <li>• To carry out a set of measures for identifying potential participants of Important Project of Common European Interest (IPCEI), providing pre-selection and advisory support to project applicants as necessary.</li> </ul>	
<b>Specialists hired by the Ministry of Economics</b>	<b>Job description of each type of specialist in the institution</b>	<b>Job description of each type of specialist according to Informative report</b>
5 Senior Experts	<p>Annexes 4 to 8 detail duties to be performed by project involved 5 experts in the project. For easier traceability, an enumeration of some of the responsibilities is provided, comparing them with the responsibilities included in the Information Report.</p> <p>Responsibilities included Annex 4-8:</p> <ul style="list-style-type: none"> <li>• to provide supervision of the implementation of the RIS3 management model in the RIS3 area of its responsibility;</li> <li>• to ensure involvement in the management of ecosystems of the value chains of the RIS3 area of responsibility and in the identification of new ecosystems;</li> <li>• analyse the situation in the area of RIS3 responsibility, including identifying directions and actions that require attention in the policy planning and development process;</li> <li>• to advise representatives of society and other institutions on the performance and situation in the area of their responsibility RIS3, as well as to collect information on examples of good practice and projects in the area of their responsibility RIS3;</li> <li>• provide proposals and develop policy planning documents and draft legislation to facilitate the implementation and monitoring of RIS3;</li> <li>• prepare reports, reports, including monitoring reports, other information and</li> </ul>	<p>Responsibilities performed in accordance with Article 43 of the Informative Report (Annex 1):</p> <p>Responsibilities performed in accordance with Article 46.1. of the Informative Report (Annex 1):</p> <ul style="list-style-type: none"> <li>• Creation of a data collection mechanism for participants involved in the RIS3 implementation process (level data of economic operators);</li> <li>• permanent provision of the analytical process of RIS3 specialisation areas and preparation of monitoring reports;</li> <li>• adjust the RIS3-related support tools available to merchants, identified in the monitoring process;</li> <li>• carry out an impact assessment of the Innovation Support Investments of the Recovery Fund.</li> </ul>

	<p>press releases about their RIS3 area of responsibility;</p> <ul style="list-style-type: none"> <li>• to represent the Ministry in the field of RIS3 responsibility at local, European Union, foreign institutions, international organisations and other level events, working groups, commissions, committees and other formats;</li> <li>• implement cooperation with the Latvian Investment and Development Agency for the management of the RIS3 area of its responsibility;</li> <li>• ensure public participation in the policy development process.</li> </ul>	
2 Analysts	<p>Responsibilities of leading experts of analytics and monitoring, mentioned in Annex 2 and 3:</p> <ul style="list-style-type: none"> <li>• Provide 5.1.1.1.i. invest leading expertise in the creation of a monitoring system in the RIS3 areas of CFLA, LIDA and Altum and provide analytical support for monitoring the implementation of the RIS3 management model in the RIS3 areas</li> <li>• Provide proposals for analysing the situation in RIS3 areas, including improving the innovation policy planning and development process, contributing to the preparation of reviews and reports in RIS3 areas</li> <li>• Promote cooperation with LIDA, CFLA and Altum for RIS3 domain management and advise administrative data holders on good practices for data collection in RIS3 domains.</li> </ul>	<p>Responsibilities performed in accordance with Article 46.1. of the Informative Report (Annex 1):</p> <ul style="list-style-type: none"> <li>• permanent provision of the analytical process of RIS3 specialisation areas and preparation of monitoring reports;</li> <li>• adjust the RIS3-related support tools available to merchants, identified in the monitoring process;</li> <li>• carry out an impact assessment of the Innovation Support Investments of the Recovery Fund.</li> </ul>

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C5.5-2-1-r- Reform of Higher Education and Scientific Excellence and Governance [161]

**Number and name of the Target:** 161 Consolidation of higher education institutions

**Quantitative Indicator:** Number

**Baseline:** 0

**Target:** 4

**Time:** Q2 2023

### 1. Context:

Measure 5.2.1.r. aims to increase the international competitiveness of higher education institutions.

Milestone 161 concerns consolidation of higher education institutions.

Milestone 161 is the second milestone or target of the reform, and it follows the completion of milestone 159, related to the entry into force of a regulatory framework for implementing the reform of the governance of the higher education system. It will be followed by Milestone 160, related to the adoption of legislative amendments in the higher education sector, and Milestone 162, related to implementation of the new governance model by 100% of public higher education institutions. The reform has a final expected date for implementation on 31 August 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary note duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.	
2	Copy of letters of approval of consolidation plans to the institutions of higher education and the scientific institutes	<ul style="list-style-type: none"><li>• Letter No. 4-6e/23/3467 of 21 December 2023, from the Ministry of Education and Science to Latvia University of Life Sciences and Technologies “On the Decision of the Commission for Assessment of Consolidation Plans of the State-founded Universities and Scientific Institutes”, and its annex (annexes 3.1 and 3.2). (Electronically signed on 2023-12-21)</li><li>• Letter No. 4-6e/23/3417 of 17 December 2023, from the Ministry of Education and Science to Latvian Academy of Culture “On the Decision of the Commission for Assessment of Consolidation Plans of the State-founded Universities and Scientific Institutes” (annex 4). (Electronically signed on 2023-12-17)</li><li>• Letter No. 4-6e/23/3485 of 21 December 2023, from the Ministry of Education and Science to Riga Stradiņš University “On the Decision of the Commission for Assessment of Consolidation</li></ul>

		<p>Plans of the State-founded Universities and Scientific Institutes” (annex 5). (Electronically signed on 2023-12-21)</p> <ul style="list-style-type: none"> <li>• Letter No. 4-6e/23/3525 of 23 December 2023, from the Ministry of Education and Science to Riga Technical University “On the Decision of the Commission for Assessment of Consolidation Plans of the State-founded Universities and Scientific Institutes” (annex 6). (Electronically signed on 2023-12-23)</li> <li>• Letter No. 4-6e/23/3524 of 23 December 2023, from the Ministry of Education and Science to Latvian Institute of Organic Synthesis and Latvian Biomedical research and Study centre “On the Decision of the Commission for Assessment of Consolidation Plans of the State-founded Universities and Scientific Institutes” (annex 7).</li> <li>• Letter No. 4-6e/24/294 of 7 February 2024, from the Ministry of Education and Science to University of Latvia “On the Decision of the Commission for Assessment of Consolidation Plans of the State-founded Universities and Scientific Institutes” and its annex (annexes 8.1 and 8.2).</li> <li>• Letter No. 4-6e/24/389 of 18 February 2024, from the Ministry of Education and Science to Institute of Electronics and Computer Science “On the Decision of the Commission for Assessment of Consolidation Plans of the State-founded Universities and Scientific Institutes”, and its annex (annexes 9.1 and 9.2).</li> </ul>
3	<p>Consolidation plans of institutions of higher education approved by Ministry of Education</p>	<ul style="list-style-type: none"> <li>• Latvia University of Life Sciences and Technologies – Link to publication: <a href="https://www.izm.gov.lv/lv/media/21738/download?attachment">https://www.izm.gov.lv/lv/media/21738/download?attachment</a></li> <li>• Latvian Academy of Culture – Link to publication: <a href="https://www.izm.gov.lv/lv/media/21741/download?attachment">https://www.izm.gov.lv/lv/media/21741/download?attachment</a></li> <li>• Riga Stradiņš University - <a href="https://www.izm.gov.lv/lv/media/24612/download?attachment">https://www.izm.gov.lv/lv/media/24612/download?attachment</a></li> <li>• Riga Technical University – Link to publication: <a href="https://www.izm.gov.lv/lv/media/21747/download?attachment">https://www.izm.gov.lv/lv/media/21747/download?attachment</a></li> <li>• Latvian Institute of Organic Synthesis and Latvian Biomedical research and Study centre – Link to publication: <a href="https://www.izm.gov.lv/lv/media/21747/download?attachment">https://www.izm.gov.lv/lv/media/21747/download?attachment</a></li> <li>• University of Latvia – Link to publication: <a href="https://www.izm.gov.lv/lv/media/22524/download?attachment">https://www.izm.gov.lv/lv/media/22524/download?attachment</a></li> <li>• Institute of Electronics and Computer Science – Link to publication: <a href="https://www.izm.gov.lv/lv/media/22725/download?attachment">https://www.izm.gov.lv/lv/media/22725/download?attachment</a></li> </ul> <p>All the consolidation plans are published on the website of the Ministry of Education and Science at the following link: <a href="https://www.izm.gov.lv/lv/eiropas-atveselosanas-fonds#petniecibas-attistibas-un-konsolidacijas-granti-otras-kartas-konsolidacijas-un-parvaldibas-izmainu-ieviesanas-granti">https://www.izm.gov.lv/lv/eiropas-atveselosanas-fonds#petniecibas-attistibas-un-konsolidacijas-granti-otras-kartas-konsolidacijas-un-parvaldibas-izmainu-ieviesanas-granti</a>. This was</p>

		confirmed by an on-spot check performed by Commission services on 30 August 2024.
4	Cabinet of Ministers Regulation No. 721 “Rules for the Implementation of the Reform 5.2 of the Latvian Recovery and Resilience Mechanism Plan and the Investment Direction “Ensuring the Changes of Governance Model of Institutions of Higher Education” Reform 5.2.1.r. “Reform of Higher Education and Scientific Excellence and Governance” Investment 5.2.1.1.i. “Research, development and consolidation grants” second round “Grants for Implementation of Consolidation and Governance Changes””	Regulation of the Cabinet of Ministers No. 721 entered into force on 8 December 2023, published in the Official Journal (link: <a href="https://www.vestnesis.lv/op/2023/237.25">https://www.vestnesis.lv/op/2023/237.25</a> ) on 7 December 2023.
5	Protocol of the consolidation plan evaluation commission meeting adopting the consolidation plan assessment criteria.	Protocol No. 1, Registration No. 6-4.1e/23/8 of the meeting of the Commission for the Evaluation of Consolidation Plans of National Universities and Scientific Institutes held on 16 November 2023 and its attachment (annexes 2.1 and 2.2). Electronically signed on 5 December 2023.

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone:

**Consolidation plans of institutions of higher education approved by Ministry of Education [...]. Furthermore, in line with the description of the measure, At least four consolidation plans of institutions of higher education shall be approved and eligible for consolidation grants (investment: 5.2.1.1i. Research, development and consolidation grants).**

The Cabinet of Ministers Regulation No. 721 (hereinafter “Regulation No. 721”) was adopted on 5 December 2023. The regulation was published in the Official Journal on 7 December 2023 and entered into force on 8 December 2023. As stated in the ‘General explanation regarding entry into force of the legal acts in conformity with the national rules of the Republic of Latvia’ provided by the Latvian authorities on 12 May 2022, if not specified in the Cabinet of Ministers regulation, the general rule of entry into force on the next day after the publication applies, as laid down in Article 7(2) of the Law on Official Publications and Legal Information of 31 May 2012, which entered into force on 1 July 2022. Since

the Cabinet Regulation does not specify the date of its entry into force, the general rule applies to the Cabinet Regulation. It means that it entered into force on 8 December 2023.

Regulation No. 721, as stated in its paragraph 1, prescribes the procedures for the implementation and supervision of the reform 5.2.1.r. of the Recovery and Resilience Plan of Latvia. Paragraph 2.5 of the Regulation defines a “consolidation grant” as targeted funding for consolidation and governance changes to strengthen the institutional capacity of a higher education institution or research institute to drive excellence in studies and research. The same paragraph also specifies that consolidation grant funding can be used to implement structural change, exit grants, digitalisation, technology development, improve research and education infrastructure, establish new programmes of excellence.

Paragraph 3 of the Regulation provides that the Ministry of Education and Science shall be the ministry responsible for the implementation of the investments, while paragraph 5 specifies that the investment shall aim at structural changes in higher education institutions and scientific institutes in order to promote excellence and efficiency and international competitiveness in higher education and scientific quality and resource investments, which is in line with the objectives of measure 5.1.2.r and accompanying investment measure 5.2.1.1.i.

Paragraph 14 of the Regulation lists a number of consolidation investment projects to which financing may be granted. These include:

- consolidation of Liepaja University with Riga Technical University
- merger of the Latvian Institute of Organic Synthesis with the Latvian Biomedical Research and Study Centre
- consolidation of Rezekne Academy of Technology with Riga Technical University
- consolidation of BA School of Business and Finance with the University of Latvia
- consolidation of the Latvian Academy of Sports Pedagogy with Rīga Stradiņš University
- consolidation of the Institute of Physical Energy with the Institute of Electronics and Computer Science
- internal consolidation of the University of Latvia
- internal consolidation of Riga Technical University
- internal consolidation of the Latvian University of Biosciences and Technology
- internal consolidation of Rīga Stradiņš University
- internal consolidation of the Latvian Academy of Culture.

Paragraph 17 of the Regulation No. 721 states that the applicant shall be a higher education institution or a research institute which has agreed with the sectoral Ministry (i.e. the Ministry of Education and Science) a consolidation plan providing for one or more of the consolidations referred to in Paragraph 14 of the same Regulation.

As evidenced by seven letters of approval sent by the Ministry of Education and Science to public universities and scientific institutes, the ministry has approved a total of seven consolidation plans:

- Latvia University of Life Sciences and Technologies (Letter No. 4-6e/23/3467 of 21 December 2023, from the Ministry of Education and Science to Latvia University of Life Sciences and Technologies “On the Decision of the Commission for Assessment of Consolidation Plans of the State-founded Universities and Scientific Institutes”, and its annex)
- Latvian Academy of Culture (Letter No. 4-6e/23/3417 of 17 December 2023, from the Ministry of Education and Science to Latvian Academy of Culture “On the Decision of the Commission for Assessment of Consolidation Plans of the State-founded Universities and Scientific Institutes”)

- Riga Stradiņš University (Letter No. 4-6e/23/3485 of 21 December 2023, from the Ministry of Education and Science to Riga Stradiņš University “On the Decision of the Commission for Assessment of Consolidation Plans of the State-founded Universities and Scientific Institutes”)
- Riga Technical University (Letter No. 4-6e/23/3525 of 23 December 2023, from the Ministry of Education and Science to Riga Technical University “On the Decision of the Commission for Assessment of Consolidation Plans of the State-founded Universities and Scientific Institutes”)
- Latvian Institute of Organic Synthesis and Latvian Biomedical research and Study centre (Letter No. 4-6e/23/3524 of 23 December 2023, from the Ministry of Education and Science to Latvian Institute of Organic Synthesis and Latvian Biomedical research and Study centre “On the Decision of the Commission for Assessment of Consolidation Plans of the State-founded Universities and Scientific Institutes”)
- University of Latvia (Letter No. 4-6e/24/294 of 7 February 2024, from the Ministry of Education and Science to University of Latvia “On the Decision of the Commission for Assessment of Consolidation Plans of the State-founded Universities and Scientific Institutes and its annex)
- Institute of Electronics and Computer Science (Letter No. 4-6e/24/389 of 18 February 2024, from the Ministry of Education and Science to Institute of Electronics and Computer Science “On the Decision of the Commission for Assessment of Consolidation Plans of the State-founded Universities and Scientific Institutes”, and its annex)

Each of the seven letters explicitly state that the Commission for the Assessment of Consolidation Plans of State Universities and Scientific Institutes (hereinafter ‘the Commission’) set up by the Ministry of Education and Science has assessed the consolidation plan of the relevant entity and that the Commission has taken a decision to approve the relevant plan.

As evidenced by the list of approval letters above, by 23 December 2023 the Ministry of Education and Science had notified to the relevant higher education institutions the approval of their consolidation plans, in a total number of five (target overachieved). By 18 February 2024, the Ministry of Education and Science had notified to the relevant higher education institutions approval of two additional consolidation plans, thus bringing the total number of approved consolidation plans eligible for consolidation grants to seven.

[...] including:

- **an investment plan and consolidation grant amount**

- **modalities and timeframe for achieving an internal or external consolidation of two or more institutions of higher education, including through the formation of consortia, if necessary for the implementation of external consolidation.**

All seven consolidation plans include an investment plan and the consolidation grant amount:

- ***Latvia University of Life Sciences and Technologies (LULST)*** – As evidenced by the introductory section of the LULST consolidation plan (p. 4), and in line with the overall objectives of measure 5.2.1.r, the aim of the plan is to “promote structural change by ensuring resource optimisation, ensure excellence in all areas of LULST’s activities, increase the quality of education and science and ensure international competitiveness”. The consolidation covers on the one hand actions needed to ensure the full integration into LULST of the Malnava College, which since 1 January operates as an Agency of LULST. With the consolidation of Malnava College, as reported in Section 4.1 of the plan, LULST needs to address a number of measures for the synchronisation of administrative processes, such as the introduction of unified resource accounting and management systems, IT security protocols and the necessary synchronisation, including the



establishment of a connection to the Latvian Academic Network. Section 4.1 also contains a number of activities required in view of the successful integration of Malnava College (see pp. 16-17). On the other hand, the consolidation is also internal to the LULST itself, as evidenced by Section 4.2 of the plan. The process of re-organisation and consolidation comprises i) reorganisation and consolidation of faculties and their internal structure, ii) consolidation of courses and programmes, iii) reorganisation and consolidation of administrative and management units (see pp. 17-18). More detailed information on this overall process is to be found in Section 4.2 of the plan. Section 5 of the consolidation plan describes a comprehensive set of activities and measures to ensure a successful integration of the College of Malnava into LULST and a successful overall internal consolidation and reorganisation, including an investment plan in section 5.6. The total grant amount is specified in section 5.4. More specifically, at page 31 of the plan a budgetary scheme is included, whereby it clearly emerged that the consolidation plan covers a total of EUR 4 061 683, of which 1 761 995 is dedicated to consolidation grant for four main directions: i) implementation of structural changes, ii) digitalisation technological development and improvement of research and education infrastructure, iii) creation of new study programmes adapted to future challenges and thematic specialisation at the Malnava College, iv) "exit" grants. A more detailed breakdown of the consolidation grant investment can be found in section 5.6 of the plan. Besides consolidation grant, the consolidation plan (p. 31) also covers EUR 1 313 163 for academic career grants. The timeframe is specified in section 7, table 7.2, while Annex 3 of the plan sets out several performance indicators with the respective indicative deadlines for implementation. The planned measures spelt out thereby are expected to contribute to the relevant objectives of the reform 5.1.2.r by driving an internal consolidation of LULST and improving the overall academic quality and attractiveness of the institution.

- **Latvian Academy of Culture (LAC)** – As specified in its Section 7, the aim of the consolidation plan is to bring about structural changes and develop the continuity of infrastructure and study programmes in the Latvian Academy of Culture (LAC), in order to strengthen institutional capacity, excellence in higher cultural education and science, resource investment efficiency and international competitiveness. Section 7 also clarifies that the main element of the consolidation, from a structural point of view, is the change in legal status of the Latvian Academy of Culture's agency "Latvian College of Culture" (LCC). From the current agency status, LCC will no more be a separate legal entity but will be incorporated in the Latvian Academy of Culture and become an internal department of it (see p. 23 of the consolidation plan). Section 8 lists a number of actions that will be taken under the plan, along three main directions and in line with the objectives of measure 5.1.2.r.: i) implementation of structural changes; ii) development of new study programmes to drive excellence, iii) digitalisation, technological development and improvement of research and education infrastructure. Section 9 of the consolidation plan describes in detail all the activities under the abovementioned directions, including a timeline for their completion and a budgetary scheme. The combination of these timelines and budgetary schemes indeed configures an investment plan, with a total consolidation grant amount of up to EUR 499 030 from the RRF (see p. 25). A more consolidated table with performance indicators under the consolidation plan with their respective indicative deadlines is to be found in annex 6 of the consolidation plan.
- **Rīga Stradiņš University (RSU)** – The consolidation plan describes the modalities of RSU's integration of the Latvian Academy of Sports Pedagogy (LASP), as well as optimisation of RSU's internal structure in sections 1 through 9. As to the external consolidation, the plan aimed to integrate LASP into RSU structure as of July 2024 building a common health and sport science

ecosystem that will deliver high-quality, internationally competitive, research-based higher education and good governance over 3-5 years (see p. 3 of the plan). The plan sets out the timeframe for the implementation of each set of activities in a table at the end of each section. Its investment plan is detailed in section 9, and the total grant amount is specified in table 9.1 (see pp. 56 and 57 of the plan).

- **Riga Technical University (RTU)** – The consolidation plan of the RTU by 2026 aims to implement certain measures for the university’s progress towards excellence in higher education and scientific quality, with the promotion of international competitiveness and resource efficiency as a prerequisite (see p. 5). The plan includes the integration of the Latvian Maritime Academy (hereinafter ‘LMA’), the Rēzekne Academy of Technology (hereinafter – RAT) and the University of Liepāja into the RTU ecosystem by consolidating research resources, promoting cooperation between research groups and improving the quality and impact of research results, developing closer cooperation between universities and establishing a clear development strategy (see p. 5). Section 4 of the consolidation plan describes the modalities and the timeframe for the integration of these institutions into RTU, and for the completion of all the other activities covered by the consolidation plan across three main sets of grants: consolidation grants, implementation of academic career grants, and implementation of internal R&D grants (see p. 54). Its investment plan is detailed in section 4.8, where a comprehensive budget scheme has been included per envisaged activities. The total grant amount for consolidation grants is specified in section 4.8: EUR 18 576 397.
- **Latvian Institute of Organic Synthesis (LIOS) and Latvian Biomedical Research and Study Centre (LBRSC)** – The consolidation plan especially envisages the merger between the two institutions by establishing one derived public legal entity by 30 June 2026 (see p.3). The consolidation objective is to make structural changes to increase the quality of higher education and science, to increase the efficiency and sharing of resources investment and to promote international competitiveness. Annex 1 to the consolidation plan lists the planned investments as well as the total grant amount available via RRF funding. Annex 2 of the consolidation plan gives a comprehensive overview of the planned activities and specifies the expected completion time for each of these activities, thus clarifying the modalities and timeframe of the consolidation process (including the merger of LIOS and LBRSC into a single legal entity by the second quarter of 2026).
- **University of Latvia (LU)** – The consolidation plan covers a number of activities listed a page 4, including the integration of the “Banking University” (BU), which operates as a derived public legal entity under the supervision of the Ministry of Education and Science, into LU. Section 2.3 further details the rationale of the planned investments to be financed via the RRF, including the consolidation investment project between BU and LU. Section 3 instead gives an overview of the internal consolidation process to be undergone by the LU itself, with a view to optimise LU’s internal structure, ensure resource efficiency and promote excellence in higher education and science (see pp. 24 and 25). Section 4 of the consolidation plan gives a comprehensive overview of the planned actions and specifies the expected completion date for each of them. Section 6 instead includes a budgetary scheme indicating the planned expenditures for each of the consolidation activities to be carried out. The total consolidation grant amount (covering both internal and external consolidation) is specified in section 6 (p. 65).
- **Institute of Electronics and Computer Sciences (IECS)** – The consolidation plan especially relates to the liquidation of the Institute of Physical Energy (IPE) as a legal entity and the consolidation of its resources within the IECS (p. 2). The aim of the consolidation is to create in the medium term

(3-5 years) an internationally renowned, multidisciplinary national research institute in Latvia, involved in international consortia and projects. Section 3.4 of the plan describes the actions to be taken under the consolidation plan and specifies the indicative timeline for completion of each of these actions. Section 4 also lists the activities to be carried out and the planned financing for each of them. The consolidation grant amount can be calculated by summing the indicative planned expenditures for activities 1-3 of the budget table included in Section 4 (pp. 27-28).

**The following investments shall be eligible for financing from consolidation grants:**

**1) grants for structural change;**

**2) “Exit” grants for termination of employment with academic staff over 65 years of age;**

**3) Digitalisation, technological development, improvement of research and education infrastructure (excluding construction);**

**4) Creation of new programmes of excellence.**

Regulation No. 721, as stated in its paragraph 1, prescribes the procedures for the implementation and supervision of the reform 5.2.1.r. of the Recovery and Resilience Plan of Latvia. Paragraph 2.5 of the Regulation defines a “consolidation grant” as targeted funding for consolidation and governance changes to strengthen the institutional capacity of a higher education institution or research institute to drive excellence in studies and research. The same paragraph also specifies that consolidation grant funding can be used to implement structural change, exit grants, digitalisation, technology development, improve research and education infrastructure, establish new programmes of excellence.

Paragraph 3 of the Regulation provides that the Ministry of Education and Science shall be the ministry responsible for the implementation of the investments, while paragraph 5 specifies that the investment shall aim at structural changes in higher education institutions and scientific institutes in order to promote excellence and efficiency and international competitiveness in higher education and scientific quality and resource investments, which is in line with the objectives of measure 5.1.2.r and accompanying investment measure 5.2.1.1.i.

Paragraph 14 of the Regulation lists a number of consolidation investment projects to which financing is granted. These include:

- consolidation of Liepaja University with Riga Technical University
- merger of the Latvian Institute of Organic Synthesis with the Latvian Biomedical Research and Study Centre
- consolidation of Rezekne Academy of Technology with Riga Technical University
- consolidation of BA School of Business and Finance with the University of Latvia
- consolidation of the Latvian Academy of Sports Pedagogy with Rīga Stradiņš University
- consolidation of the Institute of Physical Energy with the Institute of Electronics and Computer Science
- internal consolidation of the University of Latvia
- internal consolidation of Riga Technical University
- internal consolidation of the Latvian University of Biosciences and Technology
- internal consolidation of Rīga Stradiņš University
- internal consolidation of the Latvian Academy of Culture.

Paragraph 17 of the Regulation No. 721 states that the applicant shall be a higher education institution or a research institute which has agreed with the sectoral Ministry (i.e. the Ministry of Education and Science) a consolidation plan providing for one or more of the consolidations referred to in Paragraph 14 of the same Regulation. As demonstrated in the previous section of this analysis, a total of seven consolidation plans have been approved covering some of the consolidation investment projects listed under paragraph 14 of Regulation No. 721.

The eligible activities and costs under the investment is laid out in article 19.1 of Cabinet of Ministers Regulations No. 721. Support is provided for five main activities: implementation of consolidation grants (para. 19.1), implementation of academic career grants (para. 19.2), implementation of internal research and development grants (para. 19.3), project management (para. 19.4) and measures for ensuring the requirements for communication and visual identity (para. 19.5). Concerning consolidation grants, most relevant for T161, the subsections 19.1.1 through 19.1.4. of the Regulation No. 721 further specifies that the following activities shall be eligible for financing from consolidation grants:

1. implementation of structural changes for external or internal consolidation;
2. "Exit" grants for termination of employment with academic staff;
3. Digitalisation, technological development, improvement of research and education infrastructure (excluding construction);
4. Creation of new programmes of excellence.

**The assessment criteria for approval of consolidation plans shall include:**

Based on the Protocol No. 1, Registration No. 6-4.1e/23/8 of the meeting of the Commission for the Evaluation of Consolidation Plans of National Universities and Scientific Institutes (hereinafter the "Evaluation Commission"), the consolidation plan assessment criteria were adopted by the Evaluation Commission at its meeting on 16 November 2026. The evaluation criteria and scoring sheet was attached to the Protocol, as stated at page 4 of the Protocol itself: "Attached is an evaluation sheet for the consolidation plans of public universities and research institutes".

**- whether there is a common development strategy,**

Assessment criterion 1.10 requires that the consolidation plan foresees a common development strategy for the merging institutions.

**sharing of resources,**

Assessment criterion 6.1 requires that the consolidation plan foresees a rational sharing of resources, both within institutions and amongst them.

**development of study programmes,**

Assessment criterion 4.1 requires that the plan foresees a creation of joint study programmes and criterion 4.2 requires that the plan foresees synergies and avoids overlaps among study programmes and research projects.

**creation of common platforms,**

Assessment criterion 6.2 requires that the plan foresees a common IT platform for management of study programmes and scientific research projects.

**- whether there is a commitment to internal or external consolidation, including through the formation of consortia, with a clear timeframe.**

Assessment criterion 1.6 requires that a consolidation plan includes a clear description of the internal/external consolidation framework and process, and of the optimal timeframe for implementation of measures to achieve consolidation objectives (not exceeding the final completion date of 31 May 2026).

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C6.6-1-1-r- Strengthening analytics and developing data management in the field of tax administration and customs [168]

**Number and name of the Milestone:** 168 Entry into operation of a basket of data-based services for each segmentation group of taxpayers

**Qualitative Indicator:** Changes to State Revenue Service’s internal rules and/or service provision platform(s)

**Time:** Q2 2024

**1. Context:**

Measure 6.1.1.r aims to improve the quality and efficiency of compliance risk management and other activities related to fight against shadow economy through a broad set of measures.

Milestone 168 concerns entry into operation of a basket of data-based services for each segmentation group of taxpayers.

Milestone 168 is the sixth and last milestone of the reform, and it follows the completion of six other milestones including milestone 169 related to the publication of a handbook for methodological compliance risk management of undeclared wages. The reform has a final expected date for implementation of 30 June 2024.

**2. Evidence provided:**

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.	
2	Copy of Order No. 293 of 23 October 2020 “Tactics for the provision of horizontal services by the National Tax Board, considering the segment assigned to the taxpayer”.	An initial order has been issued determining service delivery tactics for the processes provided by the National Tax Board. Each subsequent order issued replaces the order previously issued. Signed electronically on 23 October 2020.
3	Copy of Order No 183 of 2 July 2021 “Tactics for the provision of services by the National Tax Board and the Tax Compliance Incentive Department, considering the segment assigned to the taxpayer”.	The order has been supplemented with tactics for the provision of services in the processes established by the Tax Compliance Incentive Department.

4	Copy of Order No. 124 of 20 May 2022 “Tactics for the provision of services by the National Tax Board and the Tax Compliance Incentive Department, considering the segment assigned to the taxpayer”.	The order is supplemented by: <ul style="list-style-type: none"> <li>– the application of tactics for the provision of services in the case of recurring services,</li> <li>– the procedure for the provision of services to the taxpayer included in the list of persons subject to sanctions,</li> <li>– action on the provision of services, if internal regulatory enactments of the SRS have been issued, which determine the provision of services by segment types.</li> </ul> Tactics for providing services have been specified for individual processes.
5	Copy of Order No. 165 of 19 July 2023 “Tactics for the provision of services by the National Tax Board and the Tax Compliance Incentive Department, considering the segment assigned to the taxpayer”.	The order has been supplemented with the procedure for providing services to participants of the Enhanced Cooperation Programme. For certain processes, the tactics of providing services have been clarified, and the processes in which tactics for the provision of services are applied have been reviewed.
6	Copy of Order No. 226 of 05 October 2023 “Tactics for the provision of services by the National Tax Board and the Tax Compliance Incentive Department, considering the segment assigned to the taxpayer”.	Amendments have been made to the order, as the Enhanced Cooperation Programme expires on 1 January 2024. In accordance with the structural changes of the SRS, the tactics for the provision of services have been clarified for certain processes, and the processes in which the tactics for the provision of services are applied have been reviewed.
7	Copy of Order No. 111 of 22 April 2024 “Tactics for the provision of services by the National Tax Board and the Tax Compliance Incentive Department, considering the segment assigned to the taxpayer”.	For certain processes, the tactics of providing services have been clarified, and the processes in which tactics for the provision of services are applied have been reviewed. The Order is signed electronically by the Director.
8	Copy of Annex 1 of Order No. 111 of 22 April 2024 “Tactics for the provision of services by the National Tax Board and the Tax Compliance Incentive Department, considering the segment assigned to the taxpayer”.	Provides tactics of horizontal services.
9	Copy of Annex 2 of Order No. 111 of 22 April 2024 “Tactics for the provision of services by the National Tax Board and the Tax Compliance Incentive Department, considering the segment assigned to the taxpayer”.	Provides basket of services.

10	Copy of Annex 3 of Order No. 111 of 22 April 2024 “Tactics for the provision of services by the National Tax Board and the Tax Compliance Incentive Department, considering the segment assigned to the taxpayer”.	Provides tactics of services.
11	Copy of the Internal Regulations No. 13 “Segmentation of Taxpayers in the State Revenue Service” of the State Revenue Service, adopted on 30 April 2020.	The Internal Regulations are signed by the Director with electronic signature on 30 April 2020.

### 3. Analysis:

The justification and substantiating evidence provided by the Latvia authorities cover all constitutive elements of the milestone.

#### Entry into operation of a data-based basket of services for each segmentation group of taxpayers

On 30 April 2020, the Internal Regulations of the State Revenue Service No. 13 “Segmentation of Taxpayers in the State Revenue Service” (hereinafter – Internal Regulations) were adopted and entered into force on the same date, to ensure the State Revenue Service’s approach corresponding to the level of taxpayer behavior and voluntary fulfilment of obligations within the framework of the tax administration process. In accordance with Article 4 of the Internal Regulations, taxpayers (legal entities) are divided into the following segments:

- **trusted** – taxpayers who meet their tax obligations on time, i.e. who have not been identified with any risks of tax compliance;
- **encouraged** – taxpayers who may have certain insignificant risks of meeting tax obligations in an area (registration, submission of declarations, completeness of declared data, payment of declared taxes);
- **monitored** – taxpayers who have significant risks of fulfilling tax obligations in at least one area (registration, submission of declarations, completeness of declared data, payment of declared taxes) and who are constantly monitored by the State Revenue Service (hereinafter – the SRS);
- **low sustainability** – taxpayers whose declared data on economic activity show that they have accumulated large tax debts and the prospect of covering them is questionable;
- **inactive** – taxpayers who do not create paid jobs, tax calculations or tax payments;
- **restricted** – taxpayers who are subject to a full set of measures restricting economic activity. These are taxpayers who have been excluded from the SRS register of value added taxpayers at the initiative of the SRS for the violations detected or for whom the SRS has taken a decision to suspend economic activity for the violations detected;
- **newly registered** – taxpayers registered within the last six months.

In accordance with Article 10 of the Internal Regulations, segmentation of taxpayers is carried out four times a year. The taxpayer is included in the segment on the first day of the month in which the segmentation calculation was performed.

In accordance with Order No. 293 of 23 October 2020 “Tactics for the provision of horizontal services by the National Tax Board, considering the segment assigned to the taxpayer” and subsequent amendments to the order, the State Revenue Service sets a data-based basket of services that are provided to each segment of the taxpayers. The data-based basket of services is being updated based on necessity. For



example, one of the last updates took place on 22 April 2024, as evidenced by Order No. 111 “Tactics for the provision of services by the National Tax Board and the Tax Compliance Incentive Department, considering the segment assigned to the taxpayer”. In accordance with Annex 2 of Order No. 111 “Tactics for the provision of services by the National Tax Board and the Tax Compliance Incentive Department, considering the segment assigned to the taxpayer”, the basket of services to each segmentation group is provided. For example, with regards to registration in the VAT payer register a taxpayer within the segment “Encouraged” is registered as soon as possible, whereas those within the segment “Low sustainability” are registered after providing additional information and possible in-person meeting with the SRS officer.

In addition to the aforementioned legal framework, IT solutions have been set up for the databases of the SRS to implement the data-based basket of services. Information on taxpayer segments is available in the following SRS information systems: Document Management System, Payment Administration Information System, Data Storage System.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C6.6-1-1-r- Strengthening analytics and developing data management in the field of tax administration and customs [169]

**Number and name of the Milestone:** 169 Publication of handbook for compliance risk management

**Qualitative Indicator:** Amendments to the State Revenue Service’s internal rules

**Time:** Q3 2023

### 1. Context:

Measure 6.1.1.r. aims to improve the quality and efficiency of compliance risk management and other activities related to the fight against shadow economy through a broad set of measures.

Milestone 169 concerns publication of handbook for methodological compliance risk management of undeclared wages.

Milestone 169 is the fourth milestone in the measure and, together with milestone 171, relating to implementation of the research results, follows the completion of milestone 170, related to the implementation of the national research programme “Reducing the shadow economy to ensure the sustainable development of the country”. It will be followed by milestone 168, related to entry into operation of a basket of data-based services for each segmentation group of taxpayers. The reform has a final expected date for implementation on 30 June 2024.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary note duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.	
2	Copy of “Handbook for compliance risk management”.	“Handbook for compliance risk management” was approved by the Director-General of the State Revenue Service (Order No. 211) and published on 28 September 2023.
3	Copy of the Order No. 211 of 28 September 2023 of the Director-General of the State Revenue Service.	The order approved “Handbook for compliance risk management”.

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

**A Handbook for methodological compliance risk management of undeclared wages has been published, including:** - risk assessment guidelines; - aspects of typologies of ‘envelope wage payers’; - aspects of available preventive and control tools; - analysis of court rulings in the area of undeclared wages.

The State Revenue Service has prepared “Handbook for compliance risk management” (hereinafter – the handbook) and published it on the internal website of the State Revenue Service. The handbook is a

manual for internal use of the State Revenue Service. The purpose of the handbook is to determine the set of measures and the most suitable work methods for limiting and reducing undeclared work income, promoting the payment of payroll taxes and reducing undeclared work income, and ensuring a uniform approach to work organisation and accounting of results. Thus, the content of the handbook is aimed at promoting the implementation of new methods and smart tactics in combating undeclared wages, obtaining and listing information for further analysis and improving data management in tax administration. The handbook includes, among others the following sections:

1. **the risk assessment guidelines**, which are specified following the risk management policy document of the State Revenue Service (Section 2, Paragraph 11);
2. **the characteristics (typology) of the payers of “envelope wages”**, which are determined based on the previous experience of digital data investigations and include aspects of the typologies of taxpayers who engage in honest commercial practices and taxpayers who engage in fraudulent activities (Section 2, Paragraph 10);
3. **information on preventive and control tools**, such as tax administration inspections (tax control and tax audit). The section includes aspects of available preventive and control instruments in connection with the new tax control regulation (the 8 June 2023 amendments to the Law “On Taxes and Fees”) (Section 1);
4. **information regarding the case law**, especially for the provision of evidence and case law, errors in the assessment of evidence and circumstances when analysing court adjudications in the field of undeclared wages (Sections 5 and 6).

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C6.6-1-1-r- Strengthening analytics and developing data management in the field of tax administration and customs [171]

**Number and name of the Milestone:** 171 Implementation of the research results

**Qualitative Indicator:** Published assessment report of the shadow economy

Time: Q4 2023

### 1. Context:

Milestone 171 is part of reform 6.1.1.r., which aims at improving the quality and efficiency of compliance risk management and other activities related to the fight against the shadow economy through a broad set of measures.

Milestone 171 concerns implementation of the research results through the first assessment report of the size of the shadow economy. Milestone 171 is the final milestone of the reform, and it follows the completion of milestone 170 related to implementation of the national research programme “Reducing the shadow economy to ensure the sustainable development of the country”. The reform has a final expected date for implementation on 30 June 2024.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.	
2	Copy of the First Assessment Report of the size of the shadow economy developed in 2022 and future forecasts based on the methodology.	Link to publication: <a href="https://www.fm.gov.lv/lv/zinojumi-par-enu-ekonomiku">https://www.fm.gov.lv/lv/zinojumi-par-enu-ekonomiku</a> .

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

**Implementation of the research results. A first assessment report of the size of the shadow economy based on the methodology developed in 2022 shall be published.**

On 6 December 2023 the Latvian authorities have published the first assessment report “*the Report of the size of the shadow economy in 2022 and future forecasts based on the methodology developed*” (hereinafter – the First Assessment Report) on the website of the Ministry of Finance (link to publication: <https://www.fm.gov.lv/lv/zinojumi-par-enu-ekonomiku> ).

The First Assessment Report was prepared on the share of the shadow economy in Latvia based on the methodology “*Methodology for estimating the size of the shadow economy, an algorithm for forecasting its size, and estimates of the shadow economy in Latvia in 2020 and 2021*” developed by scientists in 2022 as also indicated in the page 3 of the First Assessment Report, thus implementing the research results. Part 3 of the First Assessment Report elaborates in detail the application of the methodology to the share

of the shadow economy in Latvia in 2022, for example, “Prof. F. Schneider method measures the Index of the shadow economy as % of GDP, using the indirect modelling method. The measurement of the size of the shadow economy is based on the cash demand approach and the ‘Multiple Indicators and Multi-causes’ (MIMIC) model, which provides time series indices for the ratio of unregistered and recorded output levels in a country. The underlying idea of the currency demand approach is that goods and services sold in the shadow economy are paid in cash and that, through the cash demand function, it is possible to measure such goods and services provided in exchange for cash, respectively, and thus calculate the size of the shadow economy. According to Prof. F. Schneider’s calculation, the share of the shadow economy in Latvia was 19.9 % in 2022.”

In accordance with the conclusions of the First Assessment Report “According to the combined method developed by researchers within the framework of the research project, the shadow economy in Latvia is projected to be 24.9% of GDP in 2026, thus reducing the shadow economy by 0.8%”.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C.6-6-1-1-3-i- Personnel training with analytical platform and consultancy [174]

**Number and name of the Target:** 174 Training of staff to work with the analytical platform

**Quantitative Indicator:** Number of training certificates

**Baseline:** 0

**Target:** 50

**Time:** Q4 2023

### 1. Context:

The objective of investment 6.1.1.3.i. is to provide training for State Revenue Service (SRS) specialists to work with the SAP HANA technology platform.

Target 174 concerns training 50 SRS specialists for working with the SAP HANA platform. Target 174 is the only target of this investment.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary note duly justifying how the target (including all the constitutive elements) was satisfactory fulfilled.	
2	Copy of 64 certificates of completed training programmes of customs process risk specialists and tax compliance incentive department specialists.	The certificates were issued by AS "EMERGN", which is SAP Certified Partner Center of Expertise. There are 11 certificates dated 18 January 2024 and 10 certificates dated 19 January 2024. There are 9 certificates dated 4 June 2024, 12 certificates dated 5 June 2024; 12 certificates dated 10 June 2024; 10 certificates dated 11 June 2024.
3	Copy of the Act of transfer-acceptance of works on the execution of the annex Nr.2.93.0. to the contract no. FM VID 2021/160/ERAF "The training on SAP HANA customs risk analysis module"	The Act of transfer-acceptance of works between AS "EMERGN" and the State Revenue Service was signed with electronic signature on 15 February 2024.
4	Copy of the Report on works carried out on the training on SAP HANA customs risk analysis module.	The Report is an attachment to the Act of transfer-acceptance of works that was electronically signed on 15 February 2024.

5	Copy of the Act of transfer-acceptance of works on the execution of the annex 2.93.0. to the contract No. FM VID 2021/160/ERAF "The training on SAP HANA customs drive area analysis module".	Act of transfer-acceptance of works between AS "EMERGN" and the State Revenue Service was electronically signed on 18 June 2024.
6	Copy of the Report on works carried out on the training on SAP HANA customs drive area analysis module.	The Report is an attachment to the Act of transfer-acceptance of works that was electronically signed on 18 June 2024.
7	Copy of the Memorandum of agreement - training on SAP HANA customs risk analysis module.	The memorandum was electronically signed between the State Revenue Service and AS "EMERGN" on 20 December 2023.
8	Copy of the Memorandum of agreement - training on SAP HANA customs drive area analysis module.	The memorandum was electronically signed between the State Revenue Service and AS "EMERGN" on 17 May 2024.

**3. Analysis:**

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the target.

**50 SRS specialists have been trained to work with SAP HANA platform.**

As evidenced by 64 certificates of completed training programmes, State Revenue Service (hereinafter – SRS) specialists were trained to work with the SAP HANA platform. The certificates were issued by AS "EMERGN", which is SAP Certified Partner Center of Expertise. There are 11 certificates dated 18 January 2024; 10 certificates dated 19 January 2024; 9 certificates dated 4 June 2024; 12 certificates dated 5 June 2024; 12 certificates dated 10 June 2024; 10 certificates dated 11 June 2024.

The SAP HANA (High-performance ANalytic Appliance) platform is a multi-model database that stores data in its memory instead of keeping it on a disk. The column-orientated in-memory database design allows users to run advanced analytics alongside high-speed transactions in a single system. The system enables companies to process considerable amounts of data with near-zero latency.

As evidenced by the copy of the Memorandum of agreement - training on SAP HANA customs risk analysis module, signed between SRS and AS "EMERGN" on 20 December 2023, and the Memorandum of agreement - training on SAP HANA customs drive area analysis module, signed on 17 May 2024, the training was planned to be provided on the following topics: SAP HANA customs risk analysis and SAP HANA customs drive area analysis.

Furthermore, in line with the description of the measure, **the training shall focus on the skills to work with the SAP HANA framework and practical skills in system administration.**

The Act of transfer-acceptance of works on the training on SAP HANA customs risk analysis module, which was signed on 15 February 2024, and its attachment demonstrates that 21 employees have been trained in two groups. The training course took place on 18-19 January 2024. The training programmes for customs risk analysis systems module covered the following:

- a. Technological capabilities of SAP HANA customs risk analysis,
- b. Principles of performing risk calculations,

- c. Import of lists from CSV (Comma-separated values) and reports,
- d. Creation of universally known lists,
- e. Creating rules.

The Act of transfer-acceptance of works on the training on SAP HANA customs drive area analysis module, which was signed on 18 June 2024, and its attachment demonstrate that 43 employees participated in training sessions on 4, 5, 10 and 11 June. The training on SAP HANA Customs drive area analysis module covered the following:

- a. Use of the SAP HANA Recovery System in the recovery process (full system operation cycle),
- b. Risk analysis technological possibilities,
- c. Creating rules for carrying out risk calculations,
- d. Recovery risk criteria, including source of risk criteria, Rule Framework and Web Intelligence reports,
- e. Definition of terms, list and description of risks that could be used for enforcement purposes, list and description of functions,
- f. Creation of new risk criteria,
- g. Using rule editors to define risk criteria,
- h. Creation of simple text rules, decision table rules, creation of complicated rules,
- i. Creating a set of risks, lists of taxpayer processes,
- j. Working with results, processing.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.



**Related Measure:** C6.6-1-2-4-i- Creation of infrastructure for the performance of control services in Kundziņsala [181]

**Number and name of the Milestone:** 181 Joint design – construction contract signed

**Qualitative Indicator:** Construction and design contract signed

**Time:** Q3 2023

### 1. Context:

Measure 6.1.2.4.i. aims to increase the efficiency of customs controls, reduce the administrative burden on the control service users, and to eliminate wasteful traffic of heavy-duty transport between the port and the control facilities.

Milestone 181 concerns signature of the joint constructions and design contract.

Milestone 181 together with Milestone 184, related to the signature of the contract for the supply and installation of X-ray cargo control equipment, are the first steps of the implementation of the investment and will be followed by Milestone 182 related to the notification of the permit approval decision, and Milestones 183 and 185 related to the completion of the investment in both the structure (building) and the equipment (X-ray machines). The investment has a final expected date for implementation on 31 August 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.	
2	Copy of the tender publication No. 20230621 on the website of the Procurement Monitoring Bureau, (ID No. VNĪ 2023/7/2-8/AK-55; a link to the tender publication: <a href="https://pvs.iub.gov.lv/show/743511">https://pvs.iub.gov.lv/show/743511</a> ) on 21 June 2023.	It is a publication on the Single Tender "Study, development of construction intent documentation in 3D BIM environment, author's supervision, BIM update during construction works, construction works and supply and installation of equipment at 42B Uriekstes Street, Riga".
3	Copy of 16 October 2023 Joint design – construction contract No. IZD_2023_2246 "Study, development of construction intent documentation in 3D BIM environment, author's supervision, BIM update during construction works, construction works and supply and installation of equipment at 42B Uriekstes Street, Riga".	The contract signed between the consortium "SENSUM, BBA and AE" and State Joint-Stock Company "State Real Estate" on 16 October 2023.

4	Copy of the screen shot of the panel of signatories of the 16 October 2023 Joint design – construction contract No. IZD_2023_2246 “Study, development of construction intent documentation in 3D BIM environment, author’s supervision, BIM update during construction works, construction works and supply and installation of equipment at 42B Uriekstes Street, Riga”.	Screenshot of the e-Paraksts system from 16 October 2023 evidencing signatures of the representatives of the consortium "SENSUM, BBA and AE" and the representatives of State Joint-Stock Company "State Real Estate".
5	Copy of summary of the meeting when financial offers were opened.	The meeting took place on 14 August 2023; 14:01. The summary is available on the Electronic procurement data base. Link <a href="https://www.eis.gov.lv/EKEIS/Supplier/Procurement/103654">https://www.eis.gov.lv/EKEIS/Supplier/Procurement/103654</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities covers all constitutive elements of the milestone.

#### **A contract for the design and construction of infrastructure for the control services at Kundzinsala has been signed following a tender procedure.**

Contract No. IZD/2023/2246 “Study, development of construction intent documentation in 3D BIM environment, author's supervision, BIM update during construction works, construction works and supply and installation of equipment at 42B Uriekstes Street, Riga” of 16 October 2023 (hereinafter referred to as the Contract) demonstrates that a joint contract for design and construction of infrastructure for the control services at Kundzinsala has been signed between the consortium "SENSUM, BBA and AE" and State Joint-Stock Company "State Real Estate". This is evidenced by the copy of the screen shot of the panel of signatories of the 16 October 2023 Joint design – construction contract Nr. IZD\_2023\_2246 "Study, development of construction intent documentation in 3D BIM environment, author's supervision, BIM update during construction works, construction works and supply and installation of equipment at 42B Uriekstes Street, Riga". The Contract entered into force on the same day - 16 October 2023, in accordance with part 10 of the Contract.

In accordance with part 6 of the Contract, the contract includes project works, construction works and surveillance works of infrastructure for the control services at Kundzinsala.

In addition, the Contract has been signed following a tender procedure ID No. VNĪ 2023/7/2-8/AK-55, which was launched on 21 June 2023. The link to the tender publication is the following: <https://pvs.iub.gov.lv/show/743511>. Amendments to the tender documentation were made on 9 July 2023, <https://pvs.iub.gov.lv/show/746092> and 27 July 2023 <https://pvs.iub.gov.lv/show/748315> by the State Joint-Stock Company “State Real Estate”. Three proposals for the call were received by 14 August 2023, as evidenced by the copy of the summary of the meeting (14 August 2023) when financial offers were opened. As a result one of the applicants was selected, and contract was signed with the consortium “SENSUM, BBA and AE”.

#### **4. Commission Preliminary Assessment: Satisfactorily fulfilled.**

**Related Measure:** C6.6-1-2-4-i- Creation of infrastructure for the performance of control services in Kundziņsala [184]

**Number and name of the Milestone:** 184 Procurement and conclusion of a contract for the supply and installation of X-ray cargo control equipment

**Qualitative Indicator:** Contract signed

**Time:** Q3 2023

### 1. Context:

Measure 6.1.2.4.i. aims to increase the efficiency of customs controls, reduce the administrative burden on the control service users, and to eliminate wasteful traffic of heavy-duty transport between the port and the control facilities.

Milestone 184 concerns procurement and conclusion of a contract for the supply and installation of X-ray cargo control equipment.

Milestone 184 together with Milestone 181, related to the signature of a joint design- construction contract, are the first milestones of the implementation of the investment, and will be followed by Milestone 182, 183 and 185 related to the notification of the permit approval decision, the completion of the investment in both the structure (building) and the equipment (X-ray machines). The investment has a final expected date for implementation on 31 August 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.	
2	Copy of the tender publication No. 20230621 on the website of the Procurement Monitoring Bureau, (ID Nr. VNĪ 2023/7/2-8/AK-55; a link to the tender publication: <a href="https://pvs.iub.gov.lv/show/743511;">https://pvs.iub.gov.lv/show/743511;</a> ) published on 21 June 2023.	It is a publication on the Single Tender "Study, development of construction intent documentation in 3D BIM environment, author's supervision, BIM update during construction works, construction works and supply and installation of equipment at 42B Uriekstes Street, Riga".
3	Copy of the joint design – construction contract Nr. IZD_2023_2246 "Study, development of construction intent documentation in 3D BIM environment, author's supervision, BIM update during construction works, construction works and supply and installation of equipment at 42B Uriekstes Street, Riga" signed 16 October 2023.	The contract signed between the consortium "SENSUM, BBA and AE" and State Joint-Stock Company "State Real Estate" on 16 October 2023.

4	Copy of the screen shot of the panel of signatories of the 16 October 2023 Joint design – construction contract Nr. IZD_2023_2246 "Study, development of construction intent documentation in 3D BIM environment, author's supervision, BIM update during construction works, construction works and supply and installation of equipment at 42B Uriekstes Street, Riga".	Screenshot of the e-Paraksts system from 16 October 2023 evidencing signatures of the representatives of the consortium "SENSUM, BBA and AE" and the representatives of the State Joint-Stock Company "State Real Estate".
5	Copy of the Technical Specification for cargo X-ray equipment.	Technical Specification is a part of the Joint design – construction contract Nr IZD_2023_2246 "Study, development of construction intent documentation in 3D BIM environment, author's supervision, BIM update during construction works, construction works and supply and installation of equipment at 42B Uriekstes Street, Riga" signed 16 October 2023.
6	Copy of summary of the meeting when financial offers were opened.	The meeting took place on 14 August 2023; 14:01. The summary is available on the Electronic procurement data base. Link: <a href="https://www.eis.gov.lv/EKEIS/Supplier/Procurement/103654">https://www.eis.gov.lv/EKEIS/Supplier/Procurement/103654</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities covers all constitutive elements of the milestone.

#### **A contract for the supply and installation of X-ray cargo control equipment has been signed following a tender procedure.**

Contract No. IZD/2023/2246 "Study, development of construction intent documentation in 3D BIM environment, author's supervision, BIM update during construction works, construction works and supply and installation of equipment at 42B Uriekstes Street, Riga" of 16 October 2023 (hereinafter referred to as the Contract) demonstrates that a contract for design and construction of infrastructure for the control services at Kundzinsala has been signed between the consortium "SENSUM, BBA and AE" and State Joint-Stock Company "State Real Estate". This is evidenced by the screenshot of the panel of signatories of the 16 October 2023 Joint design – construction contract Nr. IZD\_2023\_2246 "Study, development of construction intent documentation in 3D BIM environment, author's supervision, BIM update during construction works, construction works and supply and installation of equipment at 42B Uriekstes Street, Riga". The Contract entered into force on the same day - 16 October 2023, in accordance with part 10 of the Contract. In accordance with part 6 of the Contract, the contract includes purchase and installation of X-ray cargo control equipment. In addition, Section 2 part 2 the Technical Specification provides for the requirements for technical parameters of the equipment, as well as the requirements for the installation of the X-ray cargo control equipment (part 4).

In addition, the Contract has been signed following a tender procedure ID No. VNĪ 2023/7/2-8/AK-55, which was launched on 21 June 2023. The link to the tender publication is the following: <https://pvs.iub.gov.lv/show/743511>. Amendments to the tender documentation were made on 9 July

2023, <https://pvs.iub.gov.lv/show/746092> and 27 July 2023 <https://pvs.iub.gov.lv/show/748315> by the State Joint-Stock Company "State Real Estate". Three proposals were received by 14 August 2023, as evidenced by the copy of the summary of the meeting (14 August 2023) when financial offers were opened. As a result one of the applicants was selected, and the contract was signed with the consortium "SENSUM, BBA and AE".

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C6.6-3-1-1-i- Open, transparent, fair and accountable public administration [200]

**Number and name of the Milestone:** 200 Competence framework available

**Qualitative Indicator:** Competence framework is available in the State Administration School Training Management system and approved by an internal regulatory act of the School of State Administration and the state budget law for 2024 has been passed.

**Time:** Q4 2023

### 1. Context:

Milestone 200 is part of investment 6.3.1.1.i., which aims to increase public officials' competencies in the areas of ethics, anti-corruption, prevention of fraud and conflict of interest.

Milestone 200 concerns setting up and making available a competence management system in the areas of ethics, anti-corruption, prevention of fraud and conflict of interest.

Milestone 200 is the first step of the implementation of the investment. It will be followed by target 201, related to training of officials of the public administration. The investment has a final expected date for implementation on 31 August 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.	
2	Copy of the internal regulatory act No. 01-02/46 "On the approval of the integrity competency framework (model) for public administration employees, officials, and politicians" issued by the Public Administration School.	Internal regulatory act approved on 28 December 2023 by the director of the Public Administration School with Annex I "The Integrity competency framework (model) for public administration employees, officials, and politicians".
3	Copy of the curriculum content developed based on the public administration integrity competence framework.	Work document of the Public Administration School, which is basis for public procurement to organise trainings.
4	Copy of the law "On the state budget for 2024 and the budget framework for 2024, 2025 and 2026", which was adopted on 9 December 2023 and entered into force on 1 January 2024.	Appendix 4 of the law "Revenues of the state basic budget and transcript of expenditures by programmes and subprogrammes". Link to publication <a href="https://www.vestnesis.lv/op/2023/247.1">https://www.vestnesis.lv/op/2023/247.1</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

#### **A competence framework has been set up and made available in the areas of ethics, anti-corruption, prevention of fraud and conflict of interest.**

The Public Administration School issued internal regulatory act No. 01-02/46 “The approval of the integrity framework (model) of the competences of public administration employees, officials and politicians” on 28 December 2023 to set up a competence framework. The competence framework (hereinafter – framework) is available in the Training Management System of the Public Administration School <https://mps.vas.gov.lv/edu/catalog/materials>.

The framework covers the list of competences and their definition and acts as a tool by which competences are expressed, classified, assessed, measured and recognised. Based on the framework, a curriculum content has been set up for trainings in the areas of ethics, anti-corruption, prevention of fraud and conflict of interest.

The framework enables public officials to find suitable trainings, including e-learning courses, which are located in the Learning Management System of the Public Administration School. For example, should an employee conclude that his/her competence in *Rule of law, legal consciousness, and behaviour* is at the first (initial) level, by following the framework, he/she is offered several opportunities to improve his/her competence, for example by completing the e-learning course “Corruption Prevention” <https://www.vas.gov.lv/lv/e-macibu-kurss-korupcijas-noversana> or by attending the training “Prevention of conflict of interest and professional ethics of public officials” <https://mps.vas.gov.lv/edu/course/21>.

#### **State budget financing for the main public administration development training programmes has been ensured from 2024 onwards.**

The law “On the state budget for 2024 and the budget framework for 2024, 2025 and 2026” was approved on 9 December 2023 and entered into force on 1 January 2024. Through this law, state budget financing for the professionalisation of public administration has been ensured from the year 2024. Specifically, in the part “Revenues of the state basic budget and transcript of expenditures by programmes and subprogrammes” the information about the Public Administration School is indicated under state budget programme “03 Cabinet of Ministers 74.00.00 ‘Implementation of projects and measures of the Recovery and Resilience Mechanism (ANM)’”.

### **4. Commission Preliminary Assessment: Satisfactorily fulfilled.**

**Related Measure:** C6.6-3-1-2-i- Professionalisation of public administration and administrative and capacity building [202]

**Number and name of the Milestone:** 202 Competence framework available, including training programmes

**Qualitative Indicator:** Competence framework is available in the State Administration School Training Management System and approved by an internal regulatory act of the State Administration School and the state budget law for 2024 has been passed.

**Time:** Q4 2023

### 1. Context:

Milestone 202 is part of investment 6.3.1.2., which aims to increase public officials’ competences in the areas of customer service, development of leadership, basic competences of public administration, management of public procurement, policy planning and implementation, human resources and legal practice.

Milestone 202 concerns making a competence framework and training programmes available in the areas of customer services, development of leadership, basic competences of public administration, management of public procurement, human resources, legal practice, policy planning and implementation.

It is the first step of the implementation of the investment, and it will be followed by target 203, related to training of officials of public administration. The investment has a final expected date for implementation on 31 August 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document justifying how the milestone including all the constitutive elements was satisfactory fulfilled.	
2	Copy of the Public Administration School issued internal regulatory act No. 01-02/45 “On the approval of the framework (model) of the competences”.	Internal regulatory act with the annex approved on 28 December 2023 by the director of the Public Administration School.
3	Copy of the curriculum content of the innovation and change management competence framework.	Curriculum content is a working document of the Public Administration School.
4	Copy of the curriculum content of the legal competence framework.	Curriculum content is a working document of the Public Administration School.
5	Copy of the curriculum content of the policy planning and implementation competence framework.	Curriculum content is a working document of the Public Administration School.



6	Copy of the curriculum content of the framework of core competences of public administration.	Curriculum content is a working document of the Public Administration School.
7	Copy of the curriculum content of the human resource management competence framework.	Curriculum content is a working document of the Public Administration School.
8	Copy of the law "On the state budget for 2024 and the budget framework for 2024, 2025 and 2026", which was adopted on 9 December 2023 and entered into force on 1 January 2024.	Appendix 4 of the law "Revenues of the state basic budget and transcript of expenditures by programmes and subprogrammes". Link to publication: <a href="https://www.vestnesis.lv/op/2023/247.1">https://www.vestnesis.lv/op/2023/247.1</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

#### **A competence framework and training programmes are available in the following areas:**

The Public Administration School issued internal regulatory act No. 01-02/45 "On the approval of the framework (model) of the competences" (hereinafter – internal regulatory act), which was signed by the director of the Public Administration School on 28 December 2023. The annex to the internal regulatory act provides a framework for professional competences in the following areas: core competences in public administration, human resource management, policy planning and implementation, innovation and change management and the legal field.

The competency framework is available in the Training Management System of the Public Administration School: <https://mps.vas.gov.lv/ieraksts/kompetencu-modeli-publiskas-parvaldes-attistiba/>. The training programmes are available on <https://live.vas.gov.lv/>. For example, on 30 May 2024 the training "Good governance and reputation in the public sector" took place; on 13 September 2024 the training "Ethics and Values Compass: How to Build an Organisation Where Employees Courageously Take Responsibility." The Commission services conducted an on-the-spot check on 20 December 2024 to verify that the trainings are available to the public administration. This check was completed successfully, confirming that training programmes are available in the areas of customer services, development of leadership, basic competences of public administration, management of public procurement, human resources, policy planning and implementation.

#### **- customer services,**

The annex of the internal regulatory act provides for the curriculum content of competences of public administration, which cover customer services, for example, citizen engagement, community building, and mediation.

#### **- development of leadership,**

The annex of the internal regulatory act provides for the curriculum content of the innovation and change management competence framework, that includes programme for development of leadership, for example, effective use of storytelling and persuasion in strategic leadership and influencing.

**- basic competences of public administration,**

The annex of the internal regulatory act provides for the curriculum content of basic competences of public administration, for example, presentation skills.

**- management of public procurement,**

The annex of the internal regulatory act provides for the curriculum content of the legal competence framework, that includes management of public procurement, for example, legislative changes, sector updates, and specialisation trends; project management.

**- policy planning and implementation,**

The annex of the internal regulatory act provides for the curriculum content of the policy planning and implementation competence framework, for example, introduction to strategic planning.

**- human resources,**

The annex of the internal regulatory act provides for the curriculum content of the human resource management competence framework, for example, time management, working in a team.

**- legal practice.**

The annex of the internal regulatory act provides for the curriculum content of the legal competence framework, for example, legal ethics.

**- policy planning and implementation,**

The annex of the internal regulatory act provides for the curriculum content of the policy planning and implementation competence framework, for example, introduction to strategic planning

**State budget financing for the professionalisation of public administration has been ensured from 2024 onwards.**

The law “On the state budget for 2024 and the budget framework for 2024, 2025 and 2026” was approved on 9 December 2023 and entered into force on 1 January 2024. With this state budget financing for the professionalisation of public administration has been ensured from year 2024. Specifically, in the part “Revenues of the state basic budget and transcript of expenditures by programmes and subprogrammes” the information about the Public Administration School is indicated under state budget programme “03 Cabinet of Ministers 74.00.00 ‘Implementation of projects and measures of the Recovery and Resilience Mechanism (ANM)’”.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C7.7-2-i- Security and stability of energy supply, and synchronisation with the Union grid [219]

**Number and name of the Milestone:** 219 Regulation governing the installation of a Battery Energy Storage System

**Qualitative Indicator:** Legal provisions indicating the entry into force of the Regulation

**Time:** Q4 2024

### 1. Context:

The objective of this investment is to increase the security and stability of energy supply, and to support the synchronisation of the national electricity grid with the Continental Europe electricity networks. The investment shall result in i) the installation of a 60 MW Battery Energy Storage System in Rēzekne (BESS), ii) the implementation of a cybersecurity solution for critical energy transmission infrastructure and iii) the development of a concept, and the purchase and installation of software solutions, for the smart management of renewable electricity connections to the national electricity transmission grid.

The milestone concerns the entry into force of a regulation of the Cabinet of Ministers on the legal framework for the investment in the installation of the 60 MW BESS.

Milestone 219 is the first step of the implementation of the investment, and it will be followed by milestone 220, target 221 and milestone 222, related to the award of contract for the installation of the BESS (milestone 220), the installation of the BESS (target 221), and the implementation of an IT solution for power transmission network management (milestone 222), respectively. The investment has a final expected date for implementation on 31 December 2025.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.	
2	Copy of the Regulation of the Cabinet of Ministers No. 432 of 2 July 2024, which was published in the Official Journal of the Republic of Latvia on 4 July 2024 and entered into force on 5 July 2024.	The Regulation lays down the rules and procedures for the implementation and monitoring of investment measure C7.7-2-i- <i>Security and stability of energy supply, and synchronisation with the Union grid</i> of the national Recovery and Resilience Plan. Link to the Regulation published in the Official Journal: <a href="https://www.vestnesis.lv/op/2024/128.15">https://www.vestnesis.lv/op/2024/128.15</a> The legal document is also available on the website of the legal acts of the Republic of Latvia at this link: <a href="https://likumi.lv/ta/id/353320">https://likumi.lv/ta/id/353320</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

#### **Entry into force of the regulation of the Cabinet of Ministers on the legal framework for the investment in the installation of a Battery Energy Storage System in Rēzekne.**

The Regulation of the Cabinet of Ministers No. 432 was adopted on 2 July 2024 (hereinafter “Regulation No. 432”) and was published in the Official Journal of the Republic of Latvia on 4 July 2024. If not specified otherwise in the Cabinet of Ministers’ Regulation, the general rule of entry into force on the next day after the publication applies, as laid down in Article 7(2) of the Law on Official Publications and Legal Information of 31 May 2012, which entered into force on 1 July 2012. Since the Regulation No. 432 does not specify the date of its entry into force, the general rule applies, which means that it entered into force on 5 July 2024.

Regulation No. 432, as evident by its paragraph 1, lays down the rules and procedures for the implementation and monitoring of the investment measure 7.2.i “*Security and stability of energy supply, and synchronisation with the Union grid*” of the national Recovery and Resilience Plan. At its sub-paragraph 2.1, Regulation No. 432 specifies that the objective of the investment is to enhance the security and stability of energy supply and implement support measures for the synchronisation of the Baltic States' electricity transmission system with the Continental Europe electricity grid.

In line with the description of the measure, sub-paragraph 4.1 of Regulation No. 432 lists the output indicators to be delivered under the investment and their completion timeline:

- By 30 June 2025, contracts have been entered into force for the supply and installation of a 60 MW battery energy storage system in the city of Rēzekne and for the development of an information technology solution for the management of the electricity transmission system (4.1.1.).
- By 31 December 2025, the development of an information technology solution for the management of the electricity transmission system has been completed, which includes a cybersecurity solution for the critical electricity transmission infrastructure, as well as the development of a concept and the purchase and installation of software solutions for the smart management of renewable electricity connections to the national electricity transmission grid (4.1.2).
- By 31 December 2025, the supply and installation of a 60 MW battery energy storage system in the city of Rēzekne and the construction works related thereto have been completed (4.1.3).

Paragraph 6 of Regulation No. 432 specifies that the support shall take the form of a grant. Paragraph 7 identifies in the Ministry of Climate and Energy the authority responsible for the implementation of the investment. The same paragraph states that the Ministry, in addition to the tasks specified in the laws and regulations in the field of implementation and supervision of the Recovery and Resilience Plan, has the obligations to send invitations to project applicants to submit project applications, to establish a commission for the evaluation of project applications, and to evaluate the submitted project applications and take decisions regarding approval or rejection of project applications. Paragraph 9 instead clarifies the role of the Central Finance and Contracting Agency, which shall ensure the implementation and supervision of investments in accordance with the laws and regulations laying down the procedures for the implementation and supervision of the Recovery and Resilience Plan. This includes supervising the

implementation of projects and performing inspections regarding the absence of corruption, fraud, conflict of interests and double funding risk.

Paragraph 15 of Regulation No. 432 further describes the eligible activities contributing to the achievement of the indicators listed above:

- purchase, supply, installation of a new 60 MW battery energy storage system and performance of related construction works (15.1);
- development of an information technology solution for the management of the electricity transmission system, implementation of software to improve cybersecurity in the critical electricity transmission infrastructure (15.2);
- concept, procurement and installation of the core functionality of a software solution for the smart management of renewable electricity connections to the national electricity transmission grid (15.2).

Paragraph 30 of Regulation No. 432 lists the obligations pending on the beneficiary, which include among others:

- implementing the project in accordance with the laws and regulations laying down the procedures for the implementation and supervision of the Recovery and Resilience Plan;
- ensuring that the project and the activities to be supported are implemented in accordance with the principle "do no significant harm";
- performing the procurement necessary for the implementation of the project in accordance with the laws and regulations in the field of public procurement.

In addition to the obligations listed at Paragraph 30, Regulation No. 432, via its Paragraph 31, also imposes the following obligations on the beneficiary of financing:

- within 10 working days after entering into the contract with the Central Finance and Contracting Agency, to submit to the management information system the planned schedule for the submission of progress reports. This includes specifying the type of the payment request (advance payment, interim payment, final payment), the amount of the payment request and the time of requesting it, and the procurement plan for all procurements planned for the implementation of the project;
- ensure timely input of the progress data of the project implementation into the management information system. Data shall be entered in the management information system at least twice a year.

Furthermore, in line with the description of the measure, **the investment is expected to be implemented by the national transmission system operator.**

Sub-paragraph 10.1 of Regulation No. 432 specifies that the joint stock company "Augstsprieguma tīkls" receives support for the implementation of the investment 7.2.i "*Security and stability of energy supply, and synchronisation with the Union grid*" of the national Recovery and Resilience Plan. "Augstsprieguma tīkls" is the national transmission system operator in Latvia.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C7.7-3-i- Upgrading, digitalising and securing the electricity transmission and distribution networks [223]

**Number and name of the Milestone:** 223 Regulations governing investments in the national electricity transmission and distribution networks

**Qualitative Indicator:** Legal provisions indicating the entry into force of the regulations governing investments in the national electricity transmission and distribution networks

**Time:** Q4 2024

### 1. Context:

The objective of this investment is to contribute to the clean energy transition and to increase electricity security by increasing the electricity grid capacity and flexibility to accommodate a greater integration of variable renewable energy, by refurbishing transmission networks, and by digitalising distribution networks.

The milestone concerns the entry into force of a regulation of the Cabinet of Ministers governing investments related to new electricity grid capacity, substations, transmission lines and smart energy distribution management.

Milestone 223 is the first step of the implementation of the investment, and it will be followed by target 224, milestone 225, target 226, milestone 227 and milestone 228, related to additional electricity grid capacity, completion of substations' works, overhead electricity network converted into cable network and smart distribution network management solution and studies and environmental impact assessment. The investment has a final expected date for implementation on 31 August 2026.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.	
2	Copy of the Regulation of the Cabinet of Ministers No. 432 of 2 July 2024, which was published in the Official Journal of the Republic of Latvia on 4 July 2024 and entered into force on 5 July 2024.	The Regulation lays down the rules and procedures for the implementation and monitoring of investment measure <i>C7.7-3-i- Upgrading, digitalising and securing the electricity transmission and distribution networks</i> of the national Recovery and Resilience Plan. Link to the Regulation published in the Official Journal: <a href="https://www.vestnesis.lv/op/2024/128.15">https://www.vestnesis.lv/op/2024/128.15</a> The legal document is also available on the website of the legal acts of the Republic of Latvia at this link: <a href="https://likumi.lv/ta/id/353320">https://likumi.lv/ta/id/353320</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

#### **Entry into force of Cabinet of Ministers' regulations governing investments related to new electricity grid capacity, substations, transmission lines and smart energy distribution management.**

The Regulation of the Cabinet of Ministers No. 432 adopted on 2 July 2024 (hereinafter "Regulation No. 432") was published in the Official Journal of the Republic of Latvia on 4 July 2024. If not specified otherwise in the Cabinet of Ministers' Regulation, the general rule of entry into force on the next day after the publication applies, as laid down in Article 7(2) of the Law on Official Publications and Legal Information of 31 May 2012, which entered into force on 1 July 2012. Since the Regulation No. 432 does not specify the date of its entry into force, the general rule applies, which means that it entered into force on 5 July 2024.

Regulation No. 432, as evident by its paragraph 1, lays down the rules and procedures for the implementation and monitoring of the investment measure *7.3.i - Upgrading, digitalising and securing the electricity transmission and distribution networks* of the national Recovery and Resilience Plan (RRP), which is a combination of several sub-investment projects. In line with the objectives of the RRP measure, at its sub-paragraph 2.2 Regulation No. 432 specifies that the overall objective of the investment is to improve the security and operation of the electricity transmission and distribution system by increasing the capacity of the system and its ability to integrate renewable energy generation capacities, and by modernising and digitalising the system.

In line with the milestone description, sub-paragraph 4.2 of Regulation No. 432 lists the output indicators to be delivered under the investment and their completion timeline:

- New electricity grid capacity and substations:
  - By 30 June 2026, the construction of a 110-kilovolt digital substation in the city of Kuldīga and the reconstruction of a 110-kilovolt substation in Carnikava parish of Ādaži municipality have been completed (4.2.1.).
  - By 30 June 2026, the capacity of the electricity distribution system has been increased by 70 megawatts by constructing new 110 kilovolt substations and increasing the capacity of existing 110 kilovolt substations (4.2.3).
- Transmission lines:
  - By 30 June 2026, the reconstruction of the existing transmission overhead lines of the electricity system into cable lines for a length of 150 kilometres has been completed (4.2.4).
- Smart energy distribution system:
  - By 30 June 2026, a smart grid management solution is in place, comprising the deployment of additional functions to the smart electricity distribution system management solution and the installation of at least 285 remotely controlled medium voltage switchgear and control equipment to enable remote control and fault identification of the electricity distribution system (4.2.5).

Paragraph 6 of Regulation No. 432 specifies that the support shall take the form of a grant. Paragraph 7 identifies in the Ministry of Climate and Energy the one responsible for the implementation of the investment. The same paragraph states that the Ministry, in addition to the tasks specified in the laws and regulations in the field of implementation and supervision of the Recovery and Resilience Plan, has the

obligations to send invitations to project applicants to submit project applications, to establish a commission for the evaluation of project applications, and to evaluate the submitted project applications and take decisions regarding approval or rejection of project applications. Paragraph 9 instead clarifies the role of the Central Finance and Contracting Agency, which shall ensure the implementation and supervision of investments in accordance with the laws and regulations laying down the procedures for the implementation and supervision of the Recovery and Resilience Plan. This includes supervising the implementation of projects and performing inspections regarding the absence of corruption, fraud, conflict of interests and double funding risk.

Paragraph 16 of Regulation No. 432 further describes the eligible activities contributing to the achievement of the indicators listed above:

- increasing the total capacity of the electricity distribution system, including construction of the necessary infrastructure (16.1);
- modernisation and development of the electricity distribution system, ensuring more stable operation of the energy supply system and improving the safety and quality of energy supply (16.2);
- improvement of the digital control of the electricity transmission and distribution system (16.3);
- improvement of electricity transmission network planning in order to make targeted investments in the network infrastructure, improve the quality and efficiency of network management, optimise the state of the network, increase network throughput and allow to connect additional renewable energy connection capacities (16.4).

Paragraph 30 of Regulation No. 432 lists the obligations pending on the beneficiary, which include among others:

- implementing the project in accordance with the laws and regulations laying down the procedures for the implementation and supervision of the Recovery and Resilience Plan;
- ensuring that the project and the activities to be supported are implemented in accordance with the principle "do no significant harm";
- performing the procurement necessary for the implementation of the project in accordance with the laws and regulations in the field of public procurement.

In addition to the obligations listed at Paragraph 30, Regulation No. 432, via its Paragraph 31, also impose the following obligations on the beneficiary of financing:

- within 10 working days after entering into the contract with the Central Finance and Contracting Agency, to submit to the management information system the planned schedule for the submission of progress reports. This includes specifying the type of the payment request (advance payment, interim payment, final payment), the amount of the payment request and the time of requesting it, and the procurement plan for all procurements planned for the implementation of the project;
- ensure timely input of the progress data of the project implementation into the management information system. Data shall be entered in the management information system at least twice a year.

The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the description and the qualitative indicator of milestone 223 and has undertaken the assessment on a revised basis. The description of the measure and the qualitative indicator refer to regulations in plural due to a translation error, as the Latvian word for regulation ("*noteikumi*") does not



distinguish between the singular and plural forms of the noun. Against this background, the justification and substantiated evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Related Measure:** C7.7-4-i- Increasing the uptake of sustainable biomethane [229]

**Number and name of the Milestone:** 229 Regulations governing investments in the biomethane sector

**Qualitative Indicator:** Legal provisions indicating the entry into force of the Regulations governing investments in the biomethane sector

**Time:** Q4 2024

### 1. Context:

The objective of the measure is to increase the uptake of sustainable biomethane. The measure shall result in: i) the construction of a new sustainable biomethane injection point (BIP); ii) the purchase and installation of an IT solution for the management of the new BIP, including the introduction of biomethane leak detection and prevention standards.

The milestone concerns the entry into force of the regulations of the Cabinet of Ministers on the legal framework for the investments in the construction of a biomethane injection point and in the purchase of an IT solution for the management of the input point.

Milestone 229 is the first step of the implementation of the investment and it will be followed by milestones 230, 231 and 232, related to the award of contracts for the construction of a regional biomethane injection point and for an IT solution for the smart management of the injection point (M230), to the completion of the construction of a regional biomethane injection point (M231), and to the purchase and installation of an IT solution (M232). The investment has a final expected date for implementation on 31 December 2024.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.	
2	Copy of the Regulation of the Cabinet of Ministers No. 432 of 2 July 2024, which was published in the Official Journal of the Republic of Latvia on 4 July 2024 and entered into force on 5 July 2024.	The Regulation lays down the rules and procedures for the implementation and monitoring of investment measure <i>C7.7-4-i- Increasing the uptake of sustainable biomethane</i> of the national Recovery and Resilience Plan. Link to the Regulation published in the Official Journal: <a href="https://www.vestnesis.lv/op/2024/128.15">https://www.vestnesis.lv/op/2024/128.15</a> The legal document is also available on the website of the legal acts of the Republic of Latvia at this link: <a href="https://likumi.lv/ta/id/353320">https://likumi.lv/ta/id/353320</a>

### 3. Analysis:

The justification and substantiating evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

**Entry into force of the regulations of the Cabinet of Ministers on the legal framework for the investments in the construction of a regional biomethane input point and in the purchase of an IT solution for the management of the input point.**

The Regulation of the Cabinet of Ministers No. 432 adopted on 2 July 2024 (hereinafter “Regulation No. 432”) was published in the Official Journal of the Republic of Latvia on 4 July 2024. If not specified otherwise in the Cabinet of Ministers’ Regulation, the general rule of entry into force on the next day after the publication applies, as laid down in Article 7(2) of the Law on Official Publications and Legal Information of 31 May 2012, which entered into force on 1 July 2012. Since the Regulation No. 432 does not specify the date of its entry into force, the general rule applies, which means that it entered into force on 5 July 2024.

Regulation No. 432, as evident by its paragraph 1, lays down the rules and procedures for the implementation and monitoring of the investment measure *7.4.i - Increasing the uptake of sustainable biomethane* of the national Recovery and Resilience Plan (RRP). Sub-paragraph 2.3 of Regulation No. 432 specifies that the overall objective of the investment is to increase the share of biomethane in the total natural gas transmission system and in the final energy consumption, and to introduce information technology solutions for the management of a biomethane injection point.

In line with the milestone description, sub-paragraph 4.3 of Regulation No. 432 lists the output indicators to be delivered under the investment and their completion timeline:

- By 30 June 2025, contracts have been entered into for the construction of the biomethane injection point, including the supply and installation of the equipment necessary for ensuring the operation of the biomethane injection point, and for the purchase and development of information technology solutions for the management of the biomethane injection point (4.3.1).
- By 31 December 2025, the construction of the biomethane injection point has been completed (4.3.2).
- By 30 June 2026, the development of the information technology solution for the management of the biomethane injection point, which includes the introduction of solutions for the detection and prevention of methane and biomethane leakage, has been completed (4.3.3).

Paragraph 6 of Regulation No. 432 specifies that the support shall take the form of a grant. Paragraph 7 identifies in the Ministry of Climate and Energy the one responsible for the implementation of the investment. The same paragraph states that the Ministry, in addition to the tasks specified in the laws and regulations in the field of implementation and supervision of the Recovery and Resilience Plan, has the obligations to send invitations to project applicants to submit project applications, to establish a commission for the evaluation of project applications, and to evaluate the submitted project applications and take decisions regarding approval or rejection of project applications. Paragraph 9 instead clarifies the role of the Central Finance and Contracting Agency, which shall ensure the implementation and supervision of investments in accordance with the laws and regulations laying down the procedures for the implementation and supervision of the Recovery and Resilience Plan. This includes supervising the implementation of projects and performing inspections regarding the absence of corruption, fraud, conflict of interests and double funding risk.

Paragraph 18 of Regulation No. 432 further describes the eligible activities contributing to the achievement of the indicators listed above:

- uptake of biomethane produced from renewable energy sources into the existing natural gas transmission system (18.1);

- the construction of the biomethane injection point and the development of an information technology solution for the management of the biomethane injection point and for the detection and prevention of the leakage of methane and biomethane (18.2).

Paragraph 30 of Regulation No. 432 lists the obligations pending on the beneficiary, which include among others:

- implementing the project in accordance with the laws and regulations laying down the procedures for the implementation and supervision of the Recovery and Resilience Plan;
- ensuring that the project and the activities to be supported are implemented in accordance with the principle "do no significant harm";
- performing the procurement necessary for the implementation of the project in accordance with the laws and regulations in the field of public procurement.

In addition to the obligations listed at Paragraph 30, Regulation No. 432, via its Paragraph 31, also impose the following obligations on the beneficiary of financing:

- within 10 working days after entering into the contract with the Central Finance and Contracting Agency, to submit to the management information system the planned schedule for the submission of progress reports. This includes specifying the type of the payment request (advance payment, interim payment, final payment), the amount of the payment request and the time of requesting it, and the procurement plan for all procurements planned for the implementation of the project;
- ensure timely input of the progress data of the project implementation into the management information system. Data shall be entered in the management information system at least twice a year.

Moreover, by virtue of paragraph 32 of Regulation No. 432, the beneficiary of financing in relation with the performance of the eligible activities covered by paragraph 18 of the same Regulation is obliged to ensure that biomethane injected into the new injection point conforms to the requirements of the laws and regulations in the field of sustainability of renewable energy resources and greenhouse gas emissions saving criteria, which is in line with the objective of the measure.

The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the description and the qualitative indicator of milestone 229 and has undertaken the assessment on a revised basis. The description of the measure and the qualitative indicator refer to regulations in plural due to a translation error, as the Latvian word for regulation ("*noteikumi*") does not distinguish between the singular and plural forms of the noun. Against this background, the justification and substantiated evidence provided by the Latvian authorities cover all constitutive elements of the milestone.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.