Latvia’s National Development Plan
2014 – 2020

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Republic of Latvia

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National Development Plan 2020

Requirement of the National Development Plan is stipulated in a number of laws and regulations, as it is the main medium term planning document in Latvia. The NDP is closely linked with other two important planning documents – Sustainable Development Strategy of Latvia until 2030 and National Reform Programme for the implementation of the “EU2020” strategy.
Policy Planning Hierarchy

National Reform Programme for the implementation of the “EU2020” strategy

Latvia 2030

National Development Plan 2014 - 2020

Sectoral and regional/local development planning documents
Some Words on Process

Preparation of the NDP was started in January 2012. The main responsibility over the preparation of the document was placed on the new institution – Cross-sectoral Coordination Centre which is directly subordinated to the Prime Minister of the Republic of Latvia. Preparation process of the NDP was very inclusive and followed by wide public consultations.
NDP2020 Key Partners

**Public Sector Institutions**
- Cross-Sectoral Coordination Centre
- Prime Minister’s Office
- Ministry of Defence
- Ministry of Foreign Affairs
- Ministry of Economics
- Ministry of Finance
- Ministry of Interior
- Ministry of Education and Science
- Ministry of Culture
- Ministry of Welfare
- Ministry of Transport
- Ministry of Justice
- State Chancellery
- Ministry of Environmental Planning and Regional Development
- Ministry of Health
- Ministry of Agriculture

**Social Partners and NGO’s**
- Employers’ Confederation of Latvia
- Free Trade Union Confederation of Latvia
- Latvian Association of Local and Regional Governments
- Latvian Association of Big Cities
- Latvian Chamber of Commerce and Industry
- Latvian Academy of Sciences
- Latvian Rectors’ Council
- Student Union of Latvia
- Centre for Public Policy “Providus”
- Latvian Rural Forum
- European Movement – Latvia!
- Riga Planning Region
- Kurzeme Planning Region
- Zemgale Planning Region
- Latgale Planning Region
- Vidzeme Planning Region
## Process in Brief

<table>
<thead>
<tr>
<th>Month</th>
<th>Key Event</th>
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<tbody>
<tr>
<td>January</td>
<td>NDP2020 methodology developed&lt;br&gt;Management Group approved</td>
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<tr>
<td>March</td>
<td>Government adopts the leitmotiv of NDP2020 – «Economic Breakthrough»&lt;br&gt;Three working groups (50:50) start to work on detailed elaboration of priorities</td>
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<td>May</td>
<td>Draft Ver.1 NDP2020 published&lt;br&gt;Public consultations on Draft Ver.1 NDP2020</td>
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<tr>
<td>June</td>
<td>Draft Ver.2 NDP2020 prepared</td>
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<td>July</td>
<td>Draft Ver.2 NDP2020 discussed within the Management Group</td>
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<tr>
<td>August</td>
<td>Government approves Initial NDP2020 on August 14&lt;br&gt;Public consultations on Initial NDP2020 from August 15</td>
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<tr>
<td>September</td>
<td>Public consultation ends on September 21 with more than 3000 proposals (meetings and web)&lt;br&gt;Preparation of Final NDP2020</td>
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<tr>
<td>October</td>
<td>Government approves Initial NDP2020 on October 23</td>
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<tr>
<td>November</td>
<td>Saeima (parliament) committees review NDP2020&lt;br&gt;Government reviews changes proposed by the Saeima and decides on the Final NDP2020</td>
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<tr>
<td>December</td>
<td>Saeima approves Final NDP2020</td>
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Decision Making Process

Three public consultation rounds up to now
* 459 proposals on NDP Priority Substantiation Report
* >600 proposals on Draft Ver. 1 NDP2020
* >3000 proposals on Initial NDP2020

Daily meetings with stakeholders and information in mass media

Management Board heads all the process and is consulted at each step
Working groups elaborated priorities into strategic objectives and individual measures

Public consultations

Meetings with stakeholders

Management Board

Three working groups

Regular reporting to the Cabinet of Ministers
Regular informal seminars for ministers and coalition

Sittings of the Cabinet of Ministers

Parliamentary procedure
Priorities and Directions of Activity

Main challenge thorough the NDP2020 process was to create well-founded medium term vision for balanced economic growth when consequences of the fiscal crises due to consolidation efforts of national budget has left multifold of basic societal needs and has increased social gap, the grey economy has grown and the development of innovation has shrunk.
• **Overall principle** – all actions must be commensurable with available financial resources and must not undermine fiscal stability of the country (fiscal discipline)

• **Criteria for actions:**

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<th>Requirement</th>
<th>Description</th>
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<tr>
<td>Complies with Latvija2030 and NRP of Europe2020</td>
<td>Concrete and precise, provides for result</td>
</tr>
<tr>
<td>Additional gains for country’s development</td>
<td>Cost and benefit balance is positive, costs are proportionate</td>
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<tr>
<td>Increases of enterprises’ international competitiveness</td>
<td>Improves quality, accessibility or decreases costs</td>
</tr>
<tr>
<td>Increases of enterprises’ international competitiveness</td>
<td>Sustainable, does not endanger environment</td>
</tr>
<tr>
<td>Enhances employment, decreases unemployment</td>
<td>Strategic importance</td>
</tr>
<tr>
<td>Reduces socioeconomic disparities</td>
<td>Increases of country’s international competitiveness</td>
</tr>
<tr>
<td>Reduces income inequality</td>
<td>Utilises culture, nature, infrastructure and human resources</td>
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<tr>
<td>Reduces depopulation and ageing</td>
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**Latvia2030 → NDP2020**

**Latvia2030 priorities**

- Innovative government and participation of the society
- Perspective of spatial development
- Nature as future capital
- Innovative and eco-efficient economy
- Investments in human capital
- Change of paradigm in education
- Development of culture space

**NDP Priority Substantiation Report**

- HUMAN SECURITABILITY (a form of resilience)
- Growth of the national economy
- Regions for growth

**NDP2020 priorities**

- Economic Breakthrough

**NDP2020 LEITMOTIV**
**Strategic Objective**

Economic breakthrough ensuring increase of population’s wellbeing and state’s sustainable development until 2020 by achieving average GDP growth of 5%
NAP2020 Strategic Block
Growth of the National Economy

GOAL OF PRIORITY:

- Sustainable growth of Latvia's economy with increasing national competitiveness in international markets.

MACRO LEVEL RESULTS:

- Manufacturing industry output, % of GDP
- Export of goods and services, % of GDP
- Productivity in the processing industry
- Investment in research and development, % of GDP
- Productivity of the utilisation of natural resources
GOAL OF PRIORITY:
• To create a strong middle class and ensure demographic growth in Latvia - a country where everyone is enabled to secure his or her own development and the development of his or her family and the nation

MACRO LEVEL RESULTS:

- Change in the population figures, in absolute numbers
- P90/P50 income quintile share ratio, %
- Share of consumption for recreation and culture of total household expenditure for consumption, %
- Satisfaction with life
GOALS OF PRIORITY:

• The creation of more equal employment opportunities and living conditions for all the people by using the development potential and unique resources of the territories

• The strengthening of the competitiveness of Latvia's regions by increasing the international role of Riga as a North European Metropolis and other large large cities of this country

MACRO LEVEL RESULTS:

- Territory development index in planning regions
- Dispersion of regional GDP per capita
- The proportion of the residents of Riga planning region of the total number of residents in the country in the beginning of the year
Sources of Financing

Private investments
EU Cohesion and Agriculture / Fisheries Funds
EU Budget Instruments
Other foreign assistance
State (middle term) budget
Local government budget
NDP2020
First Steps of NDP Implementation

NDP2020 → 3 priorities / 12 directions of activities

→ Approved at the end of 2012

Negotiations with the Commission on Partnership Agreement → agreement on how Latvia would deliver the EU funds

→ Dialogue during I half of 2013

Sectoral policy planning documents → priorities for branch development

→ Approval by the Cabinet of Ministers in spring / summer 2013
Yours sincerely,

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