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



**Zagreb - Croatia**
**20 - 21 February 2020**

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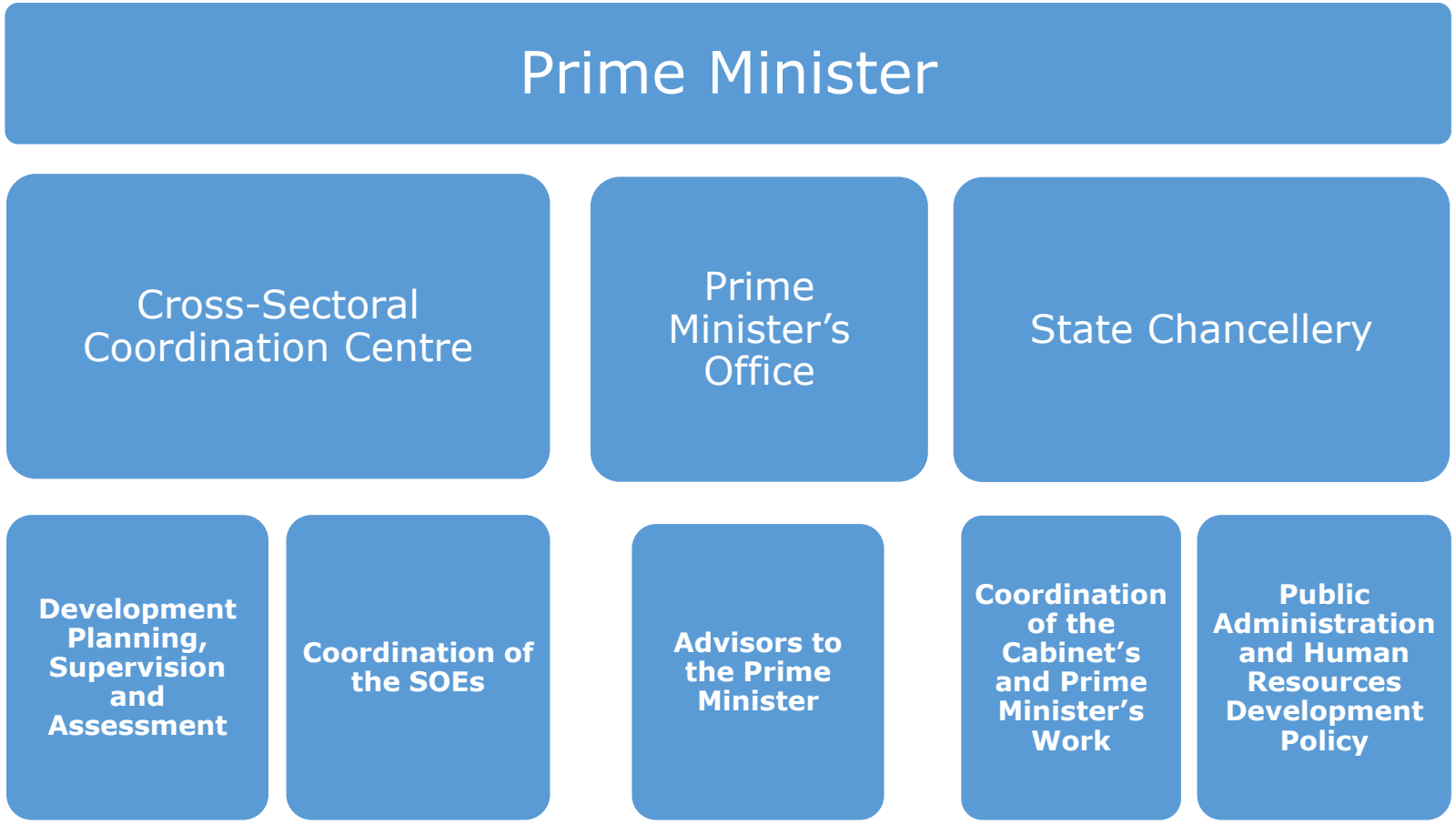
Cross-Sectoral
Coordination Centre
Republic of Latvia

# Central government process of development planning Development supervision & assessment in Latvia

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

**Zagreb, 20 - 21 February 2020**

# The Centre of Government organisational structure



# Cross Sectoral Coordination Centre functions



# 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….

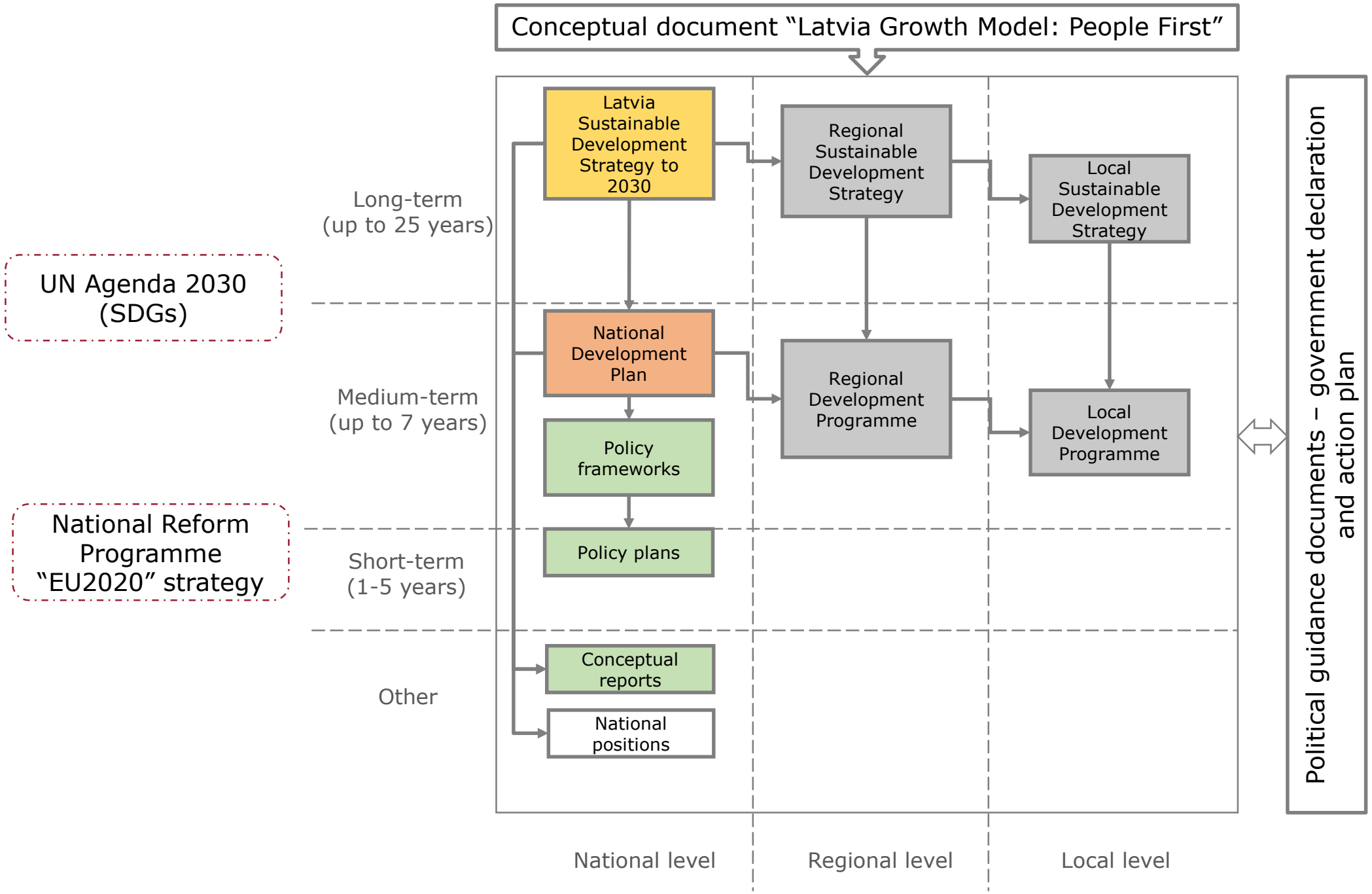
**Policy documents must be clear and logical !!**



# 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
Regional Sustainable Development Strategy
Local Sustainable Development Strategy
National Development Plan
Regional Development Programme
Local Development Programme
Policy frameworks
Policy plans
Conceptual reports
National positions
Long-term (up to 25 years)
Medium-term (up to 7 years)
Short-term (1-5 years)
Other
UN Agenda 2030 (SDGs)
National Reform Programme "EU2020" strategy
National level
Regional level
Local level
Political guidance documents – government declaration and action plan

Latvia Sustainable Development Strategy to 2030

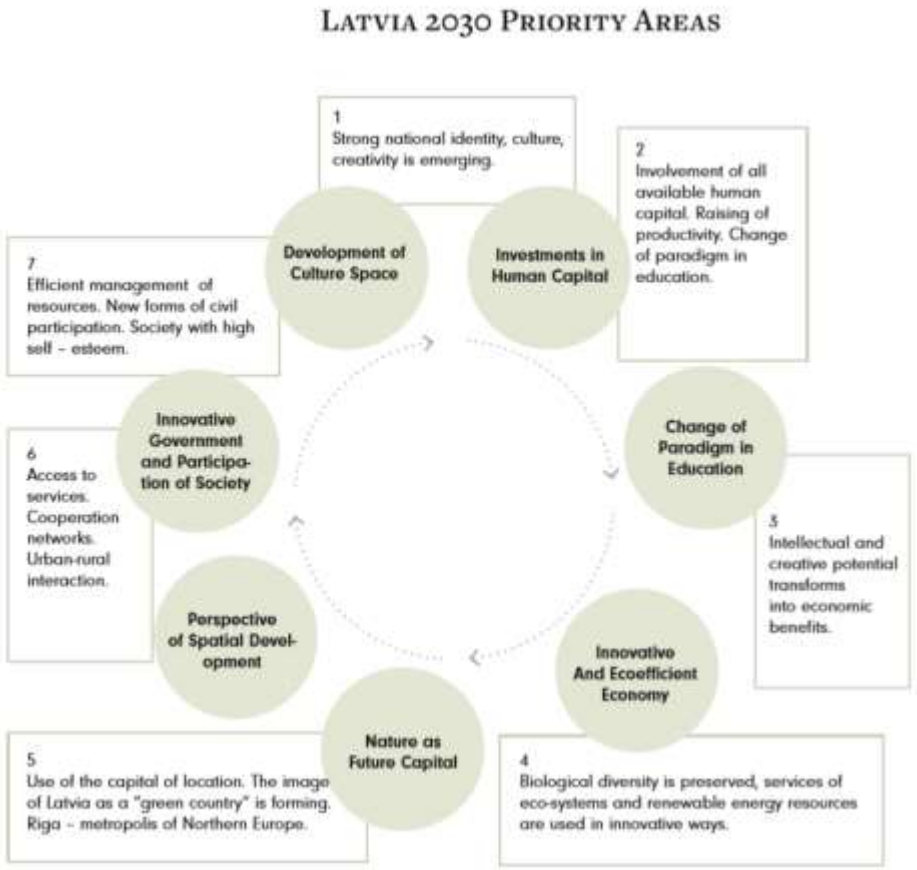
# Latvia's Sustainable Development Strategy to 2030 (20 year plan)

## 4 Innovative and Eco-efficient Economy

| | | | |
|---|---|---|---|
| Balance of external trade (export-import, bill. EUR per year) | -4.04 | >0 | Eurostat, 2008 |
| Energy dependence – net import of energy resources/gross domestic energy consumption plus bunkering (%) | 61.5 | <50 | Eurostat, 2007 |
| Expenditure for research and development from GDP per year (%) | 0.61 | >3 | Eurostat, 2008 |
| Energy intensity in economics – gross domestic energy consumption against GDP (kg of petroleum equivalent per 1000 EUR from GDP) | 306.60 | <150 | Eurostat, 2007 |
| Proportion of export of high technology sectors from total annual export | 4.25 | >15 | Eurostat, 2006 |
| Proportion of RER from gross domestic energy consumption (%) | 29.7 | >50 | Eurostat, 2007 |
| Turnover of innovative products (% from total turnover) | 3.4 | >14 | Eurostat, 2007 |
| Proportion of innovative enterprises (% from all enterprises) | 19.6 | >40 | CSB, 2008 |

## 5 Nature as Future Capital

| | | | |
|---|---|---|---|
| Proportion of recycled waste (% from the collected waste per year) | 34 | >80 | CSB, 2008 |
| Productivity of use of natural resources (EUR/ton of resources) | 520 | >1550 | Eurostat, 2005 |
| Greenhouse gas emissions per year (against amount of emissions per base year) (Kyoto Protocol) | 46.6 | <45 | Eurostat, 2007 |
| Proportion of area of special areas of conservation (% of the state territory) | 18 | 18 | LEGMA, 2007 |
| Rural bird index (1999=100) | 99.4 | >120 | Eurostat, 2006 |
| Areas used in biological farming (% from all utilised agricultural land) | 9.8 | >15 | Eurostat, 2007 |
| Forest cover (area of forests, % from the whole state territory) | 49.9 | 55 | CSB, 2008 |
| Inflow of nitrogen/phosphorus compounds in surface freshwater bodies (tons per year) | 3717/424 | <2500/300 | LEGMA, 2007 |




https://www.pkc.gov.lv/sites/default/files/inline-files/LIAS_2030_en_1.pdf

National Development Plan

# 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).*

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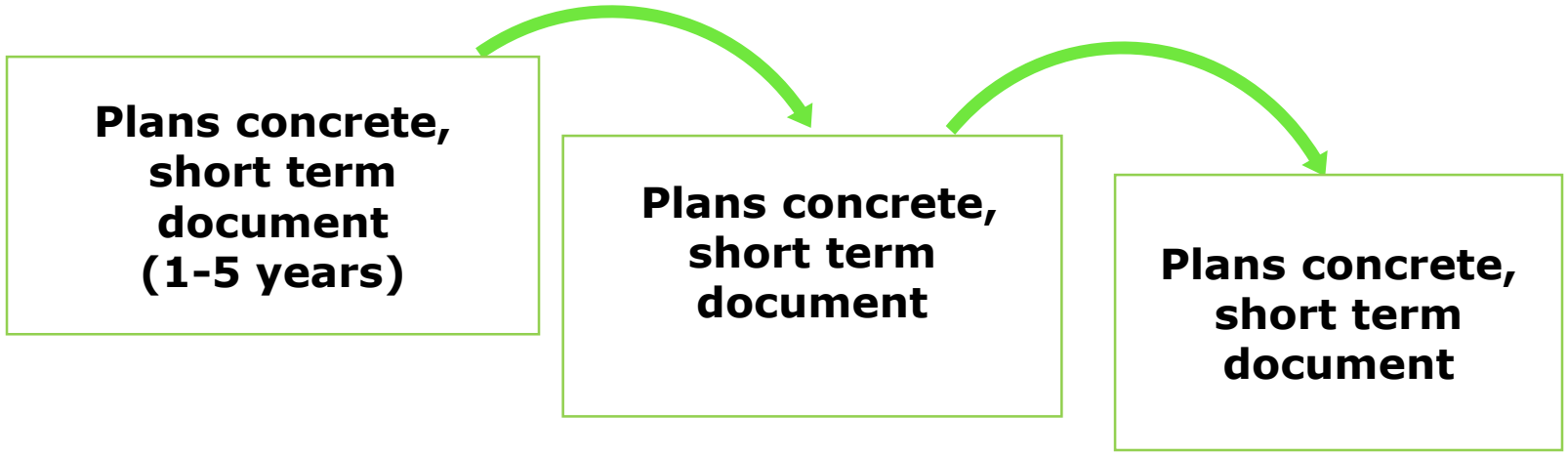
# Policy frameworks and plans

**Policy framework – medium term strategy (7 years)**



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# Policy Frameworks



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# Plans



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# Appendices of Frameworks and Plans are about the Budget

| Uzdevums | Pasākums | Budžeta programmas (apakš-programmas) kods un nosaukums | Vidēja termiņa budžeta ietvara likumā plānotais finansējums | | | Nepieciešamais papildu finansējums | | | | | Pasākuma īstenošanas gads (ja pasākuma īstenošana ir terminēta) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | n gads | n + 1 | n + 2 | n + 1 | n + 2 | n + 3 | turpmākajā laikposmā līdz pasākuma pabeigšanai (ja pasākuma īstenošana ir terminēta) | turpmāk ik gadu (ja pasākuma izpilde nav terminēta) | |
| **Finansējums plāna realizācijai kopā** | | | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| tajā skaitā | | | | | | | | | | | |
| x. Budžeta resors | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| xx. Budžeta resors | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pašvaldību budžets | | | | | | | | | | | |
| 1. uzdevums | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

# 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 parliamant committee (headed by opposition)
- Twice the number of public hearings



# Structure of NDP2027

**Introduction**

Preparation of the documents and its place in planning system

**Vision**

Overarching theme and vision of Latvia in 2027, major fundamental changes

**Framework**

The structure of the operational part

**Strategic goals**

Strategic goals and macro level indicators

**Priorities and directions of actions**

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.)

**Spatial planning**

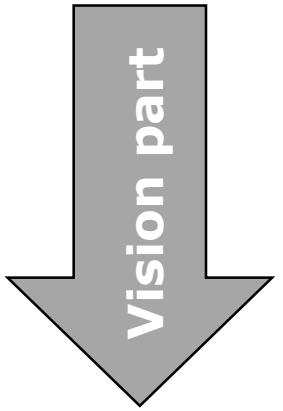
Elaboration of the spatial perspective of Latvia 2030

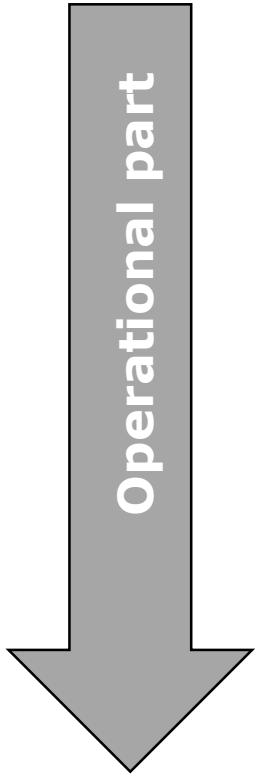
**Implementation, monitoring, financing**

Procedures for the implementation, monitoring, financing and amending of the plan

**Attachment**

Supporting justification for priorities and directions for actions. References to sources of justification



# NDP2027 FRAMEWORK

**OPERATIONAL PART**

**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

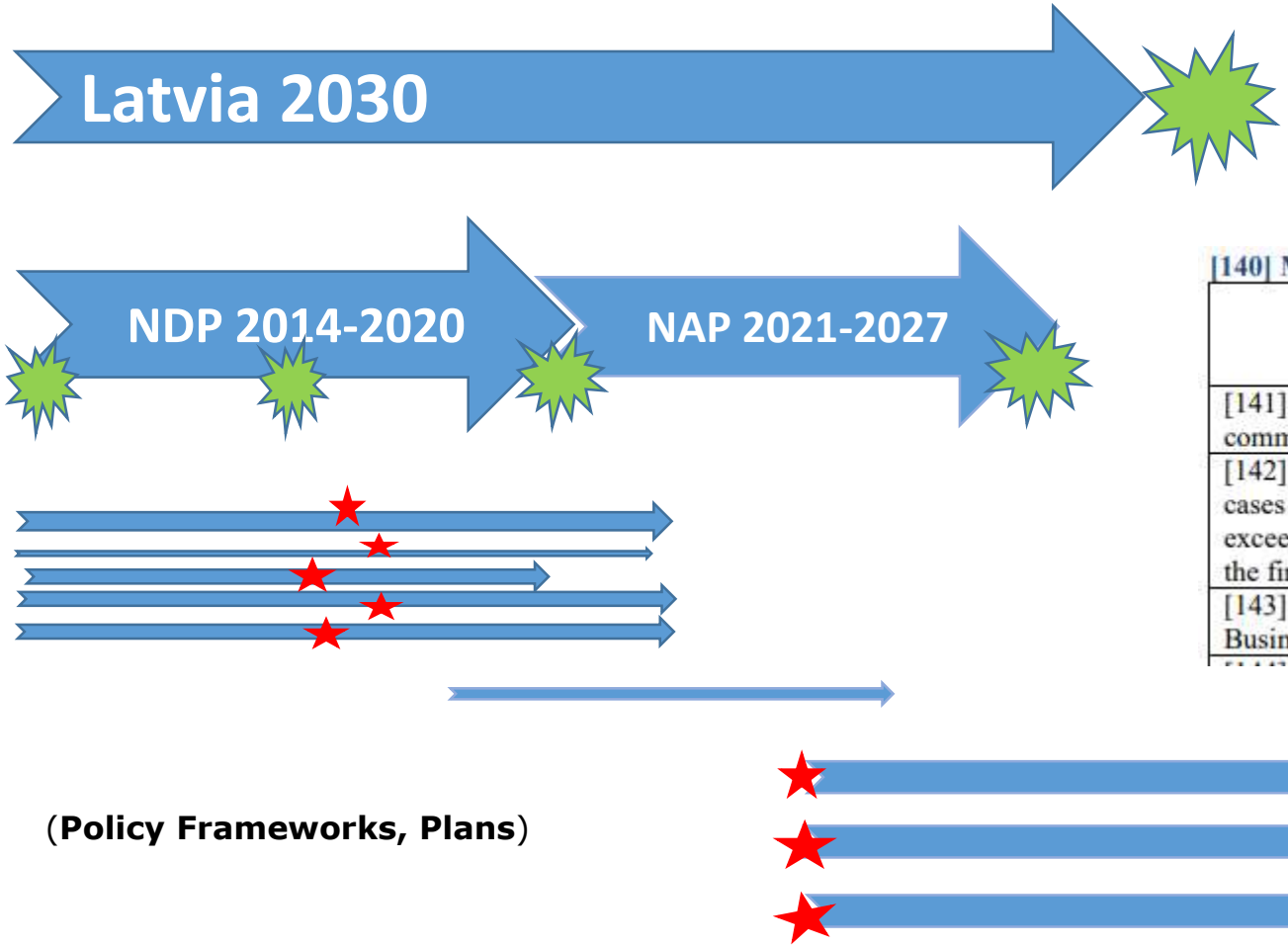
**Culture and sports for active and fulfilling life**

- 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




(**Policy Frameworks, Plans**)

**[140] Measurable Outcomes for the Goal**

| | Base value (year) | 2014 | 2017 | 2020 | 2030 |
|---|---|---|---|---|---|
| [141] Number of economically active commercial companies | 65 629 (2010) | 67 000 | 75 000 | 80 000 | 90 000 |
| [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) | 73.2 (2011) | 80 | 85 | 92 | 96 |
| [143] Latvia's position in the Doing Business Index | 21 (2011) | 20 | 17 | 13 | 11 |

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# Programming Funding for Development

| | | | |
|---|---|---|---|
| | heritage of the regions, the infrastructure in place in the regions and the potential of resort services<br><br>[Target area: entire Latvia] | MoES, MoEPRD, local governments) | budget financing and private funding |
| 10. | [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<br><br>[Target area: entire Latvia] | MoC (MoE, MoEPRD, NGOs) | Cohesion Policy funds, state budget funding |
| 11. | [134] Support for design projects of the creative industries that ensure the development of new products for export and their implementation in production<br><br>[Target area: entire Latvia] | MoC (MoE) | Cohesion Policy funds, state budget funding |
| **Total indicative funding available for the implementation of the Strategic Objective, in million LVL:** | | | **766.7** |

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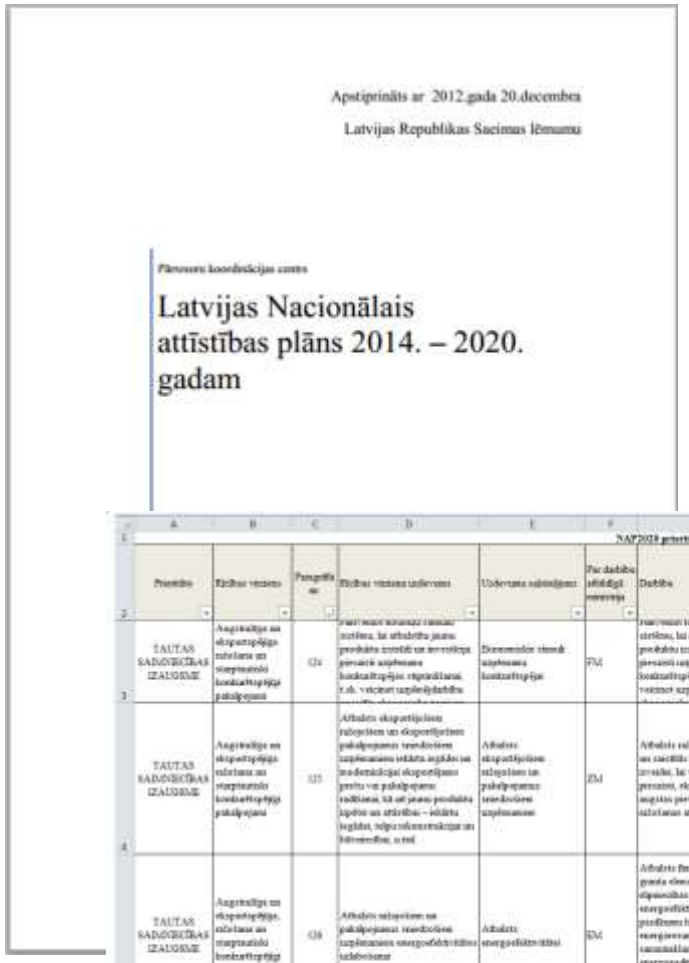
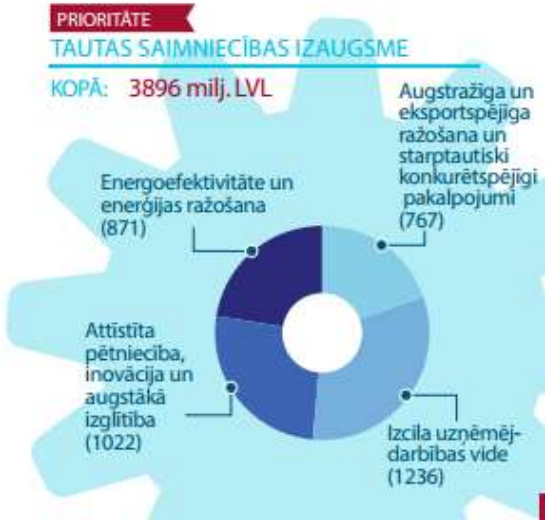
# Interface with the Budget and EU investments

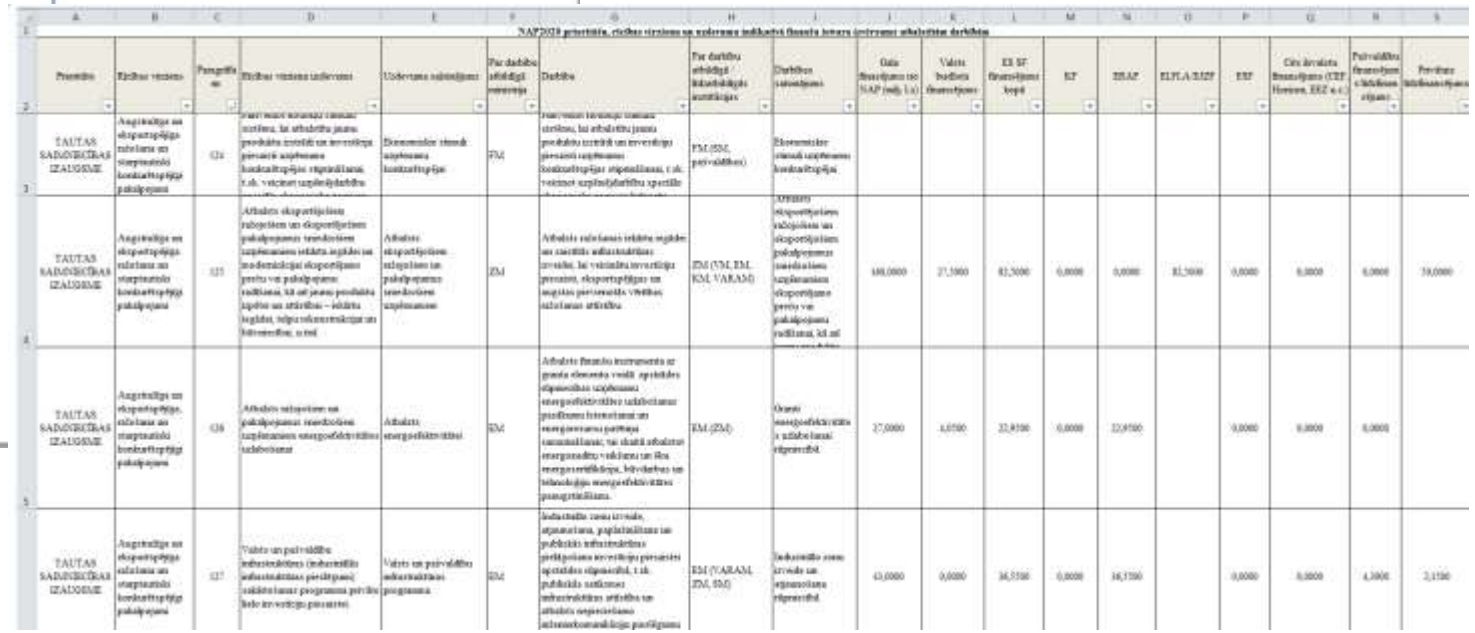


Apstiprināts ar 2012.gada 20.decembra

Latvijas Republikas Saeimas lēmumu

Latvijas Nacionālais attīstības plāns 2014. – 2020. gadam



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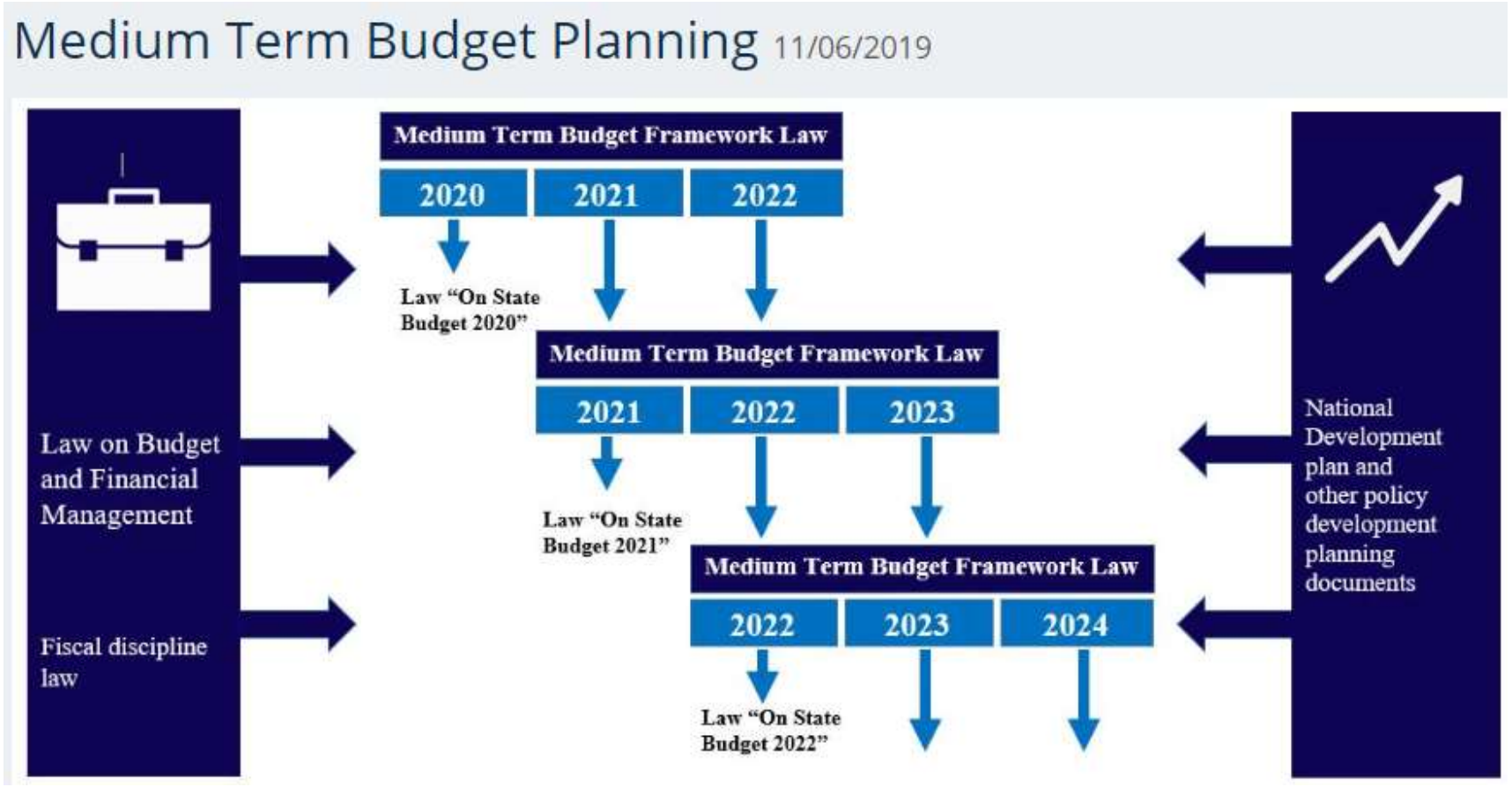
# The Budget Process




https://www.fm.gov.lv/en/s/budget/medium_term_budget_planning/

# Development supervision & assessment in Latvia

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# 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**

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# Where is the evidence?

| | |
|---|---|
| **Statistics data** | **http://www.csb.gov.lv/dati/dati-245.html**<br><br>**http://ec.europa.eu/eurostat** |
| **Longitudinal studies** | **Narcotics use** |
| **Regular reports** | **Medium and long term employment forecasts** |
| **International comparisons** | **http://www.oecd.org/** |

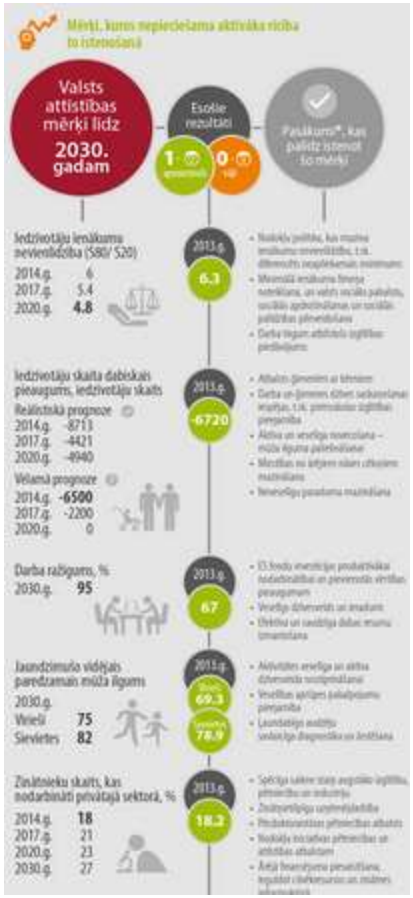
# PROGRESS INFOGRAPHIC 2015

**69% of the indicators measurements – good and satisfactory level**

**18% - low progress**

**13% - unsatisfying results**



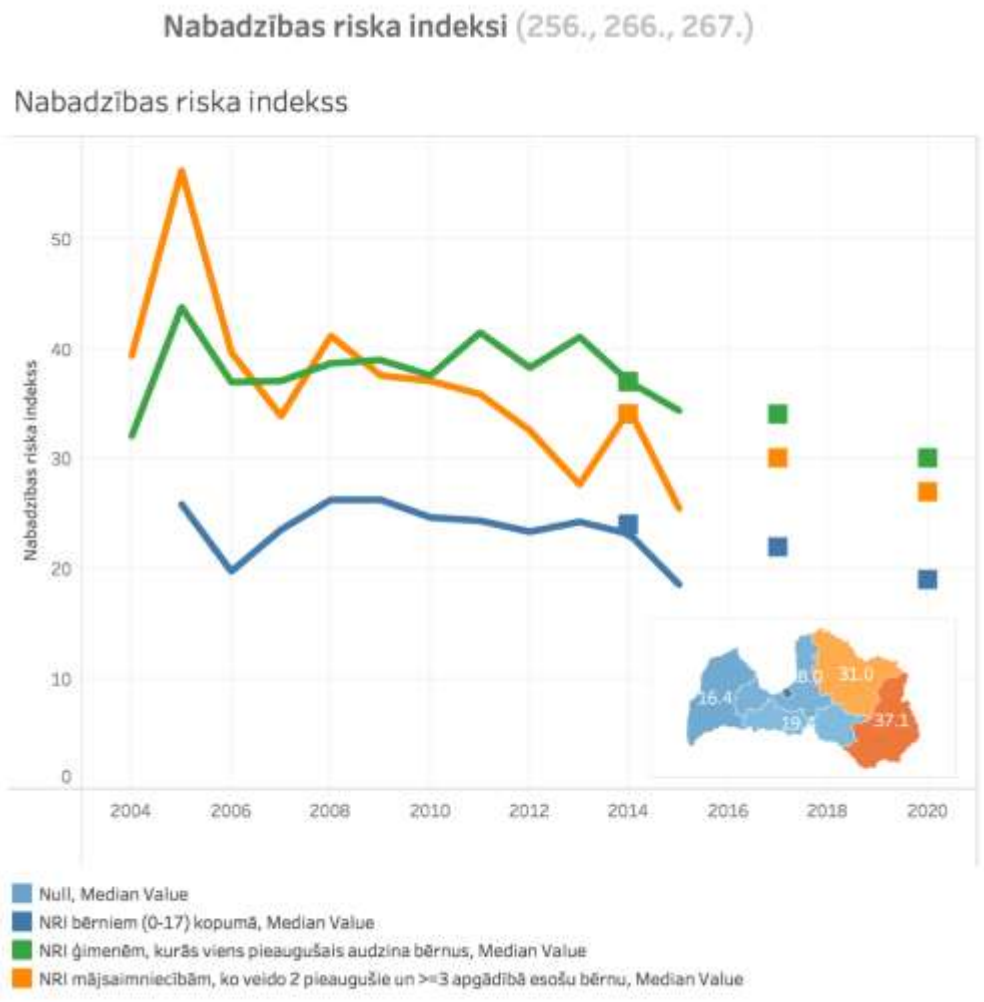


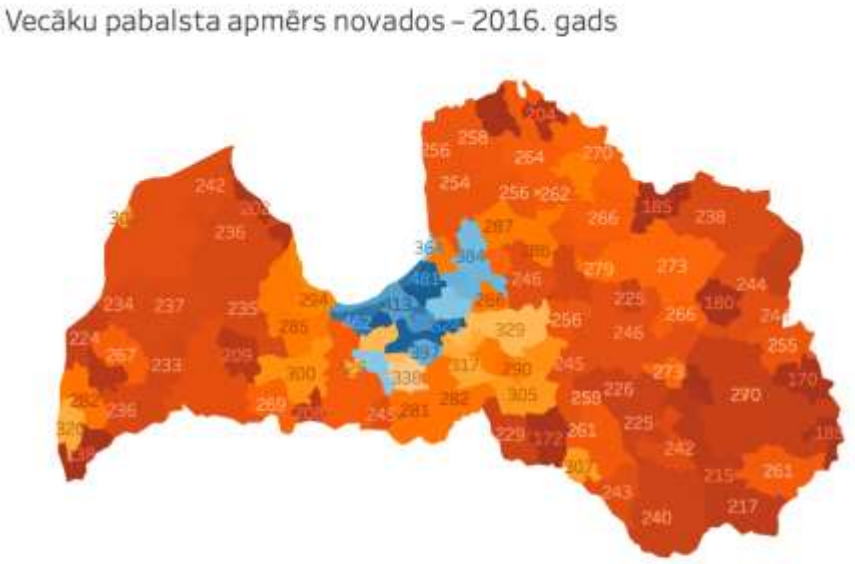

# Mid-Term Review in 2017

- Trends in outcomes
- Investments in outcomes
- Expert opinion on priorities
- GAP analysis from SDGs
- Initial recommendations for NDP2027



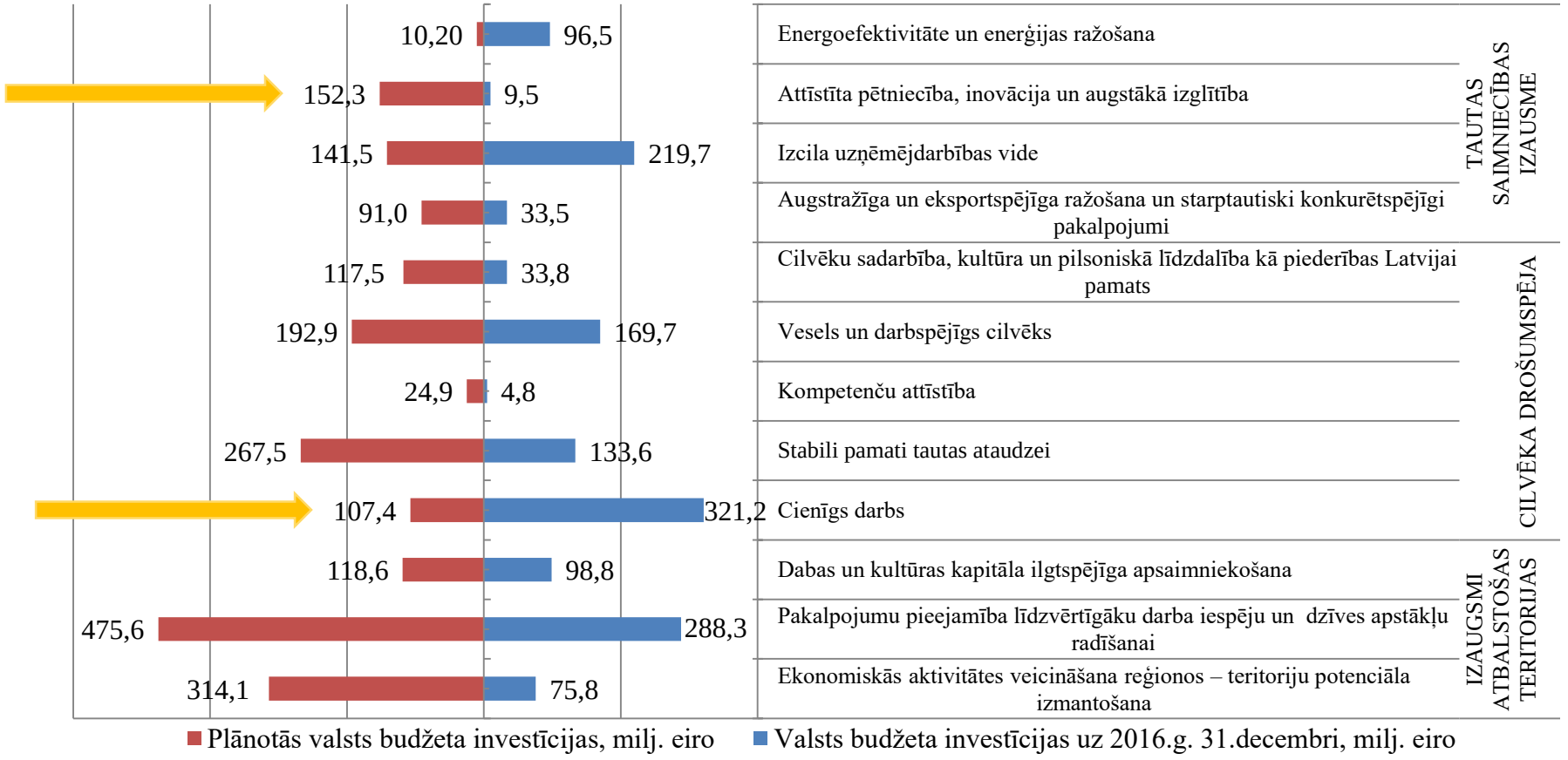
# Mid Term Review 2017
# Progress on outcomes - at risk of poverty



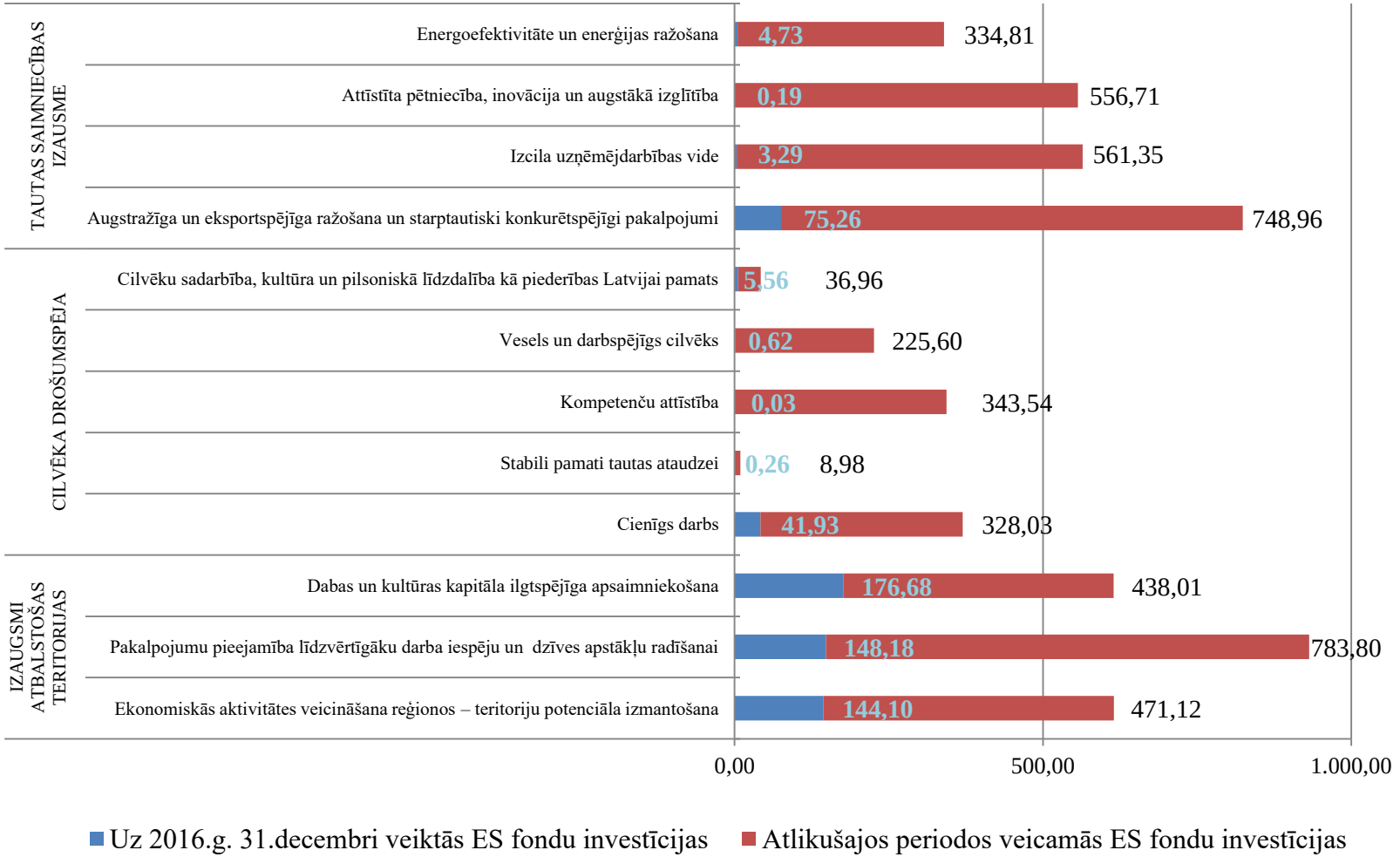






# Mid Term Review
## Budget investments, by strategic objectives, milj. eiro



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



# Mid-term review – NDP2020 Expert Assessment

## Positive trends

| Rādītāji | Sentiments |
|---|---|
| IKT / e-pārvaldība | |
| Nodarbinātība | |
| Kultūras kapitāls | |
| Dabas kapitāls | |
| Globālie indeksi | |
| Dzimstība | |
| Augstāko izglītību ieguvušo skaits | |

## Critical

| Rādītāji | Sentiments |
|---|---|
| Pētniecība un attīstība | |
| Reģionālā politika | |
| Migrācija | |
| Sasniegumi vispārējā izglītībā | |
| Apstrādes rūpniecība | |
| Eksporta pieaugums | |
| Pieaugušo izglītība | |
| Veselība | |

# 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)

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# IAM #9
## inclusive and inovative economy

9 INOVĀCIJAS UN INFRASTRUKTŪRA




| | | | |
|---|---|---|---|
| **Latvia in "Doing Business" index** | NAP2020 | Latvija 2030 | **1** |
| **Latvia in Global Competitiveness Index** | NAP2020 | Latvija 2030 | **1** |
| **Share of exports of high-tech sectors in total exports value** | NAP2020 | - | **1** |
| **Apstrādes rūpniecības īpatsvars no kopējās pievienotās vērtības** | NAP2020 | - | **0** |
| **Researchers employed in private sector (as % of total, in full-time equivalent)** | NAP2020 | Latvija 2030 | **0** |
| **Piešķirtie Eiropas patenti, kas pieteikti no zinātniekiem, kas rezidē Latvijā** | NAP2020 | Latvija 2030 | **0** |
| **Share of expenditure on R&D in GDP (annual)** | NAP2020 | Latvija 2030 | **-1** |
| **Private sector investment in R&D (%)** | NAP2020 | Latvija 2030 | **-1** |

Latvijas Ziņojums ANO par Ilgtspējīgas attīstības mērķu ieviešanas pirmais pielikums Indikatoru tabula

https://www.pkc.gov.lv/lv/sabiedribas-lidzdaliba-un-sadarbiba/sabiedribas-lidzdaliba/dokumentu-projekti-viedokla-izteiksanai

# 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

# 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



# Government Declarations and Government Action Plans

| Declaration point | Activity to achieve aim of declaration | Result of Activity | NDP* | Responsible institution | Co-responsible | Date of Completion |
|---|---|---|---|---|---|---|
| 27. We continue to build a professional, efficient, modern, results-oriented public administration, facilitating remote working capabilities with the introduction of<br><br>e-government principles of public services to make improvements to the "Network Readiness" rating index. | 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. | 1. The public administration information system model architecture concept submitted to the Cabinet of Ministers.<br><br>2. The public administration information system model architecture implementation plan submitted to the Cabinet of Ministers.<br><br>3. The Draft State Law on Information and Communication Technology submitted to the Cabinet of Ministers<br><br>4. Paperless circulation of documents achieved - 90% volume. | 415, 408 | VARAM | FM, CFLA | 1. 01.06.2015.<br><br>2. 01.12 2015.<br><br>3. 30.06.2016.<br><br>4. 01.10.2018. |

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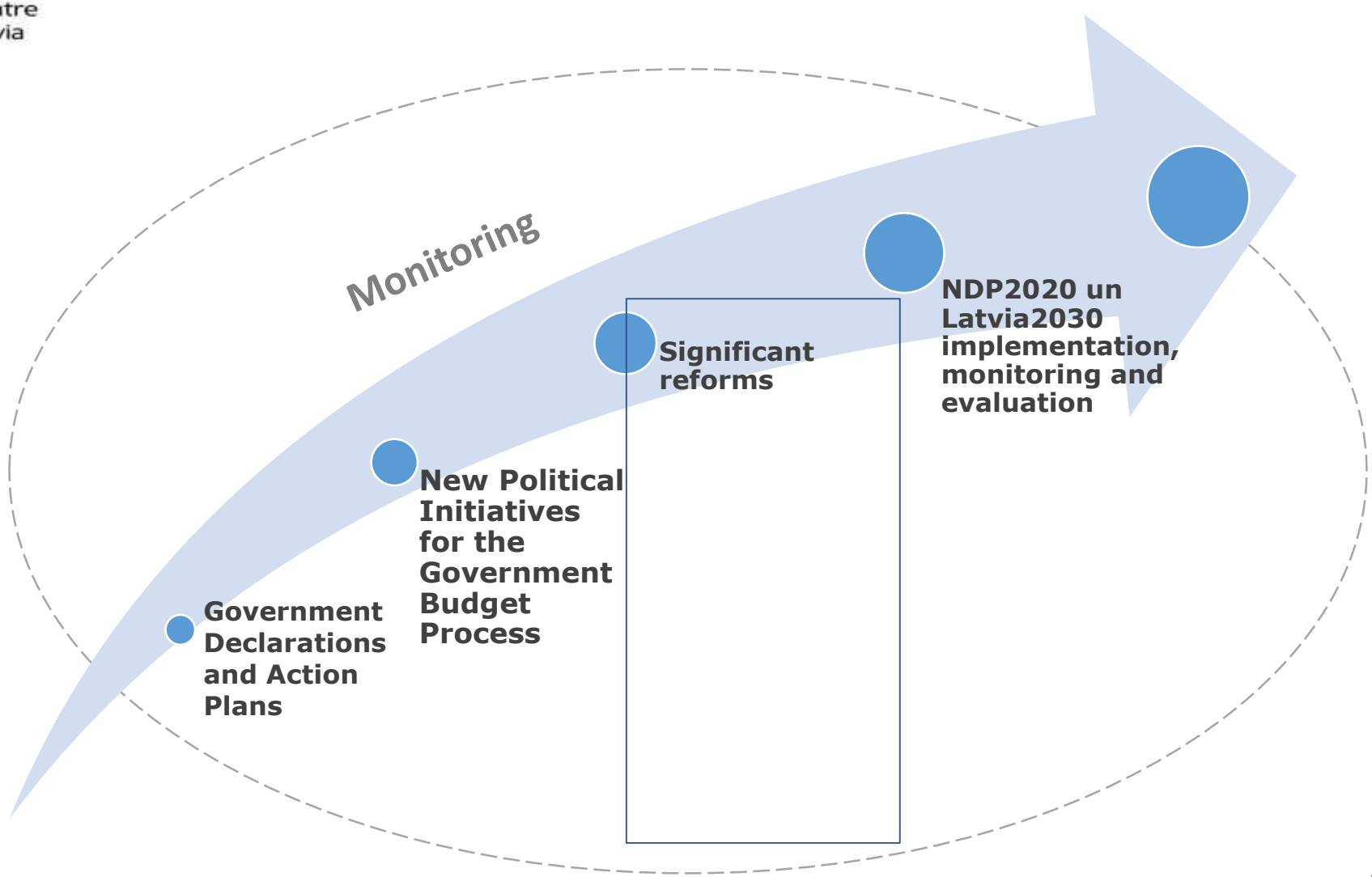
# The National Development Council



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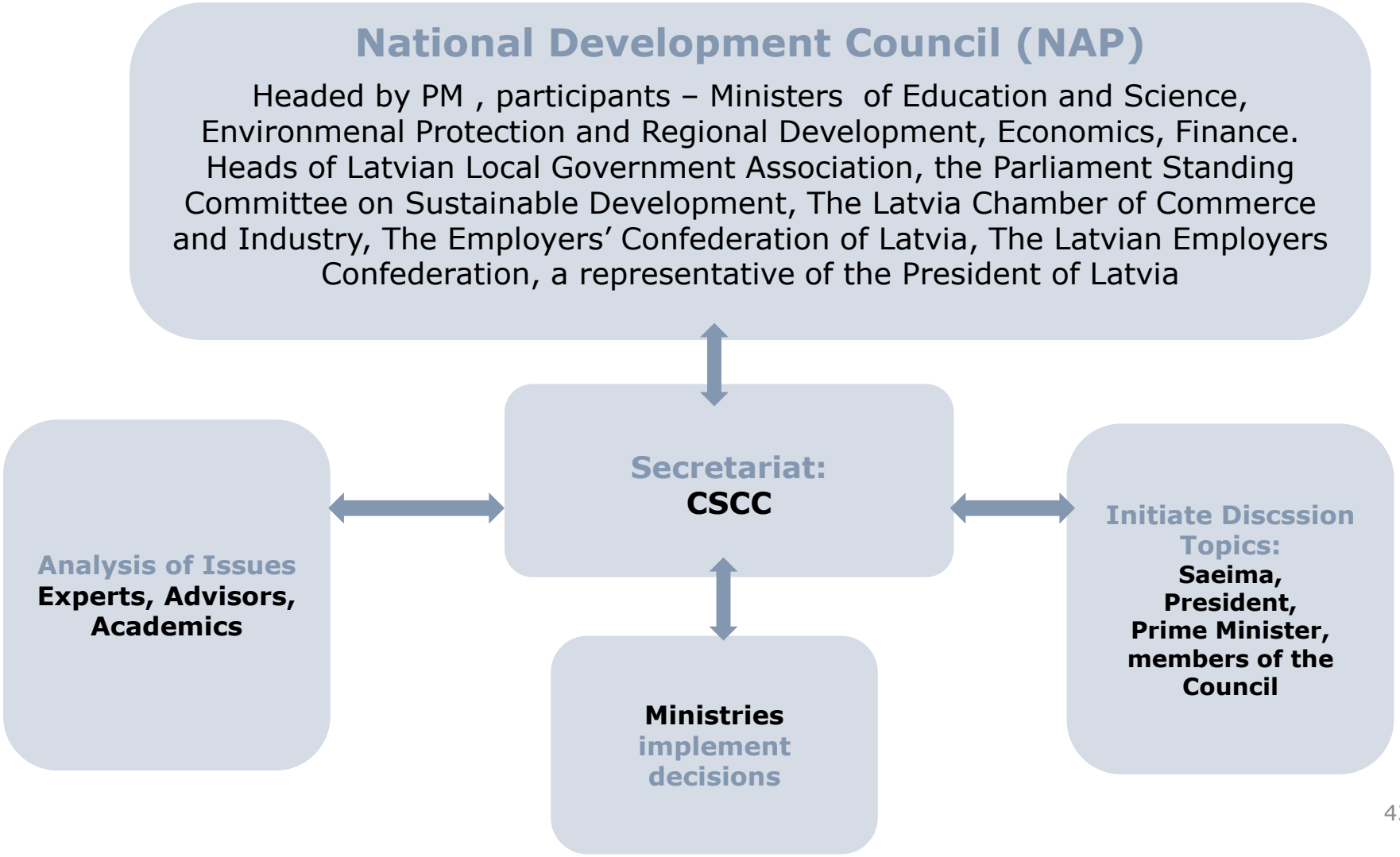
# Organisational Structure



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# The Parliament



Foto: courtesy of the Latvian New Agency LETA

Fot



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