TAIEX SRSP Workshop on Policy Coordination and Performance Assessment of Public Policies

Zagreb - Croatia
20 - 21 February 2020

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ec.europa.eu/dgs/fpi/
Central government process of development planning
Development supervision & assessment in Latvia

TAIEX SRSP Workshop
Ms. Māra Simane, Adviser
Cross-Sectoral Coordination Centre, LATVIA

Zagreb, 20 - 21 February 2020
The Centre of Government organisational structure

Prime Minister

- Cross-Sectoral Coordination Centre
- Prime Minister’s Office
- State Chancellery

- Development Planning, Supervision and Assessment
- Coordination of the SOEs
- Advisors to the Prime Minister
- Coordination of the Cabinet’s and Prime Minister’s Work
- Public Administration and Human Resources Development Policy
Cross Sectoral Coordination Centre functions

- National Development Plan 2014-2020
- Sustainable Development Strategy of Latvia 2030
- Improving the Planning System
- Facilitating the implementation of the Declaration of the Cabinet of Ministers and its Action Plan
- Secretariat of the National Development Council
- Special Tasks for the Prime Minister
21st century policy principles

- Sustainable development
- Subsidiarity/ balanced
- Results-oriented
- Participatively created
- Logically structured
- Evidence based
- Using behavioral insights
- Prescribing what is financed
- Financially feasible/ Fiscally Responsible
## Policy & legal enactments

### Policy planning

**Answers: Why and how to do it?**

- Need to concentrate on outcomes
- Usually involves different stakeholders
- Developed by ministries

**Example**

*Inclusive employment policy*

### Legal enactments

**Answers: What must be done?**

- Need ensure everyone complies
- Usually a specific responsible authority
- Developed by ministries or parliament

**Example,**

*Labour Law*
... if we need policy....

Policy documents must be clear and logical!!
Policy planning historic highlights

After renewing independence in 1991 Latvia produced legislative drafts, by 1994 governments wanted to make strategies to achieve goals.

• Policy planning framework (2001)
• Law on the Administrative Process (2001)
• Law on the State Administrative Structure (2003)
• Policy impact assessments (2005)
• Performance indicator framework (2008)
• Law on the Development Planning System (2008)
• Law on Spatial Development Planning (2011)
• Budget Law (1994) includes Medium Term Framework (2011)
• Law on Fiscal Discipline (2013)
• Agenda 2030 (2015)
Conceptual document “Latvia Growth Model: People First”

- Latvia Sustainable Development Strategy to 2030
- National Development Plan
- Regional Development Programme
- Local Development Programme

**UN Agenda 2030 (SDGs)**
- Long-term (up to 25 years)

**National Reform Programme “EU2020” strategy**
- Medium-term (up to 7 years)

**Other**
- Short-term (1-5 years)
- Conceptual reports
- National positions

**Political guidance documents – government declaration and action plan**

**Policy frameworks**

**Policy plans**

**National positions**

**National level**  **Regional level**  **Local level**
National Development Plan (NDP) is at the centre of planning (7 year plan)

Law on the Development Planning System

- NDP is the highest medium term development planning document *Article 9 (2)*
- defines content of NDP *Article 11(3)*
- planning of EU policy instruments and foreign financial assistance is primarily based on National Development Plan *Article 11 (3)*
- responsibility of Prime Minister/Cabinet of Ministers, Parlament *Article 11 (12)*.
Policy frameworks and plans

Policy framework – medium term strategy (7 years)

Plans concrete, short term document (1-5 years)

Plans concrete, short term document

Plans concrete, short term document
**Appendices of Frameworks and Plans are about the Budget**

<table>
<thead>
<tr>
<th>Uzdevums</th>
<th>Pasākums</th>
<th>Budžeta programmas (apaks-programmas) kods un nosaukums</th>
<th>Vidēja termina budžeta ietvarā likumā plānotais finansējums</th>
<th>Nepieciešamais papildu finansējums</th>
<th>Pasākuma īstenošanas gads (ja pasākuma īstenošana ir terminēta)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>n gads</td>
<td>n + 1</td>
<td>n + 2</td>
</tr>
<tr>
<td>Finansējums plāna realizācijai kopā</td>
<td></td>
<td></td>
<td>0</td>
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<td>0</td>
</tr>
<tr>
<td>tajā skaitā</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>x. Budžeta resors</td>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>xx. Budžeta resors</td>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Pašvaldību budžets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. uzdevums</td>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Decision making process on institutional policy documents

1. **The State Secretaries’ meeting approves submitted policy documents**
   1. Decides on the necessity of public discussion
   2. The State Chancellery places the draft and related documents on the Internet homepage of the Cabinet of Ministers, others can propose they will submit opinions

2. **Coordination of the draft by the submitting ministry**
   1. Institutions submit opinions
   2. Compiled in a form
   3. Meeting of engaged stakeholders

3. **Cabinet Committee Meetings discuss disputes (optional)**

4. **Cabinet Meetings for approval**
The National Development Plan
Two NDP planning periods

**NDP 2014-2020**
- After financial crisis – limited fiscal space
- 3 small working groups
- Steering committee – multi-stakeholder
- Supportive parliament committee
- Public hearings

**NDP 2021-2027**
- Fiscal space not defined
- 6 participative working groups
- Steering committee – political
- Critical parliament committee (headed by opposition)
- Twice the number of public hearings
# Structure of NDP2027

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>Preparation of the documents and its place in planning system</td>
</tr>
<tr>
<td>Vision</td>
<td>Overarching theme and vision of Latvia in 2027, major fundamental changes</td>
</tr>
<tr>
<td>Framework</td>
<td>The structure of the operational part</td>
</tr>
<tr>
<td>Strategic goals</td>
<td>Strategic goals and macro level indicators</td>
</tr>
<tr>
<td>Priorities and directions of actions</td>
<td>Justification of the priority, directions of actions (policy outcomes), indicators, tasks, identification of responsible and co-responsible institutions, key sources of finance (general government budget, including EU funds 2021-2027, foreign financial assistance etc.)</td>
</tr>
<tr>
<td>Spatial planning</td>
<td>Elaboration of the spatial perspective of Latvia 2030</td>
</tr>
<tr>
<td>Implementation, monitoring, financing</td>
<td>Procedures for the implementation, monitoring, financing and amending of the plan</td>
</tr>
<tr>
<td>Attachment</td>
<td>Supporting justification for priorities and directions for actions. References to sources of justification</td>
</tr>
</tbody>
</table>

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Operational part

Vision part
NDP2027 FRAMEWORK

OVERARCHING THEME

STRATEGIC AIMS

Priorities

Priority Directions

Strong families, a healthy and active population
- Human-centered healthcare
- Psychological and emotional wellbeing
- Strong families across generations
- Social inclusion

Knowledge and skills for personal and national growth
- Science for the development of society, growth of the national economy and security
- High quality, accessible and inclusive education

Competitiveness of companies and material welfare
- Productivity and innovation
- Jobs and income
- Capital and business environment

Quality living conditions and territorial development
- Nature and environment
- Technological environment and services
- Balanced regional development
- Housing

Culture and sports for active and fulfilling life
- Public participation in culture and sport activities
- Contribution of culture and sport to a sustainable society

A united, secure and open society
- Cohesion
- Rule of law and governance
- Security
Performance Indicators in Planning Documents

Latvia 2030

NDP 2014-2020  NAP 2021-2027

(Policy Frameworks, Plans)

<table>
<thead>
<tr>
<th>Measurable Outcomes for the Goal</th>
<th>Base value (year)</th>
<th>2014</th>
<th>2017</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>[141] Number of economically active commercial companies</td>
<td>65 629 (2010)</td>
<td>67 000</td>
<td>75 000</td>
<td>80 000</td>
<td>90 000</td>
</tr>
<tr>
<td>[142] Length of the adjudication of civil cases under action filing procedures not exceeding 12 months in all the courts of the first instance (% of all matters)</td>
<td>73.2 (2011)</td>
<td>80</td>
<td>85</td>
<td>92</td>
<td>96</td>
</tr>
<tr>
<td>[143] Latvia’s position in the Doing Business Index</td>
<td>21 (2011)</td>
<td>20</td>
<td>17</td>
<td>13</td>
<td>11</td>
</tr>
</tbody>
</table>
### Programming Funding for Development

<table>
<thead>
<tr>
<th>Target area: entire Latvia</th>
<th>MOE, MoEPRD, local governments</th>
<th>budget financing and private funding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>10.</strong> [133] By developing a specialised assistance instrument, support the creative industry to develop culture-based investment and promote partnerships between culture, science and business in boosting the export capacity of businesses in the creative industries (including the audiovisual sector) and the international competitiveness of the country</td>
<td>MoC (MoE, MoEPRD, NGOs)</td>
<td>Cohesion Policy funds, state budget funding</td>
</tr>
<tr>
<td><strong>11.</strong> [134] Support for design projects of the creative industries that ensure the development of new products for export and their implementation in production</td>
<td>MoC (MoE)</td>
<td>Cohesion Policy funds, state budget funding</td>
</tr>
</tbody>
</table>

| Total indicative funding available for the implementation of the Strategic Objective, in million LVL: | 766.7 |
Interface with the Budget and EU investments

<table>
<thead>
<tr>
<th>Latvijas Nacionālais attīstības plāns 2014. – 2020. gadam</th>
</tr>
</thead>
</table>

**Table:**

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>Development of strategic guidelines and operational programs for the period 2014-2020, including the following areas:</td>
</tr>
<tr>
<td></td>
<td>- Environment and energy efficiency (1023)</td>
</tr>
<tr>
<td></td>
<td>- Employment and education (767)</td>
</tr>
<tr>
<td></td>
<td>- Innovation and higher education (1226)</td>
</tr>
</tbody>
</table>

**Diagram:**

- Priorities:
  - Economic reforms and labor market integration (3896 mil., LVL)
  - Augmenting and export-oriented industries (767)
  - Incentives for innovation and higher education (1023)
  - Environment and energy efficiency (1226)

**Diagram Notes:**

- Various segments and indicators related to the above priorities.
The Budget Process

Medium Term Budget Planning 11/06/2019

Law on Budget and Financial Management
Fiscal discipline law

Law “On State Budget 2020”

Medium Term Budget Framework Law
2020 2021 2022

Law “On State Budget 2021”

Medium Term Budget Framework Law
2021 2022 2023

Law “On State Budget 2022”

Medium Term Budget Framework Law
2022 2023 2024

National Development plan and other policy development planning documents

Development supervision & assessment in Latvia
Policy Impact Assessment Themes
From regulation # 737 on policy planning

35.1 impact on the macroeconomic environment, the business environment, administrative burden and related costs

35.2 social impact

35.3 environmental impact

35.4 impact on territorial development

35.5 the impact on state and local budgets

35.6 impact on administration functions and human resources

35.7 the impact on the system of legal norms and Latvian international obligations

35.8 impact on human rights, especially the individual's right to privacy with regard to the processing of personal data
NDP2020 Monitoring & Evaluation

Prime Minister’s Bi-Annual Address to Saeima:

**NDP 2020 Progress Report in 2015**

Benchmark results and identify areas needing additional research or policy changes

**Mid Term Review in 2017**

Prepare for NAP2027 and establish the basis for Latvia’s national priorities for the next ES Funds planning period

**NDP 2020 Progress Report in 2019**

**NAP2020 Final Report in 2021**
Where is the evidence?

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><a href="http://ec.europa.eu/eurostat">http://ec.europa.eu/eurostat</a></td>
</tr>
<tr>
<td>Longitudinal studies</td>
<td>Narcotics use</td>
</tr>
<tr>
<td>Regular reports</td>
<td>Medium and long term employment forecasts</td>
</tr>
</tbody>
</table>
69% of the indicators measurements – good and satisfactory level

18% - low progress

13% - unsatisfying results

PROGRESS INFOGRAPHIC

2015
Mid-Term Review in 2017

• Trends in outcomes
• Investments in outcomes
• Expert opinion on priorities
• GAP analysis from SDGs
• Initial recommendations for NDP2027
Mid Term Review 2017
Progress on outcomes - at risk of poverty

Vecāku pabalsta apmērs novados – 2016. gads

Ģimenes valsts pabalsta saņemēju skaits - 2016. gads
Mid Term Review
Budget investments, by strategic objectives, milj. eiro

Plānotās valsts budžeta investīcijas, milj. eiro

<table>
<thead>
<tr>
<th>Strukturēta CS</th>
<th>Valsts budžeta investīcijas uz 2016.g. 31.decembri, milj. eiro</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,20</td>
<td>96,5</td>
</tr>
<tr>
<td>152,3</td>
<td>9,5</td>
</tr>
<tr>
<td>141,5</td>
<td>33,5</td>
</tr>
<tr>
<td>91,0</td>
<td>33,8</td>
</tr>
<tr>
<td>117,5</td>
<td>33,8</td>
</tr>
<tr>
<td>192,9</td>
<td>169,7</td>
</tr>
<tr>
<td>267,5</td>
<td>133,6</td>
</tr>
<tr>
<td>475,6</td>
<td>288,3</td>
</tr>
<tr>
<td>314,1</td>
<td>75,8</td>
</tr>
</tbody>
</table>

Energoefektivitāte un enerģijas ražošana
Attīstīta pētniecība, inovācija un augstākā izglītība
Izcilā uzņēmējdarbības vide
Augstāžīga un ekspirtsējiga ražošana un starptautiski konkurētspējīgi pakalpojumi
Cilvēku sadarbība, kultūra un pilsoniskā īdzīvotā līdzdalība kā piederības Latvijai pamats
Vesels un darbspējīgs cilvēks
Kompetenču attīstība
Stabili pamati tautas ataudzei
Cienīgs darbs
Dabas un kultūras kapitālu ilgstošīga apsaimniekošana
Pakalpojumu pieejamība līdzvērtīgu darba iespēju un dzīves apstākļu radīšanai
Ekonomiskās aktivitātes veicināšana reģionos – teritoriju potenciāla izmantošana

IZAUGSMI
ATBALSTOŠAS TERITORIJAS
CILVĒKA DROŠUMSPĒJA
TAUTAS
SAIMNIECĪBAS
IZAUSME

32
Mid Term Review
EU funds investments by strategic objectives, milj. eiro

**TAĻUTAS SAVMIKSTĪBAS IZASME**

- Energoefektivitātes un energijas ražolana: 4,73 milj. eiro, 334,81 milj. eiro
- Atiestabīta pētnieciešanā, inovācijā un augstākā izglītība: 0,19 milj. eiro, 556,71 milj. eiro
- Izciņa uzņēmējdarbības vide: 3,29 milj. eiro, 561,35 milj. eiro
- Augstas līmeņa un eksportspējīgas ražolana un starptautiski konkurētspējīgi pakalpojumi: 75,26 milj. eiro, 748,96 milj. eiro

**CILVĒKA DROŠĪBA**

- Cilvēku sadarbība, kultūra un pilsoniskā līdzdalība kā biedrības Latvijām pamats: 0,56 milj. eiro, 36,96 milj. eiro
- Vesels un darbspējīgs cilvēks: 0,62 milj. eiro, 225,60 milj. eiro
- Kompetenču attīstība: 0,03 milj. eiro, 343,54 milj. eiro
- Stabili pamati tautas atsauces: 0,26 milj. eiro, 8,98 milj. eiro
- Cienīgs darbs: 41,93 milj. eiro, 328,03 milj. eiro

**IZAUGSMI ATBALSTOŠAS TERITORIJAS CILVĒKA DROŠĪBA**

- Dabas un kultūras kapitāla ilgtspējīgā apsaimniekošana: 176,68 milj. eiro, 438,01 milj. eiro
- Pakalpojumu pieejamība līdzvērtīgu darba iespēju un drīzves apstākļu radīšanai: 148,18 milj. eiro, 783,80 milj. eiro
- Ekonomiskās aktivitātes veicināšana regionos – teritoriju potenciāla izmantolana: 144,10 milj. eiro, 471,12 milj. eiro

# Uz 2016.g. 31.decembri veiktās ES fondu investīcijas
# Atlikušajos periods veicamās ES fondu investīcijas
## Mid-term review – NDP2020 Expert Assessment

<table>
<thead>
<tr>
<th>Positive trends</th>
<th>Critical</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rādītāji</td>
<td>Sentiments</td>
</tr>
<tr>
<td>IKT / e-pārvaldība</td>
<td>Green</td>
</tr>
<tr>
<td>Nodarbinātība</td>
<td>Green</td>
</tr>
<tr>
<td>Kultūras kapitāls</td>
<td>Green</td>
</tr>
<tr>
<td>Dabas kapitāls</td>
<td>Yellow</td>
</tr>
<tr>
<td>Globālie indeksi</td>
<td>Green</td>
</tr>
<tr>
<td>Dzimstība</td>
<td>Yellow</td>
</tr>
<tr>
<td>Augstāko izglītību ieguvušo skaits</td>
<td>Yellow</td>
</tr>
<tr>
<td>Veselība</td>
<td>Red</td>
</tr>
</tbody>
</table>
NDP Conference and recommendations

- Trust as important (new strategic indicator in new NDP)
- Universities collaborate on core programmes, for example IT (being implemented)
- Increase financing, activities to promote R&D (included in new NDP)
- Family and children programme (a new priority direction in NDP2027)
**IAM #9**  
inclusive and inovative economy

<table>
<thead>
<tr>
<th>Indicator</th>
<th>NAP2020</th>
<th>Latvia 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latvia in “Doing Business” index</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Latvia in Global Competitiveness Index</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Share of exports of high-tech sectors in total exports value</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Apstrādes rūpniecības ipatsvars no kopējās pievienotās vērtības</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Researchers employed in private sector (as % of total, in full-time equivalent)</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Piešķirtie Eiropas patenti, kas pieteikti no zinātniekiem, kas rezidē Latvijā</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Share of expenditure on R&amp;D in GDP (annual)</td>
<td></td>
<td>-1</td>
</tr>
<tr>
<td>Private sector investment in R&amp;D (%)</td>
<td></td>
<td>-1</td>
</tr>
</tbody>
</table>

Latvijas Ziņojums ANO par Ilgtspējīgas attīstības mērķu ieviešanas pirmais pielikums Índikatoru tabula  
Cross Sectoral Coordination Centre Functions

- National Development Plan 2014-2020
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Improving Planning System

- Unify database of impact assessments and other research
- Reducing policy frameworks when they are obvious
- Ensuring policy frameworks on horizontal issues
- Encouraging the use of plans
- Use of mid-term impact assessments to plan new policy
- Providing forums for sector planning officials
Cross Sectoral Coordination Centre Functions

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- Secretariat of the National Development Council
- Special Tasks for the Prime Minister
## Government Declarations and Government Action Plans

<table>
<thead>
<tr>
<th>Declaration point</th>
<th>Activity to achieve aim of declaration</th>
<th>Result of Activity</th>
<th>NDP*</th>
<th>Responsible institution</th>
<th>Co-responsible</th>
<th>Date of Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>27. We continue to build a professional, efficient, modern, results-oriented public administration, facilitating remote working capabilities with the introduction of e-government principles of public services to make improvements to the &quot;Network Readiness&quot; rating index.</td>
<td>27.4. Public administration information systems architecture developed and completed. Implement solutions paperless circulation of documents in the public administration and between public administration and physical and legal entities, in order to improve the management of ICT and improve the public service system.</td>
<td>1. The public administration information system model architecture concept submitted to the Cabinet of Ministers.  2. The public administration information system model architecture implementation plan submitted to the Cabinet of Ministers.  3. The Draft State Law on Information and Communication Technology submitted to the Cabinet of Ministers.  4. Paperless circulation of documents achieved - 90% volume.</td>
<td>415, 408</td>
<td>VARAM</td>
<td>FM, CFLA</td>
<td>1. 01.06.2015.  2. 01.12 2015.  3. 30.06.2016.  4. 01.10.2018.</td>
</tr>
</tbody>
</table>
Cross Sectoral Coordination Centre Functions

- National Development Plan 2014-2020
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The National Development Council

- New Political Initiatives for the Government Budget Process
- Significant reforms
- Monitoring
- NDP2020 and Latvia2030 implementation, monitoring, and evaluation
- Government Declarations and Action Plans
Organisational Structure

National Development Council (NAP)
Headed by PM, participants – Ministers of Education and Science, Environmental Protection and Regional Development, Economics, Finance. Heads of Latvian Local Government Association, the Parliament Standing Committee on Sustainable Development, The Latvia Chamber of Commerce and Industry, The Employers’ Confederation of Latvia, The Latvian Employers Confederation, a representative of the President of Latvia

Secretariat: CSCC

Analysis of Issues
Experts, Advisors, Academics

Ministries implement decisions

Initiate Discussion Topics:
Saeima, President, Prime Minister, members of the Council
The Parliament

Foto: courtesy of the Latvian New Agency
LETA
With responsibility for the future of Latvia!

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TAIEX SRSP Workshop on Policy Coordination and Performance Assessment of Public Policies

Zagreb - Croatia
20 - 21 February 2020