



Latvia Report

Indra Mangule, Daunis Auers,
Detlef Jahn (Coordinator)

Sustainable Governance Indicators 2022

Executive Summary

Prior to the COVID-19 pandemic, economic growth in Latvia was persistently above the average EU rate, with the economy growing by an average of 3.3% annually. The 2019 Global Competitiveness Index ranked Latvia 41st among 141 surveyed world economies. This growth created the fiscal space to shift focus to neglected policy challenges including social inequalities, income disparities, and poor health and education outcomes. For example, a pre-COVID reform package shifted the tax system toward a progressive income tax and, while moderate in its scope, marked a welcome step in reducing the tax burden on low-wage earners. Ambitious education reforms have been announced, but their successful implementation remains far from guaranteed given the vocal opposition from teachers and local government authorities.

Latvia joined the OECD in 2016. Reforms advocated by the OECD have mostly been implemented, including reforms to improve the management of state-owned enterprises, ensure political non-interference, and separate the state's management and regulatory functions. While frameworks for the management of state-owned enterprises and for insolvency procedures have been improved, implementation remains a challenge. The Foreign Investors Council has identified issues undermining the foreign investment climate, including a lack of legal certainty in court decisions, aspects of tax policy, the slow rate at which services are being digitalized and demographic challenges to Latvia's long-term immigration policy.

Important improvements have occurred in the media environment, where a new Media Law has established a Public Electronic Media Council (to represent the public interest in the public electronic media sector) and a Media Ombudsman (to oversee the compliance of public electronic media services with their statutory purpose and operating principles, codes of ethics and editorial guidelines). These changes are expected to create a much clearer distinction between the political realm and media oversight functions.

The government has significant strategic and planning capacity, and several improvements have occurred in the last couple of years in this regard. A new Legislative Portal has simplified interministerial cooperation during the development of legislation, and has made the process more transparent and collaborative. The Cross-Sectoral Coordination Center (PKC) offers regular,

high-quality assessments and recommendations for improvement that feed into day-to-day government decision-making. Similarly, the State Chancellery oversees the compliance of policy documents and is effective in developing and implementing policy action plans.

The parliament (Saeima) faces challenges in exercising executive oversight. In 2017, the legislative body established a parliamentary research unit. Its initial mandate, however, was quite narrow. The research unit produces several research products per year, defined and agreed upon via a collaborative process conducted during the preceding year. The limited scope of this mandate, as well as the small number of research staff, prevent the research unit from having an impact on day-to-day legislative decision-making.

Though Latvia has a stable democratic framework that protects civil rights, political liberties and democratic institutions, most citizens do not trust the government and are reluctant to participate politically. Only 16% of respondents in a recent public opinion poll agreed that they trusted the parliament, and only 17% trusted the Cabinet of Ministers. The government faces challenges in building trust, a fact that limits the performance of the democratic system. A number of reforms are necessary to improve governance, including protecting the independence of public broadcasting and rebuilding a solid anti-corruption institution.

Key Challenges

The Latvian government has proven capable of focused and determined policy development. The growing economy presents opportunities to realign the tax burden and focus on long-term drivers of economic performance and growth such as education and innovation. It also permits a focus on long-neglected policy challenges, such as reducing social inequalities, reducing the risk of poverty and reforming the health sector in a meaningful manner. Some encouraging steps have been taken, but the government must now follow through on measures that will further shift the tax burden away from low-wage earners, improve healthcare access and quality, and reform education. The needs associated with these challenges are enormous, and must be balanced with fiscal prudence.

If social inequality remains unaddressed, public trust will continue to slip, risking a further rise in emigration. The skills mismatch in the Latvian labor market has in the past created high unemployment rates coupled with a shortage of skilled labor. However, the more recent fall in the unemployment

rate paired with rising wages indicates a tightening labor market. Negative demographic trends will exacerbate this situation in the future. The government should focus on policies that mitigate labor shortages, such as providing incentives for repatriation and creating immigration policies specifically designed to meet the demand for high-skilled labor. In addition, the government should emphasize the role of civic engagement in its decision-making. For example, when further implementing the territorial administrative reform and introducing new tools of participation, it should do so in an inclusive, transparent, and engaging manner.

The government should continue to create space for constructive civic engagement by building on the innovative public engagement platforms that have already been launched, and by channeling financial support to NGOs that engage in the policy process. While the government has offered significant support to some social partners, most NGOs remain dependent on rapidly declining foreign funding, as local funding has not filled the shortfall. In addition, the ongoing decline in voter turnout rates (only 54.6% of the eligible population voted in the 2018 election) is a strong indicator that government communication with the public needs to be improved.

While Latvia's governance system is open to evidence-based policymaking and external advice, it remains underfunded, and the opinion of academic experts and NGOs is not always considered in the course of policy development. This became particularly obvious during the COVID-19 management efforts when a group of academics withdrew from cooperation with the government due to an ineffective and non-responsive process of communication.

The government should also continue to address barriers to economic development, such as the slow court system, inadequate insolvency procedures and corruption. While Latvia has taken some steps to strengthen the Corruption Prevention and Combating Bureau's (KNAB) functional independence, greater effort should be made to implement a strategic approach in foreign bribery and money laundering investigations.

Given international tensions stemming from Russia's activities, Latvia must continue to fulfill its NATO defense commitments as well as mitigate the economic effects of the sanctions imposed on Russia by the European Union. Latvia has been meeting its NATO spending commitment since 2018, which is a welcome development. However, resilience in the face of a hybrid war requires other types of spending. Further strengthening the independence, quality and reach of public broadcasting will be key to addressing the contradictory pro-EU and pro-Russian media narratives that are circulating.

With adequate funding, these reforms could free the public broadcasting service from a reliance on advertising revenue.

The establishment of a parliamentary research unit in 2017 was a welcome step toward improving the parliament's capacity for executive oversight. Unfortunately, the initial mandate for the research unit will have a limited impact on day-to-day legislative decision-making. The research unit should be given a broader mandate and employ more research staff, which would enable it to bring evidence-based analysis into the work of parliamentary committees.

Finally, in the coming years, Latvia should invest time, effort and funding to improve the exceptionally low public trust in parliament and the executive. With the recent indicator as low as 16%, public trust has fallen dramatically. Policymakers should seek to rectify this by engaging in meaningful, respectful and consistent communication with the general public.

Party Polarization

Latvia has a multiparty system that is somewhat fragmented, but parties are generally able to reach agreements, and most decisions are not controversial. Polarization can be observed most clearly along social-values-related and ethnic/linguistic lines (the ethnic cleavage cuts across the usual left-right divide), and parties are broadly perceived as either representing Latvian or Russian speakers. Governing coalitions in recent years have been dominated by center-right parties pursuing a pro-European stance and liberal economic policies and promoting an (ethnic) Latvian identity.

The Saskaņa (Harmony) party, which has succeeded in consolidating the Russian-speaking vote, has been the largest parliamentary fraction since 2011. However, the party has never been part of a ruling coalition. No Russophone party has ever served in a coalition government in Latvia. (Score: 7)

Citation:

University of Latvia, Social and Political Research Institute (2014). How Democratic is Latvia: Democracy Audit 2005 – 2014. Available at (in Latvian): http://www.szf.lu.lv/fileadmin/user_upload/szf_faili/Petnieciba/Demokratijas_aud_its_2014_kopaa.pdf, Last assessed: 02.01.2019

Sustainable Policies

I. Economic Policies

Economy

Economic Policy
Score: 8

Latvia's economic policy was initially shaped by parameters accepted as the price of financial assistance provided by the IMF and the European Union. Even though this assistance has since been repaid and the conditions withdrawn, they have provided a framework in which the economy established fiscal discipline. For example, in 2013, Latvia introduced legislation that placed a cap on the public budgetary deficit and launched a multi-year planning cycle. The Fiscal Discipline Council (FDC) plays an oversight function, consulting with the government on fiscal planning issues and monitoring compliance with the budget deficit cap.

In the last decade, there have been no significant economic imbalances. The country has seen only moderate levels of inflation, with economic growth averaging around 3.5% (2.2% in 2019). The exception to was during the economic crisis triggered by the COVID-19 pandemic, which led to the activation of the EU Stability and Growth Pact's general exemption clause, allowing the general government deficit to increase in 2020.

Until the outbreak of the COVID-19 pandemic, Latvia's economic growth was stable, generally exceeding the EU average. GDP increased on average by 3.3% annually from between 2011 and 2019, and moderated in 2019. The pandemic has left a significant impact on the Latvian economy, with particularly strong effect on consumption, exports of goods and services, and the labor market. For example, private consumption was 10% lower in 2020 than in 2019.

Citation:

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Labor Markets

Labor Market
Policy
Score: 7

In 2021, approximately half of the population of Latvia was economically active, with economic activity mainly concentrating in Riga and the surrounding areas, where around 53% of the country's population resides. The unemployment rate in Latvia fell from 20% in 2010 to 6.4% in 2019. However, the COVID-19 pandemic had an impact on the labor market, with the unemployment rate climbing from 6.2% at the beginning of 2020 to 8.6% in July 2020, and then remaining at 8.2% in early 2021, the highest unemployment rate seen in recent years.

The average monthly income reached €1,143 in 2020, which amounts to a 6.2% increase from 2019. Following increases in 2016, 2017 and 2018, the minimum monthly wage was further increased in early 2021 to €500. However, rising wages with labor shortages is indicative of a tightening labor market, a condition that has also been noted by the OECD (2019). One of the main labor market challenges for Latvia remains a rapidly shrinking working-age population. The population numbers in Latvia have been decreasing for a long time, declining by 474,000 between 2000 to 2020 (decreasing on average by 0.4% to 0.5% per year). Furthermore, internal migration from rural regions to the capital city of Riga and high rates of net emigration remain challenges. In addition, more than 40% of all emigrants between 2009 and 2016 were highly skilled, which continues to contribute to rising skill shortages.

According to the 2019 and 2020 OECD recommendations, future labor policies in Latvia will have to focus on reducing long-term unemployment, supporting discouraged workers, and expanding the menu of active labor market policies targeting disadvantaged groups. Key active labor market policies will focus on enhancing job-seeker mobility between regions, raising older workers' skill levels, and supporting unemployed young people. Furthermore, it was recommended that the general operation of the State Employment Agency be improved through the establishment of new training

programs, the promotion of regional mobility and efforts to make more effective use of existing employment data.

Citation:

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Taxes

Tax Policy
Score: 7

Overall, Latvia has one of the lowest rates of tax in the European Union. However, more than in many other EU member states, the tax burden has historically fallen disproportionately on wage earners, particularly low-income earners.

To address this issue, tax reforms were first undertaken in 2016 – 2018 to shift the tax burden away from low-income wage earners and increase the tax burden on the wealthy. The work on this has continued since. For example, the 2018 National Tax Policy Guidelines introduced progressive personal income tax rates and an increase of the differentiated nontaxable minimum as well as an increase of the allowance for dependents. An ex post evaluation of these measures indicates mostly positive outcomes. In addition, minimum social contributions were introduced to foster social equality.

However, the reforms have since been evaluated as insufficient by the European Commission and the OECD. Even though personal income tax has become more progressive overall, it has been lowered on average without labor tax measures significantly reducing income inequality or poverty.

Meanwhile, Latvia was ranked 2nd overall in the 2020 and 2021 International Competitiveness Index due to its competitive and neutral corporate tax system, which implicitly allows for unlimited loss carryforwards and carrybacks.

When it comes to ecological sustainability, effective tax rates on CO₂ emissions from energy use in transport are low and fully exempt in other sectors, where emissions from fuel use are not taxed at all. An exception to this was introduced in 2021 for the use of peat in stationary technological equipment, as peat is not a renewable energy resource. A 2019 OECD report has recommended that Latvia increase energy taxation by eliminating all exemptions and taxing pollutants at the same rate across different fuels and sectors.

The natural resources tax was increased at several points in 2021, and a statutory rate increase is scheduled for 2023.

Citation:

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Budgets

Budgetary Policy
Score: 9

Latvia's budgetary policy has been recognized as prudent and fiscally sustainable by the European Commission, the IMF, and the OECD. Overall, the budgetary situation can be described as strong, with low public debt. The budgetary framework is based on transparent national fiscal legislation (Fiscal Discipline Law) and overseen by an independent fiscal council. The framework has previously been described as rigorous by the OECD (2017).

The current coalition has emphasized a commitment to addressing the country's economic challenges, and its fiscal stance has been recognized by the IMF (2019) as reversing the past pro-cyclicality and ensuring continued fiscal prudence.

The budget framework and government-debt cap of 60% of GDP, prescribed by the Law on Fiscal Discipline, has been maintained, with overall debt reaching 47.3% of GDP in 2020. Latvia remains broadly compliant with the principles of fiscal discipline.

In 2020, the general government budget deficit was equivalent to 4.5% of GDP, rising to an estimated 9.3% of GDP in 2021. This was twice as high as had been planned in the budget law. The government has provided strong public support and stimulus packages during the COVID-19 crisis. In 2020, the support approved by the government for mitigating COVID-19 consequences had a price tag of €1.3 billion (4.5% of GDP).

Citation:

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Research, Innovation and Infrastructure

R&I Policy
Score: 6

Even though Latvia's productivity growth has been solid, innovation performance remains average, with the total government budget allocation for R&D amounting to 0.7% of the GDP in 2020. The 2021 European Innovation Scoreboard noted that Latvia's performance had increased strongly relative to the overall EU trend up until 2020, but then decreased in 2021, reaching a performance level 70% below the EU average. Latvia was thus ranked 25th out of 27 EU members in the 2021 scoreboard. The share of high-tech companies in the Latvian economy remains small, as is the private sector's demand for R&D activities. In budgetary debates, innovation remains a low priority.

The OECD recognized Latvia for improving its research and development in 2017 and commended its innovation framework, the consolidation of research institutions, the introduction of quality-based financing models and the provision of incentives to boost research. However, in 2019 the OECD described innovation performance in Latvia as weak, especially in the business sector. At 0.14% of GDP, the rate of business-based research and development (R&D) expenditure is among the lowest in the OECD.

In Latvia, a high proportion of the population has completed tertiary education, which – paired with favorable business conditions – creates an advantageous climate for innovation-driven growth. As noted by the European Commission and the OECD, these conditions have not been sufficiently utilized, and business-sector collaboration with science remains insufficient despite the fact that so-called competence centers and clusters have successfully strengthened collaborations between research institutions and companies in some sectors.

In the coming years, the quality of public R&D has to increase. Links between academia and business need to be strengthened, more Ph.D. students should be attracted, and innovation capacity in the private sector should be further increased. Policies currently in place address some of these challenges, but most of the interventions rely on European Structural and Investment Funds (ESIF) that provide no more than short-term financial support.

Citation:

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Global Financial System

Stabilizing
Global Financial
System
Score: 7

In 2018, MONEYVAL published a report identifying shortcomings in Latvia's anti-money laundering (AML) system and calling for actions to combat money laundering and terrorist financing. The report noted that the large financial flows passing through the country posed a significant money laundering threat.

Since then, Latvia's AML/CFT framework has been strengthened significantly. In 2019, amendments to the anti-money laundering law were introduced, requiring foreign entities with branches or representative offices in Latvia to disclose information on their owners to the Enterprise Register. In addition, capacity and coordination mechanisms among AML institutions were enhanced; for example, the legal status of the Financial Intelligence Unit was modified, granting it more independence and powers, which resulted in thousands of Latvian companies with no declared beneficial owners. In addition, the Financial and Capital Market Commission supervised the termination of bank ties with 27,000 shell companies following the ban.

As a consequence of these efforts, the volume of foreign deposits in Latvia's bank system has continued to decline, dropping by a total of 74% between 2015 and 2019, and accounting for 18.8% of all deposits at the end of 2020. The value of cross-border transactions has similarly declined – from €60.2 billion in incoming transactions and €50.1 billion in outgoing transactions in 2017 to €16.3 billion in incoming transactions and €11.2 billion in outgoing transactions in 2019.

In the light of these improvements, MONEYVAL has rated Latvia as largely compliant with regard to its AML and financing of terrorism (FT) measures.

Overall, Latvia's banking system is increasingly interconnected with the Nordic and Baltic regional system, requiring increased collaboration to address Nordic parent bank vulnerabilities and their spillover effects.

Citation:

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II. Social Policies

Education

Education Policy
Score: 5

Latvia has a relatively well-educated population and performs reasonably well in international comparisons, such as PISA. The 2018 PISA results show that performance in the most significant indicators is at the OECD average or below average. Latvia is also successful in making secondary education nearly universal – 88% of adults aged 25-64 have completed upper secondary education, which is higher than the OECD average of 78%. At the same time, Latvia lags behind other OECD countries in the area of vocational education.

While 39.3% of the population aged 25-34 had higher education in 2019, a wide gender gap exists, with 51.1% of women and only 28% of men holding a tertiary-level qualification. Furthermore, among 25- to 64-year-olds, 34% of the population had attained tertiary education in 2018, 3% lower than the OECD average.

The IMF has warned that the Latvian higher education system is unsustainable due to a disproportionately high number of institutions, limited financing and falling student numbers. In 2017, the Bank of Latvia recommended a drastic reduction in the number of higher-education institutions, from 56 to 20, as well as a reduction in the number of study programs, from over 900 to less than 500. In 2017 the Riga Pedagogical Academy was merged with the University of Latvia, but since then the number of higher education institutions has stayed unchanged.

Latvia has undertaken comprehensive reforms in both general and vocational education, switching to a competency-based educational approach. From September 2020, schools have started to gradually introduce curricula that are in accordance with new standards.

In general, education reform has been high on the government's agenda. Nevertheless, there are still challenges to address in the education system – a shrinking population, a high rate of early retirement among teachers, and a

level of public funding that is significantly lower than the OECD average. There are also equity concerns regarding students in rural schools, as emigration and urbanization have contributed to geographic inequalities in educational access, engagement and quality.

Furthermore, Latvia's spending on primary school teachers is near the OECD's lowest on a per-pupil basis, mostly due to lower-than-average teacher salaries and shorter instruction time. From September 2019, the minimum salary for teachers increased to €750, and it increased further to €900 in 2022.

Citation:

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Social Inclusion

Social Inclusion
Policy
Score: 5

In 2019, 26% of the population or 489,000 people were at risk of poverty or social exclusion in Latvia, which is the lowest level in recent years. Although since 2010, the proportion of the population at risk of poverty or social exclusion has fallen by 14.1 percentage points, Latvia is still one of the poorest EU member states. In 2019, Latvia had the fifth-highest proportion of the population at risk of poverty or social exclusion (26%) among the EU member states.

In terms of social exclusion, the Latvian population is most affected by low income and its uneven distribution. Of the 26% of people that are exposed to social exclusion risks, the majority (21.6%) are exposed specifically to poverty.

The goal set in the Latvian National Reform Program was to decrease the number of people living at the risk of poverty to 21% by 2020. Until 2013, there was steady progress toward this goal, and in 2011 and 2012 it was almost achieved. However, with increasing income inequality, there was an increase

in the proportion of the population at risk of poverty between 2013 and 2017. From 2017 onward, the share of those at risk of poverty and social exclusion increased again, reaching 26% in 2019.

The guaranteed minimum income (GMI) benefit was increased to €64 per month in 2020. This was challenged at the Constitutional Court of Latvia the same year, with litigants contending that the rate was inadequately low (as the monthly cost of living and the poverty threshold was €409 in 2018). The court ruled that it was necessary to ensure basic conditions of life, and that this amount did not comply with the constitution. In 2021, the GMI benefit was increased to €109 as a result.

The government has taken steps to decrease inequality. For example, in 2017, a new progressive tax rate was adopted (effective in 2018), along with other measures aimed at reducing the tax burden on low-wage earners. Similarly, the minimum levels of the retirement and disability pensions were increased in 2021, and the minimum wage was increased from €430 to €500 in 2021.

Nevertheless, even though living standards have improved overall, and expenditure on pensions and benefits continue to grow gradually, poverty and income equality remain high. Latvia's poverty rate is one of the highest in the European Union and OECD. In addition, regional disparities in income per capita are notable. Social protection spending is below the European average, and areas such as housing and social exclusion remain underfunded.

Citation:

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Health

Health Policy
Score: 4

The healthcare system in Latvia broadly delivers effective and efficient care considering its severe underfunding and a higher level of demand compared to most OECD countries. Life expectancy remains low in Latvia compared to other EU countries, mainly due to low public spending on health, issues with the accessibility of care and the high prevalence of behavioral risk factors.

The national health system (NHS) in Latvia is subject to strong government oversight and offers universal coverage of the population, a general tax-financed provision of healthcare, and a purchaser-provider split. However, only 61% of total healthcare expenditure came from public funding sources in 2019, which is a considerably lower proportion than the average for the EU (80%). The system as a whole remains underfunded.

In terms of access, 4.3% of the population reported having forgone medical care in 2019 due to costs, travel distances or waiting times. This is above the EU average of 1.7 %. In addition, as far as the hospital system is concerned, much remains to be desired with regard to the quality and efficiency of the services. For example, Latvia's 30-day mortality rate after admission to hospital for a heart attack is the highest in the European Union, and is twice the EU average.

Since 2018, medical staff salaries have increased, on average, between 10% to 20% annually. In 2019, the average monthly salary among doctors was €2,003, and the current government plan foresees further wage increases, reaching a target salary of €3,833 in 2027.

Even though health expenditure per capita has increased by 75% since 2010, the OECD has noted that this level remains the fourth-lowest in the EU, and only 61% of health expenditure is publicly funded, which makes the share of out-of-pocket spending the second-highest in the EU.

The Ministry of Health has put strategic emphasis on prevention and health promotion. The National Action Plan on the Consumption of Alcoholic Beverages and Limitation of Alcoholism 2020-2022 is an example of this. However, the overall lack of resources has limited the effectiveness of these efforts.

Citation:

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Families

Family Policy
Score: 7

Family-support policies enable women to combine parenting with participation in the labor market. In 2018, 72.7% of mothers with at least one child aged six and under were employed, which is above the EU average (63.1%). In addition, labor law prohibits an employer from terminating an employment contract with a pregnant woman or a mother with a baby under one year old.

A maximum of 112 calendar days of paid maternity leave can be taken, with mothers receiving 80% of their average wage. Paternity benefits are paid for a maximum 10 days at 80% of fathers' average wage, with paternity leave taken within two months of the child's birth.

Furthermore, parental leave of up to 18 months per child can be used by either parent prior to the child's eighth birthday. Parents with three or more children are entitled to three extra days of paid leave per year, as well as other social benefits such as reduced fares on public transport. As of 2017, 10 days of parental leave are available to parents of adopted children.

Finally, access to kindergartens remains a problem, with families often waiting years for a place. Local government support for private sector involvement in childcare should address the shortage of available kindergarten places.

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Pensions

Pension Policy
Score: 4

The state pension system guarantees a monthly minimum pension. In 2020, this amount was increased from €64 to €80. However, Latvia's Ombudsman approached the Constitutional Court later the same year with a claim that such

an amount cannot meet the basic needs of the pensioner and ensure a dignified life, and was thus unconstitutional. The Court ruled that the minimum amount of €80 did not comply with the constitution, and it was consequently raised to €109 in 2021.

The average monthly pension in 2020 was €367.05. According to the Central Statistics Bureau, the at-risk-of-poverty rate among citizens aged 65 and over grew rapidly from 2012 (17.6%) to 2018 (47.9%). While the situation improved slightly in 2019, with 40.9% of the elderly being at risk, it still remains the most vulnerable age group in Latvia.

Two types of mandatory pension schemes exist in Latvia: a non-financial (notional) contribution (pay-as-you-go) and a funded contribution. There are also voluntary private pension funds that are complementary to the mandatory schemes. Jointly, these constitute a three-pillar pension system, which has increased the system's fiscal sustainability and intergenerational equity.

The second pillar mandatory funded pension scheme has come under criticism for excessive fees. An independent private startup fund has emerged, offering substantially lower commissions and favorable terms. Legislators have taken interest and draft legislation is under consideration as of 2018 to limit bank commissions and fees levied for managing the mandatory funded pension scheme.

In a 2018 report, the OECD criticized Latvia's three-pillar system and specifically the NDC schemes, because they automatically adjust to changes in the size of the labor force and life expectancy. Consequently, if these are not matched with an adjustment in retirement age, the future replacement rates will remain below the OECD average.

However, the recent tax reforms and court rulings signal a willingness to address some of the problems in the system, and further improvements could potentially occur in the next few years. Nevertheless, the pension indexing system still remains complex and many of the issues identified by the European Union and OECD remain. Thus, further reforms are needed, especially with regard to poverty reduction.

Citation:

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Integration

Integration Policy
Score: 5

Latvia faces challenges in integrating two categories of immigrants: migrant workers and non-citizens. Non-citizens are long-term residents of Latvia who were not eligible for citizenship when Latvia gained independence from the Soviet Union and have not been naturalized since independence. In 2021, non-citizens comprised 10.1% of the total population. While non-citizens have permanent residency rights and social guarantees similar to citizens, they do not have the right to take part in the elections.

Rights for all other immigrants generally depend on the type of residency permit. Individuals holding a temporary residence permit are particularly vulnerable, as they do not qualify for public healthcare, legal aid, or unemployment support. An individual holding a permanent residency permit or who has acquired long-term resident status within the European Union has the same rights as Latvian non-citizens. As of March 2010, all children, including children of migrant workers holding temporary residence permits, have access to free education. No restrictions are placed on the right to work for high-skilled migrant workers, foreign students or immigrants who have moved for family reasons. However, access to the local labor market is restricted for migrant workers who have obtained only a temporary residence permit. These individuals' work rights are tied to the employer who invited them to Latvia. Temporary migrant workers do not have the ability to freely change employers or their position within the company.

In 2015, Latvia was ranked second-to-last among 38 European and North American countries in the Migrant Integration Policy Index. The index noted that Latvia still has the weakest policies among EU member states. Since then, Latvia has improved its integration policies by granting more equal opportunities and basic rights. For example, a law on citizenship for non-citizens' children was introduced in 2019, which now entitles them to Latvian citizenship by birth. As a result, the overall MIPEX score improved by three points in 2020 (to 37 out of 100). This is only a minor improvement, however, and Latvia's performance is still described as "equality on paper," with its policies creating more obstacles than opportunities for integration.

Overall, immigrants in Latvia enjoy basic rights and protection, but not equal opportunities. A key issue for immigrant groups in Latvia is that they do not have voting rights in local elections, and cannot be members of political associations. Third-country nationals with temporary residence permits cannot organize protests or marches.

Citation:

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Safe Living

Internal Security
Policy
Score: 9

The Ministry of Interior, the State Police, the Security Police, the State Fire and Rescue Service, the State Border Guard, and the Office of Citizenship and Migration Affairs are responsible for domestic security policy. They collaborate on some policy issues, notably on immigration policy. The total number of registered crimes fell from 45,639 in 2016 to 38,767 in 2020.

Despite international developments, the threat of terrorism remains low. There have been no criminal offenses associated with terrorism. In late 2015, the security police started a criminal investigation into alleged participation in the military conflict in Syria, which was followed by one conviction. In 2016, two criminal investigations for terrorism threats were launched, another for inciting terrorism, and four for participation in foreign armed conflicts. Similarly, in 2019, criminal proceedings were initiated against one person for unlawful participation in the armed conflict in eastern Ukraine, while three people were detained on the grounds of illegal arms trade and money laundering.

Opinion polls from 2019 indicate that public trust in the police remains high and the majority of people feel safe (79% of respondents reported feeling safe or rather safe in regards to the State Police, and 60% indicated they had trust in the police).

Citation:

1. Research center SKDS (2019), Attitude Toward the State Police, Available at (in Latvian): http://petijumi.mk.gov.lv/sites/default/files/title_file/Valsts_policija_Petijums_2018_Attieskme_pret_Valsts

_policiju_0.pdf, Last accessed: 02.01.2022.

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Global Inequalities

Global Social
Policy
Score: 3

Latvia's development policy is closely aligned with its foreign policy. In the past, Latvia has primarily focused on the countries of the EU Eastern Partnership (Georgia, Moldova and Ukraine) in its development efforts, but more recently in its COVID-19 response, Latvia has launched a grant project competition to help Eastern Partnership countries and the Central Asian countries of Kyrgyzstan, Tajikistan and Uzbekistan.

Overall, Latvia's development cooperation aims to promote sustainable growth and stability in its region while also contributing to sustainable development. In 2020, Latvia provided \$40.2 million in aid, representing 0.12% of gross national income (GNI). This was an increase of 14.8% in real terms in volume and an increase in the percentage of GNI relative to 2019.

In 2021, the Foreign Ministry's budget allocated €583,813 for the implementation of bilateral development cooperation measures. Some €120,000 of these funds were channeled toward projects targeting the support of civil society in Belarus. These projects, which were selected through a competitive process, were designed to provide immediate assistance to those affected by the Belarusian authorities' violence, and further aimed to support the development of Belarusian civil society.

Citation:

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III. Environmental Policies

Environment

Environmental
Policy
Score: 8

Latvia is a heavily wooded country, with 2.9 million hectares (44.5% of the total area) of its territory forested, 50% of which is state-owned. The government acts as both regulator and largest landowner with respect to Latvia's forests. Protection of forests is well organized and secured through legislation which regulates all related economic activities, including harvesting, management plans, regeneration, and the monitoring and control of tree species.

The EU Environmental Implementation Review (2019) and the OECD Environmental Performance Review (2019) emphasized that, despite the overall positive performance, Latvia would benefit from setting more ambitious goals when it comes to environmental performance. In particular, waste management, eco-innovation and material recycling remain a challenge. In addition, the OECD has emphasized the need for Latvia to invest in green public procurement, eco-labeling and market incentives, and to additionally promote public awareness, ensure better enforcement and set more ambitious goals in this area.

Meaningful steps have been taken to address many of these challenges, however. For example, the Ministry of Environmental Protection and Regional Development developed a reform project, approved by the Cabinet of Ministers, aimed at improving municipal waste management by reviewing the boundaries of municipal waste regions and the functions of landfills, moving from 10 municipal waste management regions to five in order to make more efficient use of resources and meet the new waste management targets. The key target here is to ensure that the share of municipal waste disposed of in

landfills (63.8% in 2019) ultimately declines substantially (with a target of 10% in 2035). Similarly, Latvia introduced a Law on Reduction of Consumption of Plastic products in 2021, and will launch a packaging system in February 2022 to reduce waste and foster a circular economy. Furthermore, in 2020, the regulatory framework for green procurement was improved to promote the production and use of environmentally friendly goods and enhance the support provided to local producers.

Latvia is on course to achieve many of the Sustainable Development Goals, with significant opportunities to accelerate the move to a low-carbon, greener and more inclusive economy.

Citation:

1. European Commission (2019), The Environmental Implementation Review: Latvia, Available at: https://ec.europa.eu/environment/eir/pdf/report_lv_en.pdf, Last assessed: 10.01.2022.
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Global Environmental Protection

Global
Environmental
Policy
Score: 6

Latvia is not an international environmental policy agenda-setter. As an EU member state, Latvia is bound by EU legislation, with EU climate policy being particularly influential. Latvia indirectly contributes to EU initiatives and has agreed to comply with international agreements and conventions, such as the Kyoto Protocol, the UNESCO World Heritage Convention, the Bern Convention, the Helsinki Convention and others. Latvia has also signed bilateral cooperation agreements on the issue of environmental policy with Austria, Belarus, Denmark, Georgia, Estonia, Russia, Lithuania, Moldova, the Netherlands, Poland, Serbia, Finland and Ukraine. In addition, Latvia is party to the Helsinki Commission Baltic Sea Action Plan, which aims to improve the Baltic Sea's ecological status. Nevertheless, Latvia does not have the political or economic capacity to lead on or directly advance global environmental protection regimes.

Latvia has been a party to the United Nations Framework Convention on Climate Change (UNFCCC) since 1995 and to the Kyoto Protocol since 2002. The 2019 Climate Change Performance Index, which evaluated emissions

trends, emissions levels, and climate policy, rated Latvia as a high performer overall, especially regarding the management of greenhouse gas emissions. However, that ranking had fallen 13 spots to 26th place by 2022, and Latvia is now rated as a medium performer overall, remaining strong in the renewable energy and climate policy categories, but lagging behind in national climate policy and scoring particularly low with regard to energy use. The report notes that Latvia seems to be moving in the wrong direction because of increasing per capita emissions, and it is therefore not on track for the 2°C target.

Citation:

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Robust Democracy

Electoral Processes

Candidacy
Procedures
Score: 9

Candidacy procedures provide everyone with an equal opportunity to be an election candidate. Some restrictions, related to Latvia's Soviet past, are in place.

While political parties are the only organizations with the right to submit candidate lists for parliamentary elections, multiparty electoral coalitions have not been abolished and are indeed the rule. Registration as a political party is open to any group with at least 200 founding members. In 2016, a new threshold was set, which requires political parties to have at least 500 members before standing in national parliamentary elections.

The Central Election Commission (Centrālā Vēlēšanu Komisija, CVK) oversees the organization of elections. International observers have consistently recognized Latvia's elections as being free and fair. For example, the Office for Democratic Institutions and Human Rights (ODIHR) report on the 2018 general election expressed full confidence and trust in the professionalism and impartiality of election administration at all levels, but noted that consideration should be given to introducing special measures in the legal framework to promote female candidates. In addition, it was recommended that the blanket restriction on candidacy rights of citizens who have committed an intentional crime should be revised, and that the lifelong ban for those who have committed a crime in a state of mental disorder should be lifted.

From 2020, lists of candidates may no longer be submitted by associations of voters in municipal elections, but only by registered political parties, registered associations of registered political parties, or two or more registered political parties that have not joined a registered association of political parties. In the past, voter associations did not require such a large number of members of the legal structure of the party to run in municipal elections, which is now presenting a challenge to small regional parties.

Furthermore, the Constitutional Court is considering a constitutional complaint filed by a small regional party that has complained that the state funding for parties (which has increased by 2% in 2020 for the Saeima election) is unfair to small local parties that want to participate in a single local government election, and not only cannot compete with the recipients of funding at the national level, but are also forced by law to maintain the legal form of the party.

Citation:

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Media Access
Score: 7

There are no laws or self-regulatory measures that provide access to airtime on private channels for political actors during election campaigns. Generally, the representation of different political groups is balanced.

Electoral candidates and every political party have equal access to the media. Publicly financed election broadcasts on public and private television are equally available to all, although debates between political party leaders before elections often feature only those parties polling around and above the 5% threshold in the polls.

In recent years, much of the pre-election debate in the private media, in particular on television, has been publicly funded, with this funding being distributed through a public procurement competition. For example, in 2021, the National Electronic Media Council (NEPLP) awarded public procurement funding of €75,000 for the production of pre-election content for municipal elections on commercial television.

The national media system as a whole provides fair and balanced coverage. Individually, however, media outlets do not consistently provide fair and balanced coverage of the range of different political positions. Local newspapers and electronic media in Latvia's rural regions are often dependent on advertising and other support from the local authorities, sometimes leading to unbalanced coverage favoring incumbents. Local government-owned print media is pushing independent local media out of the market, leaving only local government-owned outlets to function as a public relations arm for

incumbents. Meanwhile, the opaque ownership structures of media outlets mean that support for political actors is often implied rather than clearly stated as an editorial position. There are also marked imbalances in media coverage related to the different linguistic communities. For example, both Latvian and Russian-language media demonstrate a bias toward their linguistic audiences.

Citation:

1. Rožukalne, A. (2016) Monitoring Risks for Media Pluralism in the EU and Beyond: Latvia, Available at: https://cadmus.eui.eu/bitstream/handle/1814/46802/Latvia_EN.pdf?sequence=1&isAllowed=y, Last accessed: 04.01.2022.
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3. OSCE: Office for Democratic Institutions and Human Rights (2019), Parliamentary Elections 6 October 2018: ODIHR Election Assessment Mission Final Report, Available at: <https://www.osce.org/odihr/elections/latvia/409344?download=true>, Last accessed: 04.01.2022.
4. LSM (2021) NEPLP has allocated 75,000 euros for the production of pre-election content on commercial television, Available: <https://www.lsm.lv/raksts/zinas/latvija/neplp-pieskirusi-75-000-eiro-prieksvelesanu-satura-veidosanai-komerctelevizijas.a403643/>, Last accessed: 04.01.2022.

Voting and
Registration
Rights
Score: 8

All adult citizens over 18 years of age have voting rights in national elections. Resident EU citizens can vote in local and European elections, and all have access to an effective, impartial and non-discriminatory procedure for voting. Procedures are in place for ensuring that incarcerated persons are able to cast ballots. Non-resident citizens have voting access via polling stations in Latvian diplomatic entities and polling stations abroad as well as through an absentee-ballot postal procedure.

Latvia has a significant population of non-citizens (10.1% of the total population in 2021) who, while allowed to join political parties, cannot participate in any elections.

Voting procedures for non-resident citizens can in practice present obstacles. For example, the number of Latvian diplomatic representations is limited, which can mean that non-resident citizens have to travel long distances, at significant expense, to vote. Furthermore, to vote by post non-resident citizens are required to submit their passport, which can be held for three weeks.

Election observers in the 2018 parliamentary elections found no major faults with voting rights and access, but suggested that implementation of a permanent voter register be considered in order to promote universal suffrage.

At the local-government level, voting rights and procedures are similar. Voters may vote in local-government elections on the basis of their residence or according to property ownership. Voters have designated polling stations but can switch to a more convenient polling station if desired. For individuals

unable to be present at polling stations on election day, polling stations are open for early voting in the days prior to the election. Currently, no provision is made for non-resident citizen participation in local-government elections.

Citation:

1. OSCE: Office for Democratic Institutions and Human Rights (2019), Parliamentary Elections 6 October 2018:

ODIHR Election Assessment Mission Final Report, Available at: <https://www.osce.org/odihr/elections/latvia/409344?download=true>, Last assessed: 04.01.2022.

2. Office of Citizenship and Migration Affairs (2021), Natural Persons Register: Statistics. Available at (in Latvian): https://www.pmlp.gov.lv/lv/fizisko-personu-registra-statistika-2021-gada?utm_source=https%3A%2F%2Fwww.google.com%2F, Last accessed 02.01.2022.

Party Financing
Score: 8

Political and campaign financing in Latvia is regulated by the Law on Financing Political Organizations, the Law on Pre-election Campaign, and the Law on Corruption Prevention and Combating Bureau. In 2017, changes were made to the Law on Financing Political Organizations, which introduced an electronic data entry system, simplifying the submission of party and donor reports. In addition, it introduced a limit on donations by political party members or third parties.

The 2020 Amendments to the Party Financing Law specify that political parties that received votes from more than 2% of voters in the last Saeima elections will be allocated budget funding of €4.50 for each vote obtained. Parties will also receive €0.50 for each vote cast in the last local elections, and €0.50 for each vote cast in the last European elections. Previously, the rate was €0.71 per vote. If a party attracts more than 5% of the votes, €100,000 a year will be provided until the next elections. State support for a single party will not exceed €800,000 annually. This change is a welcome step in the right direction, although it has raised some concerns about the limitations it may set on political competition, keeping the new, smaller parties out.

The amendments also set a limit to donations, membership fees and party joining fees for parties receiving budget funding, which now cannot exceed five minimum salaries during a calendar year. If the parties receive state funding, and in the previous elections received more than 2% but less than 5% of the votes, the cap is 12 minimum monthly salaries during a calendar year. Previously, the maximum amount of donations and payments was 50 monthly salaries.

In addition to budget funding, fees and donations, parties can also be financed by income earned through parties' economic activities in Latvia, according to certain set limits. Legal entities (e.g., corporations), and anonymous and foreign donors are prohibited from financing political parties. Parties are also not allowed to take or issue loans. Candidates are permitted to donate to their

own campaign, as long as they observe the limits established for donations from individual persons. All donations must be made through bank transfers, except for cash donations of less than €430.

Financing is transparent, with donations required to be publicly listed online within 15 days. Campaign spending is capped. As of 2012, paid television advertisements are also limited, with a ban on advertising for a 30-day period prior to an election.

Political party and campaign financing are effectively monitored by the Corruption Prevention and Combating Bureau (Korupcijas novēršanas un apkarošanas birojs, KNAB), with local NGOs playing a complementary role in monitoring and ensuring transparency.

Infringements have been sanctioned, with political parties facing sizable financial penalties. The court system has been slow to deal with party-financing violations, enabling parties that have violated campaign-finance rules to participate in subsequent election cycles without penalty. Ultimately, however, those parties that have faced stiff penalties have been dissolved or voted out of office.

The ODIHR report on the 2018 parliamentary elections expressed confidence in the party and campaign finance rules, but recommended that electoral contestants open dedicated bank accounts for campaigning transactions to enhance the mechanisms.

1. Ministry of Justice (2019) Initial Impact Assessment Report of Amendments to the Law on the Financing of Political Organizations (Parties) (Abstract), Available at: [https://tap.mk.gov.lv/doc/2019_10/TMAnot_081019_PFF\[1\].1802.docx](https://tap.mk.gov.lv/doc/2019_10/TMAnot_081019_PFF[1].1802.docx), Last accessed: 12.01.2022
2. OSCE: Office for Democratic Institutions and Human Rights (2019), Parliamentary Elections 6 October 2018: ODIHR Election Assessment Mission Final Report, Available at: <https://www.osce.org/odihr/elections/latvia/409344?download=true>, Last accessed: 12.01.2022.
3. Amendments to the Criminal Law Regarding Illegal Party Financing (2011), Available at (in Latvian): <http://www.likumi.lv/doc.php?id=236272>, Last accessed: 12.01.2022.
4. Law on the Financing of Political Organizations (Parties), Available at (in Latvian): <http://www.likumi.lv/doc.php?id=36189>, Last accessed: 12.01.2022.
5. KNAB (2015) “Overview of Violations of Campaign Finance Regulations in the 2014 Saeima elections,” KNAB (published in Latvian). Available at: https://www.knab.gov.lv/upload/free/parskati/12.saeimas_finansu_parbaudes_1.07.2015.pdf, Last accessed: 12.01.2022.
6. The Corruption Prevention and Combating Bureau (2017), General report 2017, Available at: https://www.knab.gov.lv/upload/2018/knab_01022018_zinojums_2017rezultati.docx, Last accessed: 12.01.2022.
7. Amendments to the Party Financing Law (2019 and 2020), Available (in Latvian) at: <https://likumi.lv/ta/id/36189-politisko-organizaciju-partiju-finansesanas-likums>, Last accessed: 12.01.2022.

Citizens have the legal right to propose and make binding decisions at the national level. The constitution includes provisions for both popular initiatives and referendums. No instruments of popular decision-making existed at the

local level until recently; however, in 2021, Saeima approved the draft Law on Local Government Referenda which has yet to be implemented.

In addition to referendums, the parliament approved a new political decision-making instrument in 2010 that allows citizens to put items on the parliamentary agenda, though it does not afford citizens the right to make binding decisions. Thus, the parliamentary procedure allows for petitions that have gathered 10,000 signatures to move to the parliament for consideration. Under this instrument, 84 proposals have been forwarded to parliament and other institutions since 2011; 50 of these were successful in one way and another, and 12 have been turned into laws or regulations.

In 2011, following the president's invocation of the constitutional procedure for dissolving the parliament, the decision was voted on in a referendum. Under this procedure, a parliament can be dissolved if the act receives voters' approval, but the president must resign if the act does not receive voters' approval. In 2011, voters approved the dissolution of parliament and extraordinary elections were held in October 2011. This constitutional procedure had never before been used. Since then, there have been a number of attempts to trigger the procedure, but not enough signatures were gathered.

In 2012, changes were made to the legislation regulating referendums that required petitions to receive 30,000 initial signatures before triggering a referendum, followed by CVK engagement to gather further signatures totaling one-tenth of the electorate. As of 1 January 2015, a one-step procedure took force that eliminated CVK engagement in the signature-gathering phase, placing the responsibility for gathering the signatures of one-tenth of the electorate with the referendum initiators.

1. CVK (Central Voting Commission): Voters' Initiatives and Collection of Signatures, Available at: <https://www.cvk.lv/en/voters-initiatives/collection-of-signatures>, Last accessed: 04.01.2022
2. Social Initiative Platform ManaBalss.lv, List of Signed Initiatives, Available at (in Latvian): <https://manabalss.lv/page/progress>, Last accessed: 04.01.2022
3. CVK (Central Voting Commission) (2011) Referendum on Dissolution of the 10th Saeima, <https://www.cvk.lv/en/referendums/referendum-on-dissolution-of-the-10th-saeima-2011>, Last assessed: Last accessed: 04.01.2022
4. Saeima (2021) Saeima supports the draft law on local government referendums in the second reading, Available (in Latvian): <https://www.saeima.lv/lv/aktualitates/saeimas-zinas/25466-lems-par-mihaila-barisnikova-uznemsanu-latvijas-pilsoniba.rss.rss.rss/30242-saeima-otraja-lasijuma-atbalsta-vietejo-pasvaldibu-referendumu-likuma-projektu>, Last accessed: 04.01.2022

Access to Information

Media Freedom
Score: 7

Private media are generally free from direct government influence. Licensing and regulatory regimes are politically neutral and generally do not create a risk of inappropriate political interference. However, in the past, private media

ownership structure and the media working environment have enabled actors associated with the government to influence editorial decisions.

In 2017, leaked transcripts of conversations between Latvia's three "oligarchs" revealed the presence of political influence in Diena, the major daily newspaper, and in public television. These figures holding these conversations observed that public radio remains impervious to outside political influence.

The National Broadcasting Council (Nacionālā elektronisko plašsaziņas līdzekļu padome, NEPLP) has previously been criticized for violating the independence of public broadcasting after making swift, poorly substantiated changes in the leadership ranks of the public radio and television services. In 2019, the chairwoman of the National Electronic Mass Media Council resigned as a result. The council has similarly been criticized for being subject to political influence and susceptible to conflicts of interest, as there was no separation between the specific task of overseeing the public media services, and that of regulating the media industry as a whole.

After four years of draft law development, a new Law on Public Electronic Media was adopted in 2020, intended to address these and other challenges regarding the media environment in Latvia.

The law provides for the establishment of a new council – the Public Electronic Media Council (Sabiedriskā elektronisko plašsaziņas līdzekļu padome, SEPLP) – which is intended to function as an independent autonomous body representing the public interest in the public electronic media sector. SEPLP will lead public procurement efforts and control their execution, but will not have the right to interfere in the specific editorial choices of the public service media.

The new law also creates a Media Ombudsman to monitor the public electronic media services' compliance with their statutory purpose and operating principles, codes of ethics, and editorial guidelines. The Ombudsman will also have the right to initiate the dismissal of an SEPLP member or the council as a whole if the council member's actions or omissions pose a threat to the editorial independence of the public media.

Overall, these developments are welcome and timely, and should be viewed as improvements in the quality of public media in Latvia, as they draw a clearer distinction between political influence and media oversight. The new law eliminates the conflicts of interest that have existed for years in the NEPLP, separating the supervision of public media from the functions of the regulator of the entire industry.

1. Law on Public Electronic Mass Media and Administration Thereof (2021) Available at: <https://likumi.lv/ta/en/en/id/319096>, Last accessed: 10.01.2022.
2. Rožukalne, A. (2016) Monitoring Risks for Media Pluralism in the EU and Beyond: Latvia, Available at: https://cadmus.eui.eu/bitstream/handle/1814/46802/Latvia_EN.pdf?sequence=1&isAll owed=y, Last assessed: Last accessed: 10.01.2022.
3. Official Gazette 'Latvijas Vestnesis' (2020) New Law on Public Media Management, Available (in Latvian): <https://lvportals.lv/skaidrojumi/322417-jauns-likums-sabiedrisko-mediju-parvaldibai-2020>, Last accessed: 10.01.2022.

Media Pluralism
Score: 7

Media ownership is diverse in Latvia. Print media is privately owned, while broadcast media has a mix of public and private ownership. In the last decade, market pressures have created some consolidation in the market, leading to concerns about pluralism. Newspapers and magazines provide a diverse range of views, but ownership structures are in some cases opaque. Internet news portals (Delfi, TVNet, and Public Broadcasting of Latvia platform) have replaced print newspapers as the primary source of news.

According to the NPLP and the Media Pluralism Report (2021), media consumption in Latvia is largely determined by ethnic group and/or geographical factors – that is, Latvian speakers generally trust and use Latvian media, whereas Russian speakers choose Russian-language media, often preferring TV channels controlled by the Russian government.

Even though the regulation of Latvia's media is liberal and has allowed a diverse media system to develop, Latvia was evaluated as showing a medium to high risk to media pluralism in many of the categories addressed by the Media Pluralism Monitor in 2021. In particular, a high level of risk is observed with regard to market plurality (75%) due to increasing news media and online platform concentration, with the highest increase in concentration coming in the digital news field. The area of social inclusiveness indicates a medium overall risk of 47% due to difficulties in accessing media in some regional communities, comparatively more limited access for women, and a high level of risk with regard to the development of media literacy.

Citation:

1. Rozukalne A. (2021) Monitoring Media Pluralism in the Digital Era: Latvia Country Report, Available at: https://cadmus.eui.eu/bitstream/handle/1814/71952/_atvia_results_mpm_2021_cmpf.pdf?sequence=1&isAll owed=y, Last accessed: 10.01.2022.
2. Rožukalne, A. (2017) Country report: Latvia, European University Institute, Centre for Media Pluralism and Media Freedom, Available at: http://cmpf.eui.eu/wpcontent/uploads/2018/11/Latvia_MPM2017_country-report.pdf, Last accessed: 10.01.2022.

Access to
Government
Information
Score: 10

The constitution provides individuals with the right to address the government and receive a materially substantive reply. The Freedom of Information Act (FOIA), in place since 1998, creates the right to request information and receive a response within 15 days. No reason needs to be given for the request.

Information is classified as generally accessible or restricted. Any restrictions on the provision of information must be substantively reasoned in accordance with specific legal guidelines. The FOIA is actively used by the press, NGOs, and the academic community. Appeal procedures are in place, including both an administrative and court review. Government decisions to classify information as restricted have been challenged in the courts, with the courts generally upholding a broad standard of access to information.

Latvia has a number of regulations promoting transparency in the decision-making process, requiring the government to make documents available to the public proactively. Documents regarding draft policies and legislation are freely available online, and cabinet meetings are open to journalists and other observers. Regulations require that many documents be published online for accountability purposes. This includes political-party donations, public officials' annual income- and financial-disclosure statements, national-budget expenditures, conflict-of-interest statements, and data on public officials disciplined for conflict-of-interest violations.

In addition, the parliament approved a new Law on Whistleblowing in 2018 (in effect from 2019). The law enables whistleblowers to expose offenses that concern the public interest or the interests of certain social groups.

Citation:

1. Freedom of Information Act, Available at (in Latvian): <http://www.likumi.lv/doc.php?id=50601>, Last accessed: 04.01.2022.

2. Cabinet of Ministers (2019), Whistleblowers, Available at (in Latvian): <https://www.mk.gov.lv/lv/content/trauksmes-celeji>, Last accessed: 04.01.2022.

Civil Rights and Political Liberties

Civil Rights
Score: 8

Civil rights are generally respected and protected. There is a provision for freedom of speech, although it criminalizes incitement to racial and ethnic hatred. It is forbidden to glorify or deny the Holocaust, crimes against humanity, or war crimes against the country perpetrated by the Soviet Union or Nazi Germany. There are no government restrictions on academic freedom or cultural events, and freedom of religion is granted.

In cases of infringement, courts provide protection. Individuals have equal access to and are accorded equal treatment by the courts. However, a significant court overload creates difficulties in obtaining timely access to justice.

There are concerns over poor conditions in the country's prisons and detention facilities, lengthy pretrial detention periods, and the general accessibility of the

court system. The 2017 Ombudsman report rated the overall prison infrastructure as being antiquated and advanced plans for the construction of a modern prison in the city of Liepāja. This project has now started and is expected to conclude by the end of 2025.

In 2019, the European Court of Human Rights ruled in favor of an inmate who had been prevented from attending his father's funeral due to sexual discrimination, as men that have been found guilty of a serious crime are automatically placed in the highest security category, while women found guilty of a comparable crime are placed in less restrictive, only partially closed prisons.

Citation:

1. Freedom House (2021) Latvia: Civil Liberties, Available at: <https://freedomhouse.org/country/latvia/freedom-world/2021>, Last accessed: 05.01.2022.
2. Ombudsman of Latvia (2017), Annual Report, Available at: http://www.tiesibsargs.lv/uploads/content/legacy/2017_annual_report_summary_1523624612.pdf, Last accessed: 05.01.2022
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5. Ministry of Justice (2021) Liepāja Prison, Available (in Latvian): https://www.tm.gov.lv/lv/liepajas-cietums?utm_source=https%3A%2F%2Fwww.google.com%2F, Last accessed: 10.01.2022.

Political Liberties
Score: 9

Political liberties are effectively protected and upheld. The right to speak, think, assemble, organize, worship, and petition without government interference or restraint is recognized and protected. However, new challenges to the freedoms of speech, assembly and organization are emerging. For example, freedom of assembly is regularly tested by organizations applying to the Riga city council for permits. In most instances, permits are granted without fail. Sensitive political issues, however, have led the city council to deny permits. There is a right of appeal to the courts and a rapid consideration schedule to ensure timely decisions.

Citation:

- Freedom House (2021) Freedom in the World: Latvia, Available at: <https://freedomhouse.org/country/latvia/freedom-world/2021>, Last accessed: 10.01.2022.

Non-discrimination
Score: 7

Latvia adheres to EU anti-discrimination directives. Anti-discrimination legal provisions are scattered among more than 30 pieces of legislation, with policy responsibilities dispersed among a significant number of state institutions. No single entity takes the lead in designing and implementing anti-discrimination

policy, but individuals complaining of discrimination typically approach the Ombudsman. The Ombudsman has focused on labor market discrimination on the basis of age, sex, and sexual preference, cases of hate speech, and on issues of equal access to education and health services.

Due to Latvia's ethnic makeup, discrimination based on ethnic origin is often cited in the media. The legal framework has been deemed non-discriminatory and official complaints are rare. However, public rhetoric on issues of citizenship, loyalty, language of instruction in education and use of language in public life can be inflammatory and be perceived as discriminatory.

Discrimination on the basis of sexual orientation is poorly regulated. It is only mentioned in the context of labor law. The Ombudsman's efforts to draw public attention to the issue of same-sex partnerships have been fraught with controversy due to intense polarization of views on the issue within Latvian society. In 2020, the Saeima rejected an initiative signed by more than 10,000 Latvian residents regarding the registration of same-sex partnerships.

A new law was introduced in 2017 that restricts a person's right to cover their face. The law was developed by the Ministry of Justice.

Although Latvia signed the Istanbul Convention in 2016 and has implemented most of its recommendations, the parliament has still not ratified it. This hinders the state's ability to address the issue of domestic violence in Latvia, as Latvia lacks an integrated approach to eradicating it. None of the NGOs that provide services to women who have suffered from violence receive financial assistance from the state. According to the Central Statistical Bureau, 38.6% of women have suffered from physical or sexual violence since the age of 15 in Latvia, while 6.3% have done so during the past 12 months. Among this population, 32.1% have never told anyone about the violence, which is more than twice the comparable average in the EU.

According to the European network of legal experts on gender equality and non-discrimination, gender equality laws in Latvia generally do not significantly exceed the European Union's minimum requirements – no positive measures have been taken to date. Receiving 60.8 out of 100 points (7.1. points lower than the EU average), Latvia ranks 17th in the EU on the Gender Equality Index.

Citation:

1. OECD (2019) Social Institutions and Gender Index, Available at: <https://www.genderindex.org/wpcontent/uploads/files/datasheets/2019/LV.pdf>, Last accessed: 15.01.2022.
2. European network of legal experts in gender equality and non-discrimination (2018), Country Report: Non-discrimination 2018, Available at: <https://www.equalitylaw.eu/downloads/4754-latvia-country-reportnon-discrimination-2018-pdf-2-05-mb>, Last accessed: 15.01.2022.

3. UN (2018) Global Database on Violence Against Women, Available at: <http://evaw-globaldatabase.unwomen.org/fr/countries/europe/latvia#1>, Last accessed: 15.01.2022.
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9. European Institute for Gender Equality (2020) Gender Equality Index 2020: Latvia, Available at: <https://eige.europa.eu/publications/gender-equality-index-2020-latvia>, Last accessed: 10.01.2022
10. LSM (2020) Latvian Saeima rejects initiative for registration of same-sex partnerships, Available at: <https://eng.lsm.lv/article/society/society/latvian-saeima-rejects-initiative-for-registration-of-same-sex-partnerships.a379780/>, Last accessed: 05.01.2022
11. CSB (2019) Gender-based violence, Available at: https://www.csb.gov.lv/en/gender-equality-indicators/Crime_Violence, Last accessed: 15.01.2022.

Rule of Law

Legal Certainty
Score: 9

Latvia's government and administration generally act in a predictable manner. Government decisions have in some cases been challenged in court on the basis of a breach of the principle of legal certainty. For example, dissenting judges of the Constitutional Court published an opinion in 2014 indicating that the majority had erred in applying the principle of legal certainty during the financial crisis. They emphasized that legal certainty can be applied differently in different settings.

The Foreign Investors' Council in their FICIL Sentiment Index 2015 noted two issues with legal certainty. First, the legal system delivers unpredictable results, which negatively affect the foreign investment climate in Latvia. Second, the legislative environment and tax regime have been inconsistent since the 2008 crisis, undermining investor confidence. In 2018, the FICIL Sentiment Index highlighted similar issues and emphasized issues of uncertainty in bureaucratic bodies, labeling it a "chronic problem" for the business environment. In 2021 however, the FICIL commended amendments to the Law on Residential Properties, which previously had prohibited the division of a residential house into residential properties if it shared the same land parcel with other residential houses, a provision that violated the principle of legal certainty.

Citation:

1. The Constitutional Court of Latvia (2012), On Termination of Proceedings, Rulings available at: <http://www.satv.tiesa.gov.lv/en/press-release/the-constitutional-court-terminated-proceedings-in-the-case-on-judge-and-public-prosecutors-remuneration-reform/>, Last accessed: 09.01.2022.
2. FICIL Sentiment Index 2015 and 2018. Available at: <https://www.sseriga.edu/centres/csb/sentimentindex>, Last assessed: Last accessed: 09.01.2022.
3. FICIL (2021) FICIL welcomes the amendments to the Law on Residential Properties, Available at: <https://www.ficil.lv/2021/07/14/ficil-welcomes-the-amendments-to-the-law-on-residential-properties/>, Last accessed: 09.01.2022.

Judicial Review Score: 8

Judicial oversight is provided by the administrative court and the Constitutional Court. The administrative court, created in 2004, reviews cases brought by individuals. The court is considered to be impartial; it pursues its own reasoning free from inappropriate influences.

The court system suffers from a case overload, leading to delays in proceedings. According to the court administration's statistical overviews, 88.19% of cases in 2020 concluded within 12 months' time (18.7% take between six and 12 months), while 11.81% took longer than that.

The Constitutional Court reviews the constitutionality of laws and occasionally that of government or local government regulations. In 2019, the court received 728 petitions, 258 of which were forwarded for consideration. The court initiated 70 cases, dealing with a wide range of issues, including human dignity, non-discrimination, the right to social security, and the right of minorities to use their mother tongue in early education.

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Appointment of Justices Score: 8

Judges are appointed in a cooperative manner. While the parliament approves appointments, candidates are nominated by the minister of justice or the president of the Supreme Court based on advice from the Judicial Qualification Board. Initial appointments at the district court level are for a period of three years, followed either by an additional two years or a lifetime appointment upon parliamentary approval. Regional and supreme court judges are appointed for life (with a compulsory retirement age of 70). The promotion of a judge from one level to another requires parliamentary approval. Parliamentarians vote on the appointment of every judge, and are not required to justify refusing an appointment. Judges are barred from engaging in political activity.

A new system for evaluating judges has been in place since January 2013, with the aim of strengthening judicial independence. While the government can comment, it does not have the power to make decisions. A judges' panel is responsible for evaluations, with the court administration providing administrative support in collecting data. The panel can evaluate a judge favorably or unfavorably and, as a consequence of this simple rating system, has tended to avoid rendering unfavorable assessments.

In 2018, amendments to the Law on Judicial Power reduced the influence of executive power on the organization of court work and extended the competence of the Council for the Judiciary in appointing chairs of the courts. Nevertheless, a European Networks of Councils for the Judiciary (ENCJ) survey of judges (2020) found that Latvia scored relatively poorly in terms of Latvian judges' evaluation of judicial independence (scoring between 6.5 and 7 on a 10-point scale). A total of 19% of Latvian judges reported being subjected to inappropriate pressure, and 11% reported that corruption occurs regularly. Some 43% of judges in Latvia felt that the media has a large impact on their decisions.

1. Supreme Court Senate (2018), The competence of the Council for the Judiciary in appointing chairs of courts and in transfer of judges shall be expanded, Available at: <http://www.at.gov.lv/en/jaunumi/partieslietu-padomi/the-competence-of-the-council-for-the-judiciary-in-appointing-chairs-of-courts-and-in-transfer-of-judges-shall-be-expanded-9374?year=2018&>, Last accessed: 11.01.2022
2. On Courts (1993) Available (in Latvian): <https://likumi.lv/ta/id/62847-par-tiesu-varu>, Last accessed: 11.01.2022.
3. ENCJ (2019) Independence and Accountability of the Judiciary: Survey on the independence of Judges, Available at: <https://pgwrk-websitemedia.s3.eu-west-1.amazonaws.com/production/pwk-web-encj2017-p/Reports/Data%20ENCJ%202019%20Survey%20on%20the%20Independence%20of%20judges.pdf>, Last accessed: 10.01.2022.

Corruption
Prevention
Score: 7

Latvia's main integrity mechanism is the Corruption Prevention and Combating Bureau (Korupcijas novēršanas un apkarošanas birojs, KNAB), which the Group of States Against Corruption has recognized as an effective institution. The Conflict of Interest Law is the principal legislation regarding officeholder integrity.

In recent years, KNAB has experienced several controversial leadership changes and has been plagued by a persistent state of internal management disarray. Internal conflicts have spilled into the public sphere. For example, the previous KNAB director and deputy director were embroiled in a series of court cases over disciplinary measures in 2015 and 2016. These court cases ended with the director dismissing two deputy directors in the summer of 2016, both of whom then appealed their dismissal. These scandals have weakened public trust in the institution. A new, well-qualified and seemingly independent director, was appointed in 2017.

In 2018, a Whistleblowing Law was introduced that allows whistleblowers to expose offenses against the public interest. In the first year of the law's operation, 119 out of 435 reports received were confirmed as whistleblowing cases. Tax evasion, violations by officials and waste of property were among the most common themes covered by the reports.

While Latvia does not currently have a lobbying law or regulation, the Open Lobbying working group in the Saeima's Committee of Defense, Internal Affairs and Corruption Prevention is working on a new legislative proposal that is expected to be presented to the Saeima in 2022.

Overall, the Latvian government has successfully made an effort to fight corruption and money laundering in recent years, particularly following the U.S. FinCen report (which led to the liquidation of ABLV bank) and the Council of Europe's 2018 MONEYVAL report.

Nevertheless, the Freedom House report of 2021 allocated Latvia just 4.5 out of seven points in their corruption evaluation, claiming that corruption has remained among the weakest spots in Latvian democracy. The report notes that corruption scandals on the national and municipal levels had remained a common topic covered by the national news, signaling that corruption remains one of the most topical concerns. Trials associated with corruption have typically been long, often stretching on for years, and have in a number of cases resulted in mild monetary penalties or even acquittals rather than imprisonment. However, high-profile cases are investigated and reported in the mass media, which indicates that corruption as such is recognized as problematic. For example, in 2018, the governor of the Latvian central bank was charged with bribery and money laundering. His trial started in early November 2019. He has not stepped down from his position, although his six-year tenure ended on 21 December 2019. More recent cases include the investigation of a former justice minister, Baiba Broka, and a former mayor of Riga, Nils Usakovs.

More recently, the trial of oligarch Aivars Lembergs reached the final stage in the court of first instance in 2020. In March, the prosecution concluded its yearlong (80 sittings) discussions, requesting that Lembergs be charged a fine of €64,500 and serve an eight-year prison sentence. Lembergs was found guilty and sentenced to five years in prison, the confiscation of property and a fine of €20,000.

In June 2020, a new Criminal Law was passed, which may help to solve the issue of extremely long trial processes, such as the one involving Lembergs. For example, the new amendments to the law stipulate that the accused is required to speak the truth, with failure to do so being regarded as aggravating circumstances. The judge is now able to limit the time available for debate and the closing arguments of the defense (a strategy notoriously used by Lembergs' defense). The law also prescribes greater transparency in trial processes by giving reporters greater freedom in criminal courts (at judges' discretion).

Citation:

1. Corruption °C (2017), Updated Statistics on Convictions for Corruption Offences (2016 Data Added), Available at: <http://providus.lv/article/jaunaka-statistika-par-korupcijas-lietu-iztiesasanu-latvija>, Last accessed: 15.01.2022.
2. Group of States Against Corruption (GRECO)(2012), Fifth Evaluation Round, Preventing corruption and promoting integrity in central governments (top executive functions) and law enforcement agencies, Evaluation Report, Available at: <https://rm.coe.int/fifth-evaluation-round-preventing-corruption-and-promoting-integrity-i/16808cdc91>, Last accessed: 15.01.2022.
3. State Chancellery (2019) Whistleblowing and Protection of Whistleblowers: Annual Report, Available (in Latvian) at: https://www.trauksmesceļs.lv/sites/default/files/buttons-card-files/TC_GADA_PARSKATS_2019-1-29-compressed2.pdf, Last accessed: 15.01.2022.
4. Freedom House (2021), Nations in Transit, Country Report, Available at: https://freedomhouse.org/country/latvia/nations-transit/2021?fbclid=IwAR1Z9BONWT_e88Ql7AipY0oZ8YJwSM5F3PZZrTgSng-wrrWvH6UqXfsgQo#footnote8_l55a7mg, Last accessed: 15.01.2022.
5. Saeima (2022) Information (in Latvian) on Open Lobbying working group's activities and meeting agendas, Available (in Latvian) here: <https://aizsardziba.saeima.lv/darba-grupa-lob%C4%93%C5%A1anas-atkl%C4%81t%C4%ABbas-likuma-izstr%C4%81dei>, Last accessed: 15.01.2022.
6. Amendments to the Criminal Law (2020) Available (in Latvian): <https://likumi.lv/ta/id/315653-grozijumi-kriminallikuma>, Last accessed: 15.01.2022.
7. Euronews (2021) Aivars Lembergs: One of Latvia's richest men is jailed for bribery and money laundering, Available at: <https://www.euronews.com/2021/02/23/aivars-lembergs-one-of-latvia-s-richest-men-is-jailed-for-bribery-and-money-laundering>, Last accessed: 15.01.2022.

Good Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 8

In December 2011, Latvia established a central government planning unit, the Cross-Sectoral Coordination Centre (Pārresoru koordinācijas centrs, PKC). The PKC's mandate was to develop a long-term strategic approach to public policymaking, while also monitoring decision-making to ensure that public policies are effective. The PKC also monitors ministries' progress toward meeting the government's stated goals, as outlined in the government declaration.

As the institution responsible for the policy-planning process, the PKC ensures standardized procedures for submission of policy documents to the cabinet, including adherence to long-term and medium-term outcome indicators and the inclusion of budgetary information for additional funding within the fiscal space determined by the Ministry of Finance. It also evaluates the strategic robustness of ministry submissions to the annual three-year budget process. To strengthen the mandate of the government in key structural reforms, it established and serves as the secretariat of the National Development Council that advises the prime minister on issues such as key framework policies for the next seven-year planning period. The PKC also coordinates meetings with ministry-level policy planners in order to ensure a feedback loop for any new initiatives involving strategic planning. This group, for example, collectively approved Latvia's approach to mainstreaming the 2015 UN Sustainable Development Goals within the country's policymaking process, thus ensuring that the policy system remains systematic and coherent.

To date, the PKC has produced two National Development Plans, and has screened subsequent sectoral planning documents to ensure adherence to the plans and the Latvia 2030 framework. It contributes to policy debates on a range of cross-sectoral issues specified by the prime minister or the cabinet,

including demographics and income disparities. The PKC reviews all proposals discussed by the cabinet and provides weekly briefings for the prime minister on substantive issues scheduled for discussion by the cabinet.

Despite the PKC's core role and the recent reduction in ministries' departmental units and staff numbers, the planning system remains deconcentrated. The NDP identifies the achievable outcomes and main measures mandated by the inclusive and participatory multi-stakeholder process. However, it is up to the ministries to make sector-level plans within the framework and beyond, including at the EU level.

1. The Cross-Sectoral Coordination Centre, Information Available at (in Latvian): <https://www.pkc.gov.lv/lv/par-pkc/kas-ir-pkc>, Last accessed: 10.01.2022.
2. The Cross-Sectoral Coordination Centre (2018) Annual Report:2018, Available at: https://www.pkc.gov.lv/sites/default/files/PKCgada%20parskats%202018_FINAL_.pdf, Last accessed: 10.01.2022.
3. Official Publisher of the Republic of Latvia (Latvijas Vēstnesis) (2019) Changes in the governance of State Owned Enterprises: Changes in 2020 <https://lvportals.lv/skaidrojumi/306321-grozijumi-valsts-un-pasvaldibu-kapitalsabiedribu-parvaldiba-kas-mainisies-2020-gada-2019>, Last accessed: 10.01.2022.
4. Development Planning System Law (2014) Available at: <https://likumi.lv/ta/en/en/id/175748>, Last accessed: 04.01.2022.
5. Rules for Development and Impact Assessment of Development Planning Documents (2014) Available (in Latvian): <https://likumi.lv/ta/id/270934-attistibas-planosanas-dokumentu-izstrades-un-ietekmes-izvertesanas-noteikumi>, Last accessed: 10.01.2022.

Expert Advice
Score: 6

The decision-making system in Latvia is transparent and open to public participation from the point at which policy documents are circulated between ministries in preparation for review by the cabinet. At this stage, experts and NGOs have the opportunity to provide input on their own initiative.

Most ministries have developed good practices in the area of public consultation. For example, ministries often seek expert advice by inviting academics to join working groups. Some government planning documents, such as the National Action Plan for Open Government by the State Chancellery, have been drafted in cooperation with NGO experts, following public discussions.

However, the government lacks the finances to regularly commission academic input. Consequently, expert engagement is given voluntarily, without remuneration.

The tax reform in 2017 saw a wide array of international and domestic experts propose and debate reforms across a broad spectrum of government committees, public forums, TV and radio debates, and op-ed columns. A similar deliberation process preceded the healthcare reforms and, in 2019, the territorial administrative reform. This has increased the status of non-governmental academic experts and government transparency.

However, expert advice is not always sought out and/or embraced. Recently, for example, an academic expert group was established to assess the future scenarios for COVID-19 crisis management, coordinated by the PKC. Soon afterward, the group of experts terminated its activities indefinitely, because the model for cooperation with the Cabinet of Ministers was seen as having failed, and the experts did not feel that the results were justifying their efforts. The group explained that the cooperation should be rooted in government requests for academic expertise, which had not occurred during this time.

Citation:

1. Official Gazette 'Latvijas Vestnesis' (2021) Statement by the Academic Environment Expert Group on the suspension of its activities, Available (in Latvian): <https://lvportals.lv/dienaskartiba/333432-akademiskas-vides-ekspertu-grupas-pazinojums-par-savas-darbibas-apturesanu-2021>, Last accessed: 13.01.2022

Interministerial Coordination

GO Expertise
Score: 9

The formation of the PKC, which reports directly to the prime minister, has ensured a mechanism enabling input from the government office on the substance of policy proposals from line ministries. The PKC evaluates proposals that are to be addressed by the cabinet as they are published for debate – thus, before being put on the cabinet agenda. It also screens documents going to the cabinet on a weekly basis, focusing on four issues: cross-sectoral impact, adherence to the policy-planning system, adherence to the government declaration, and compatibility with the main medium-term and long-term strategy documents (the National Development Plan and Latvia 2030).

Citation:

1. National Development Plan 2020, Available at (in Latvian): <https://www.pkc.gov.lv/lv/valsts-attistibas-planosana/nacionalais-attistibas-plans>, Last accessed: 12.01.2022.
2. Sustainable Development Strategy of Latvia until 2030, Available at: http://www.pkc.gov.lv/sites/default/files/images-legacy/LV2030/LIAS_2030_en.pdf, Last accessed: 12.01.2022

Line Ministries
Score: 8

Since its establishment in 2011, the PKC has become involved in line ministry preparation of policy proposals. PKC representatives may be invited to participate in working groups, but the involvement of the PKC is at the ministry's discretion. Informal lines of communication ensure that the PKC is regularly briefed on upcoming policy proposals.

The State Chancellery evaluates draft proposals prepared by the ministries and ensures the legal execution of legal acts. Moreover, the State Chancellery may issue an opinion on a project after it has been submitted for approval on the

TAP portal (a public portal for draft legislation), addressing issues such as administrative burdens, public participation or necessary posts, or assessing the quality of the initial impact assessment.

With the introduction of the TAP portal in 2021, ministries also tend share of draft legislation with the State Chancellery through the portal before handing it over officially.

In Latvia, ministers enjoy relatively substantial autonomy, which weakens the power of the prime minister. As a result, ministers belonging to a different party than the prime minister may attempt to block the prime minister's office from interfering in sensitive policy issues.

Cabinet
Committees
Score: 2

Cabinet committees were an integral part of the official decision-making process. If ministerial agreement on draft policy proposals cannot be reached at the state-secretary level, issues were automatically taken up by a cabinet committee for resolution and the cabinet committee's mandate is to iron out differences prior to elevating the proposal to the cabinet-level.

However, since May 2019, following a resolution by the prime minister, the cabinet committee no longer meets. The last meeting took place on 15 April 2019. Issues that were once considered by the committee are now addressed either in the meetings of the state secretaries (if the issue is one that can be resolved at the civil service level), or in the meetings of the Cabinet of Ministers (if the issue can be resolved politically).

Special steering groups may also be set up to resolve disagreements and speed up decision-making. An example of this is the Operational Steering Group on COVID-19 issues.

Citation:

1. State Chancellery (2018), Report, Available at (in Latvian): https://www.mk.gov.lv/sites/default/files/page/attachments/valsts_kancelejas_gada_parskats_2018_0.pdf, Last assessed: 06.01.2022.
2. Cabinet of Ministers (2019) According to the Resolution of the Prime Minister of 7 May 2019, the organization of meetings of the Cabinet Committee is not planned for the future, Available (in Latvian) at: <http://tap.mk.gov.lv/mk/mkksedes/saraksts/s/darbakartiba/?sede=654>, Last accessed: 06.01.2022.

Ministerial
Bureaucracy
Score: 9

Until recently, coordination of policy proposals was mandated at the state-secretary level, and new policy initiatives were officially announced at weekly state-secretary meetings.

With the introduction of the new Legislative Portal (TAP), there is no longer a formal announcement of new bills at the meetings of the state secretaries. Now everything new appears on the portal, with the reporting period for submitting opinions beginning at the point of appearance. This has made the process of

developing legislation more transparent – the portal allows the draft project to be published during the formulation stage, and the development of the draft continues in a collaborative, documented, and transparent manner. The institutions that have created accounts on the TAP portal have the opportunity to track the progress of projects at each stage, and can submit their objections or proposals in a timely manner.

Institutions and natural persons that do not have an account on the TAP portal can provide an opinion on a discussion paper before the project is submitted for inter-institutional coordination, and can also track the progress of draft measures (e.g., withdrawn, agreed, accepted, submitted, developed). The TAP portal allows users to share the draft legislation with representatives of other institutions before sending it for review, thus eliminating errors in a timely manner. It is also possible to see the opinions submitted by all participants in the coordination process, including social partners and NGOs.

Issues can be fast-tracked at the request of a minister. Fast-tracking means that the usual procedures for gathering cross-sectoral and expert input can be circumvented, putting the efficacy of coordination at risk. In 2020, 40% of all issues before the cabinet were fast-tracked, an increase from 2018.

At a lower bureaucratic level, coordination occurs on an ad hoc basis. Ministries conduct informal consultations, include other ministry representatives in working groups, and establish interministerial working groups to prepare policy proposals. These methods are widely used, but not mandatory.

Citation:

State Chancellery (2015, 2018, 2020), Reports (in Latvian), Available at: <https://www.mk.gov.lv/lv/content/gada-publiskie-parskati>, Last assessed: 10.01.2022.

Informal
Coordination
Score: 7

A collaboration council that represents the political parties forming the governing coalition meets for weekly informal consultations. Despite its regular meetings with formal agendas, the council is not a part of the official decision-making process. Given that cabinet meetings are open to the press and public, collaboration council meetings provide an opportunity for off-the-record discussions and coordination. The council plays a de facto gatekeeping function for controversial issues, deciding when there is enough consensus to move issues to the cabinet. The council can play both a complementary role, creating an enabling environment for consensus-building, and a destructive role, undermining the legitimacy of the official decision-making process.

The secrecy surrounding the collaboration council (previously known as the coalition council) has made it a controversial institution in the past. “Who

Digitalization for
Interministerial
Coordination
Score: 8

Owens the State?” – a populist party that won the second-largest share of the vote in the 2018 parliamentary election – promised to eliminate the coalition council. While the government coalition formed in January 2018 no longer refers to it as a “coalition council,” the collaboration council continues to operate as it has, but under a different name.

In addition to the collaboration council, the coalition has various coalition working groups that work on more specific issues.

Until recently, collaboration between state institutions was generally well organized, but fragmented, and did not have an effective common platform for the exchange of documents between ministries. With the introduction of the TAP portal, the situation has improved significantly. The circulation of documents between the State Chancellery and line ministries now takes place online in a new high-quality form, making the process of document exchange more transparent and efficient.

Furthermore, the TAP portal has indirectly contributed to the increase in the use of e-signatures in public administration, as authentication within the closed environment of the TAP portal requires the use of an e-ID, e-signature or mobile e-signature.

A unified platform of state and local government websites has also been created. This platform is an information technology tool that can be used to create websites, and offers modern and easy-to-use platforms for state institutions and local governments based on uniform principles. This platform has raised the quality of digital communication in the public administration, as agencies can interact with citizens more efficiently.

Citation:

1. Legislative Portal (TAP), Available at: <https://www.mk.gov.lv/en/tap-portals>, Last accessed: 10.01.2022
2. Cabinet of Ministers (2020) Unified platform for state and local government websites, Available (in Latvian) at: <https://www.mk.gov.lv/lv/projekts/valsts-un-pasvaldibu-iestazu-timeklvietnu-vienota-platforma>, Last accessed: 10.01.2022.
3. Digital Transformation Guidelines for 2021-2027 (2021) Available (in Latvian) at: <https://likumi.lv/ta/id/324715-par-digitalas-transformacijas-pamatnostadnem-20212027-gadam>, Last accessed: 10.01.2022.

Evidence-based Instruments

RIA Application
Score: 8

The government decision-making process requires every draft act of legislation to undergo an assessment, which takes the form of an annotated report. This annotation accompanies the draft through the review process to the cabinet. Among other indicators, the annotation addresses budgetary impact, impact on particular target groups and the cost of implementation. In

the past, the quality of annotations varied widely depending on the approach taken by the drafters, which range from detailed, evidence-based analysis to a simple pro forma summary of intent. Until recently minimum standards for annotations were not enforced.

With the establishment of the new TAP portal, new regulation regarding the impact assessment of draft legislative acts has also been adopted. This has expanded the list of items to be assessed, and clarifies the initial definition of impact assessment. The annotation in its revised form is now embedded in the TAP portal itself and includes several structured data sets and embedded formulas for calculating the economic and budgetary impact.

In 2021, a report entitled “On the Improvement of the Impact Assessment System” was approved. The report recommends that the State Chancellery, in collaboration with the PKC, the Ministry of Justice, the Saeima Analytical Service, line ministries, and, when necessary, other institutions and experts, revise the existing impact assessment system in order to improve its efficiency, proportionality and transparency.

Citation:

1. Legislative Portal (TAP) (2021) Guidelines for assessing the initial impact of the draft legislation and preparing the assessment report in the legislation portal, Available (In Latvian) at: <https://onedrive.live.com/?authkey=%21ANPN8vFW3M61km8&cid=73C0E5B8DEDAD073&id=73C0E5B8DEDAD073%211664&parId=73C0E5B8>, Last accessed: 10.01.2022.
2. Cabinet of Ministers (2021) Informative report on the Improvement of the Impact Assessment system, Available (in Latvian) at: http://tap.mk.gov.lv/doc/2020_12/MKinfo_141220_RIA.1074.docx, Last accessed: 10.01.2022.

Quality of RIA
Process
Score: 7

The contents of RIA annotations, the responsibility for evaluation and the mandatory sections to be completed are now regulated by a 2021 regulation called “Procedure for Evaluation of the Initial Impact of a Draft Legislative Act.” Compliance with this regulation is monitored by the State Chancellery rather than by an independent body. The newly established TAP portal helps ensure the transparency of the draft development process.

Citation:

Procedure for Evaluation of the Initial Impact of a Draft Legislative Act (2021) Available (in Latvian) at: <https://likumi.lv/ta/id/325945-tiesibu-akta-projekta-sakotnejas-ietekmes-izvertesanas-kartiba>, Last accessed: 10.01.2022.

Sustainability
Check
Score: 3

The new impact assessment procedure expands the list of indicators to be assessed. Compared to the previous procedure, it also includes the following aspects: impact on equal opportunities and rights of persons with disabilities; impact on human rights, democratic values and the development of civil society; effect on the diaspora; environmental impact, including climate neutrality; impact on gender equality; social impact, including impact on

groups at risk of social exclusion; and impact on the implementation of information society policies.

The need to assess the impact of draft legal acts on the indicators specified within the National Development Plan was retained, and the amount of information to be provided for ex post evaluation was expanded. Furthermore, when assessing the impact of the draft legislation on the economy, the impact on the macroeconomic environment, sectoral competitiveness, the business environment, small and medium-sized enterprises, competition, and employment now must also be reviewed. All these impact assessment topics are included in the new annotation form in a structured data format.

The country's sustainability agenda is incorporated in the Latvia 2030 strategy. As draft policies are assessed for compatibility with this strategy, sustainability issues may be taken into consideration. The Cross-Sectoral Coordination Centre (PKC) provides input to the drafting of policies, highlighting sustainability issues. The PKC also conducts an assessment of Latvia's strategic goals, which includes sustainability assessments.

Sustainable Development Strategy of Latvia until 2030, Available at: http://www.pkc.gov.lv/sites/default/files/images-legacy/LV2030/LIAS_2030_en.pdf Last accessed: 05.01.2022

Quality of Ex
Post Evaluation
Score: 6

Ex post evaluations are carried out in Latvia for development planning documents. The introduction of the TAP portal and the standardized annotation form also affects ex post evaluation, which has been specifically highlighted and supplemented in the new form. Institutions now need to assess whether a piece of draft legislation provides for an ex post evaluation; when it does, it must also specify the results and indicators that will be used to assess the achievement of the objective of the act (or any part of it). The goal here is to link the ex ante and ex post evaluations, as recommended by the OECD.

1. Methodology for developing and evaluating the results and performance indicators for ministries and other central state institutions (regulation), Available at: <https://likumi.lv/doc.php?id=200935>, Last accessed: 10.01.2022.

2. Cabinet of Ministers (2016), Report on Ex-post Evaluation Implementation (in Latvian), Available at: <http://tap.mk.gov.lv/lv/mk/tap/?pid=40386136>, Last accessed: 10.01.2022.

3. Informative report on the improvement of the impact assessment system (2021) Available (in Latvian) at: (<http://tap.mk.gov.lv/mk/tap/?pid=40495849>), Last accessed: 10.01.2022.

Societal Consultation

Public
Consultation
Score: 8

Societal consultation takes place frequently and is diverse in nature. The National Tripartite Cooperation Council (Nacionālā trīspusējās sadarbības padome, NTSP) is a well-established, well-integrated and often-used consultative mechanism that links employers, trade unions, and government.

Since 2005, the Council for the Implementation of the Memorandum of Cooperation between the NGOs and Cabinet of Ministers (Memorandum Council) has provided a key forum for the government and civil society organizations to discuss draft laws and policy documents that concern civil society, and to talk about ways to improve public participation. In 2021, 483 NGOs were signatories of the Memorandum, with eight of them serving as members of the Memorandum Council. The Memorandum Council meets every month, and the meetings are transmitted online.

Despite this, the quality of consultations is in many cases not high. Consultations are often regarded as merely formal, and in fact, offer little opportunity to make an impact on the direction and quality of government policies. NGOs have voiced complaints about the quality of participation on a number of occasions over the last few years. For example, in 2017, an influential group of NGOs called for more transparency and participatory mechanisms in the budget planning process.

However, in its public consultations, the government is rarely successful in achieving an exchange of views that substantially increases the quality of government policies or induces societal actors to support them. Best practices can be found in the Ministry of Agriculture and the Ministry of Environment and Regional Development. Both ministries publicly fund a consultation mechanism with NGOs and have achieved considerable success in securing stakeholder input and support for draft policies. But there is also evidence of the opposite result: In some cases, government consultations with stakeholders have induced societal actors to actively oppose government policies.

A key issue is that very few organizations have the capacity to participate in these processes, as they require good knowledge of governance and legal frameworks, as well as knowledge of the legislative process. The lack of funding and capacity are thus important obstacles to participation. Furthermore, the questions to be addressed in the process of consultation are rarely clearly defined before the draft document is ready.

Citation:

1. State Chancellery (2011-2020), Annual Reports, Available at (in Latvian): <https://www.mk.gov.lv/lv/content/gada-publiskie-parskati>, Last accessed: 10.01.2022.
2. State Chancellery (2019) Information on Council for Implementation of the Memorandum of Cooperation between NGOs and the Cabinet of Ministers, Available at: <https://www.mk.gov.lv/lv/content/informacija-par-nvo-un-ministru-kabineta-sadarbibas-memorandu>, Last accessed: 10.01.2022.

Coherent
Communication
Score: 8

Policy Communication

In the spring of 2020, the State Chancellery established a Strategic Communication Coordination Department with a mandate to implement and promote the development and coordination of strategic communication capabilities in the public administration.

Coordination of messages is ensured in several ways. First, a meeting led by the State Chancellery takes place weekly, with the heads of communication for the structural units of the ministries participating. This addresses the topical issues of the week. Both ministers and ministerial spokespeople have been participating since January 2022. Second, a Digital Information Space Security Working Group has been established, which meets with institutions responsible for specific subject areas at least once a quarter under the leadership of the State Chancellery to discuss issues. Third, the State Chancellery compiles and disseminates common messages and talking points after government meetings and Crisis Management Council meetings (for COVID-19). Fourth, the State Chancellery not only coordinates and organizes press conferences after weekly government meetings, but also plans and coordinates the organization of interdepartmental press conferences in cases where planned policies are likely to have significant impact on the daily life of the general population (e.g., COVID-19 lockdowns). And fifth, the State Chancellery chairs the monthly Government Communication Coordination Council, which includes the heads of the ministries' communication units.

The Strategic Communication Coordination Department of the State Chancellery has also established an information monitoring and analysis system. In 2020-2021, this resulted in the production of more than 480 monitoring reports on topics including COVID-19 and vaccination, the hybrid attack on Belarus at the EU's borders, misinformation, education, the formation of the state budget, and weekly reports. These included recommended actions, and were distributed to ministries.

During the COVID-19 crisis, the State Chancellery has since March 2020 operated a one-stop website and telephone hotline that provide all current information on COVID-19 issues in Latvian, Russian and English. The "one-stop-shop" principle allows citizens to receive all relevant information in one place, in a coordinated way, instead of conducting individual searches on the websites of each ministry and institution.

Finally, the Strategic Communication Coordination Department conducts regular research on public sentiment and attitudes, including COVID-19 issues. In 2020-2021 a total of 13 studies were conducted (nine of them in

2021). The results are regularly presented to ministerial spokespeople, as well as to the Crisis Management Group (Operational Steering Group or OVG) led by the State Chancellery, which makes decisions on COVID-19 issues in the country. Thus, communication aspects and public attitudes are taken into account in the coordination of issues between ministries, and in policy-planning and decision-making processes more generally.

Citation:

1. Cabinet of Ministers (2020) Regulations of the State Chancellery, Available at: <https://www.mk.gov.lv/lv/valsts-kancelejas-reglaments>, Last accessed: 10.01.2022.

Implementation

Government
Effectiveness
Score: 9

The government has a good track record in achieving its own policy objectives. In issue areas considered by the government as a high priority – examples include economic recovery, euro zone entry criteria, budget reform and fiscal discipline, OECD entry requirements, following MONEYVAL recommendations – government performance can be considered excellent. The government has proven to be particularly efficient in implementing policies that have been recommended by international partners (the European Union, NATO, Council of Europe, and OECD).

However, second-tier policy objectives show mixed success rates. For example, despite the fact that successive government declarations have identified education reform as a policy priority, little demonstrable progress has been made toward fulfilling the outlined policy objectives.

The PKC monitors progress with respect to government-declaration goals on an annual basis, providing a report to the prime minister. The NAP 2020 mid-term evaluation noted that despite some successes in achieving a number of goals set out in the plan (e.g., ICT and e-governance), other goals have not been achieved and would not be achieved before the end of 2020.

Overall, the government's declarations are mostly successfully fulfilled, but achieving the government's long-term goals has been more problematic.

1. PKC (2017) How does Latvia achieve its development goals? Mid-term evaluation, Available (in Latvian) at: https://www.pkc.gov.lv/sites/default/files/inline-files/NAP2020%20vidusposma%20zinojums%20final_3.pdf, Last accessed: 10.01.2022.

Ministerial
Compliance
Score: 9

Organizational devices that encourage ministerial compliance include a public statement of policy intent, a government declaration signed by each minister, a coalition agreement outlining the terms of cooperation between the governing parties, and an informal weekly coalition-council meeting. Additionally, the government office monitors compliance with cabinet decisions, while the PKC

Monitoring
Ministries
Score: 8

monitors the implementation of the government declaration. Both reporting streams enable the prime minister to fully monitor individual ministers' progress in achieving the government's program. Nevertheless, disagreements between ministers often become public and can be divisive. In former governments, ministers have disagreed over the EU migrant relocation scheme and tax system reform.

As far as implementation of the government declaration is concerned, the government office monitors ministry performance in implementing legislation, cabinet decisions and prime-ministerial decisions. A high degree of compliance has been reported in this regard.

Similarly, the PKC planning center monitors how ministries are achieving the policy goals stated in the government declaration and reports to the prime minister. Progress reports are not only a monitoring tool, but also provide substantive input into the prime minister's annual report to parliament.

However, the recent disarray around COVID-19 management, especially with regard to coordinating vaccination processes, indicates that when the government has new, additional tasks to handle outside its regular functions, no meaningful central monitoring occurs.

Monitoring
Agencies,
Bureaucracies
Score: 7

The executive branch is organized hierarchically, with ministries each having a group of subordinate institutions. Some institutions are directly managed by the ministry, while others are managed at arm's length when there is a need for the autonomous fulfillment of functions.

All institutions are required to prepare annual reports. Beyond the reporting requirement, there is no centralized standard for monitoring subordinate agencies. Ad hoc arrangements prevail, with some ministries setting performance goals and requiring reporting relative to these goals.

Task Funding
Score: 6

Local governments enjoy a comparatively high degree of autonomy. The local government share of public expenditure was 24.3% in 2015, slightly above the EU average of 24.1%. In 2019, the government approved the 2020 budget with local governments receiving only 19.6% of Latvia's total tax revenue.

Local governments have autonomous tasks, delegated tasks, and legally mandated tasks. Each type of task is meant to be accompanied by a funding source. In practice, however, funding is not made available for all tasks. The president's Strategic Advisory Council has described local governments as having a low degree of income autonomy and a relatively high degree of expenditure autonomy.

Nevertheless, local governments suffer from a lack of capacity in financial management. The State Audit Office has repeatedly noted that local

governments ignore accounting standards and requirements. In the absence of proper local and national approval procedures for government transactions, violations range from petty issues, such as covering entertainment costs out of the municipal budget, to large-scale fraud, such as a municipal official signing a €200 million bond.

Public sector reform is ongoing. In 2019, the government came to an agreement to reduce the number of municipalities. As of July 2021, that number decreased from 119 to 43. The aim of the reform is to create economically stronger and more highly developed municipalities, and to enable them to attract more investment, ensure sustainability and improve the quality of services to their citizens. However, some municipalities have contended that the revenue they derive from the personal income tax will now decrease as a result.

Citation:

1. The President's Strategic Advisory Council (2013), Management Improvement Proposals, Available at (in Latvian): <http://saeima.lv/documents/63de2ea15d96f4315bf69377a4877d8e9e6b9a6d>, Last accessed: 05.01.2022.
2. Freedom House (2016). Nations in Transit: Latvia 2016. Available at: <https://freedomhouse.org/report/nations-transit/2016/latvia>. Last accessed: 05.01.2022.
3. European Commission (2017), Country Report: Latvia, Available at: <https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-report-latvia-en.pdf>, Last accessed: 05.01.2022.
4. Re:Baltica (2020) The biggest drop in revenue for the poorest municipalities, Available (in Latvian): <https://rebaltica.lv/2020/11/lielakais-ienemumu-kritums-trucigakajam-pasvaldibam/>, Last accessed: 05.01.2022.

Constitutional
Discretion
Score: 5

Local governments have a constitutional right to autonomy. This right is reinforced by Latvia's commitments as a signatory of the European Charter of Local Self-Government, which has been upheld by the Constitutional Court. The Ministry of Environment and Regional Development monitors local-government regulations for legal compliance and has the right to strike down regulations deemed to be in violation of legal norms.

The central government has a tendency to overregulate, a practice that may negatively affect the local government's discretionary authority.

1. Latvian Association of Local and Regional Governments, Smart municipalities for the next century of Latvia, Available (in Latvian) at: https://www.lps.lv/uploads/docs_module/1_Viedas%20pa%C5%A1vald%C4%ABbas%20-%20n%C4%81kamajai%20Latvijas%20simgadei.pdf, Last accessed: 05.01.2022.
2. Law on Local Governments, Available at: <https://likumi.lv/doc.php?id=57255>, Last accessed: 05.01.2022.

National
Standards
Score: 6

Autonomous local government functions are subject to laws and regulations emanating from the central government. These regulations delineate common standards and define the scope of local government autonomy. In the past, the president's Strategic Advisory Council has warned that overregulation is

seriously encroaching on local government autonomy. The council has called for a limit to bureaucratization and a reduction in the volume of regulations governing functions that are mandated as autonomous.

The executive has said it would create a new one-stop client-service system across the country, which would centralize the contact point for accessing public (central and local government) services. In 2015, 59 one-stop agencies were launched. In just their first year of operation, they proved to be useful, processing more than 25,000 different types of applications to state and municipal agencies. In 2019, the number of the agencies had reached 76. However, the comparability of data sets between institutions remains a challenge.

Effective provision of public services was one of the driving motivators behind the administrative-territorial reform adopted in 2021, which significantly decreased the number of municipalities, making the process of offering such services more manageable.

Citation:

1. Ministry of Environmental Protection and Regional Development (2019) Progress on implementing the Public 1 1. Service Development Conception (Report), Available at: <http://tap.mk.gov.lv/mk/tap/?pid=40473484>, Last accessed: 10.01.2022.
2. The President's Strategic Advisory Council (2013), Management Improvement Proposals, Available at (in Latvian): <http://saeima.lv/documents/63de2ea15d96f4315bf69377a4877d8e9e6b9a6d>, Last accessed: 10.01.2022.
3. Regulation Regarding Concept of the Public Service System Development (2013), Available at (in Latvian): <http://www.likumi.lv/doc.php?id=254910>, Last accessed: 10.01.2022.
4. Saeima (2020) Saeima adopts administrative-territorial reform, Available at: <https://www.saeima.lv/en/news/saeima-news/29027-saeima-adopts-administrative-territorial-reform>, Last accessed: 10.01.2022.

Effective
Regulatory
Enforcement
Score: 7

When it comes to effective regulatory enforcement in the private sector, there have been concerns regarding bribery, including a few high-profile corruption scandals (e.g., the so-called Oligarchs Case, which involved charges of bribery and money laundering among its other allegations). In addition, there have been tensions around the banking sector and suspicions of “state capture.” These three factors have raised concerns about the state’s ability to take a strong stance. The OECD noted that many of these issues are linked with the fact that Latvia’s financial sector has provided a bridge between the East and West.

Following these scandals, Latvia has made substantial steps to improve the situation, and closely followed recommendations offered by the OECD Working group on Bribery. KNAB, the anti-corruption agency, has been strengthened, with its staff levels stabilized and salaries increased. A court specifically for economic cases was recently established, and the prosecution

service was reformed, with a specialized prosecution unit for crimes committed in state service created. In addition, the Whistleblowing Law has been in force since 1 May 2019. This provides a channel to report possible violations in the private and public sectors, and protects whistleblowers from retaliation. Thus, there are channels for citizens to make reports and help enforce regulations, even against vested interests.

Although the effects of these improvements are yet to be fully observed, Latvia has consistently attempted to tackle corruption since gaining independence (e.g., the creation of KNAB, and the development of several national anti-corruption strategies and programs). In terms of implementation and governance, Latvia has received positive reviews in global ranking reports. That said, the Phase 3 report by the OECD (2019) noted that stronger enforcement of the reforms is needed, which should be reflected in an increased conviction rate.

1. OECD (2019) Implementing the OECD Anti-Bribery Convention, Phase 3 report: Latvia, Available at: <http://www.oecd.org/corruption/anti-bribery/OECD-Latvia-Phase-3-Report-ENG.pdf>, Last accessed: 11.01.2022.

2. OECD (2015), Phase 2 Report on Implementing the OECD Anti-bribery Convention in Latvia, Available at: <http://www.oecd.org/corruption/anti-bribery/Latvia-Phase-2-Report-ENG.pdf>, Last accessed: 11.01.2022.

3. OECD (2017), Latvia: Follow-up to the Phase 2 Report & Recommendations, Available at: <https://www.oecd.org/corruption/anti-bribery/Latvia-Phase-2-Written-Follow-up-Report-ENG.pdf>, Last accessed: 11.01.2022.

4. Ministry of Justice (2020) Economic Cases Court, Available (in Latvian) at: <https://www.tm.gov.lv/lv/ekonomisko-lietu-tiesa-0>, Last accessed: 10.01.2022.

5. LSM (2021) Stukans establishes a criminal prosecution service for officials and promises to train professionals in this field, Available (in Latvian) at: <https://www.lsm.lv/raksts/zinas/zinu-analize/stukans-izveido-amatpersonu-noziegumu-izmeklesanas-prokuraturu-un-sola-izskolat-sis-jomas-profesionalus.a389254/>, Last accessed: 11.01.2022.

Adaptability

Domestic
Adaptability
Score: 9

Latvia has adapted domestic government structures to fulfill the requirements of EU membership, revising policy-planning and decision-making processes. During the 2013 – 2015 period, Latvia revised its domestic structures to comply with the demands of the 2015 EU presidency. Beginning in 2014, Latvia began adapting to the requirements associated with OECD membership. In 2016, Latvia joined the OECD.

In order to ensure efficient decision-making and meet the obligations of IMF and EU loan agreements, Latvia created a reform-management group for coordination on major policy reforms. In 2012, this included changes to the biofuels support system, reforms in the civil service's human-resources management, tax-policy changes, and reforms in the management of state enterprises. The group proved to be a useful forum for the consolidation of support across sectors for major policy changes and structural reforms. The

International
Coordination
Score: 6

inclusion of non-governmental actors in the group serves to facilitate support for upcoming policy changes.

Latvia largely contributes to international actions by participating in the development of EU policy positions and by integrating Sustainable Development Goals (SDGs) into its own policies.

Institutional arrangements for formulating Latvia's positions on issues before the European Union are formalized. The system is managed by the Ministry of Foreign Affairs, with particular sectoral ministries developing the substance of Latvia's various positions. The process requires that NGOs be consulted during the early policy-development phase. In practice, ministries implement this requirement to varying degrees. NGOs themselves often lack the capacity (human resources, financial resources, time) to engage substantively with the ministries on an accelerated calendar, although this could to some extent be addressed by improving communication and by sharing the positions in a timelier manner.

Draft positions are coordinated across ministries, and approved in some cases by the sectoral minister, and in other cases by the Council of Ministers. Issues deemed to have a significant impact on Latvia's national interests are presented to the parliament's European Affairs Committee, whose decision is binding. The committee considers approximately 500 national positions per year.

Latvia also contributes to the global Agenda 2030 by integrating the SDGs into the national development planning system. Policy documents drawn up in 2017 made reference to the SDGs, but the new National Development Plan 2021 – 2027 does not include any detailed references. Moreover, the National Development Council had its the last meeting in February 2020; thus, there is currently no institutional system at the highest level engaging in ongoing review of the country's contribution to global development. Nevertheless, in 2022, Latvia plans to submit its National Voluntary Review on the implementation of the SDG to the U.N. High-level Political Forum on Sustainable Development (HLPF), and an ad hoc open process is going to be established. Overall, the weak institutional and policy framework with regard to SDG accountability translates into low policy coherence in the area of global development, at least in comparison to EU coordination, which is rather well established.

Organizational Reform

Self-monitoring
Score: 8

The government office has an annual monitoring procedure under which cabinet decision-making processes are reviewed. This results in frequent

improvements to the process. In 2013, major revisions to the regulatory impact assessment system were made, along with the introduction of a green-paper system that will move public consultations on new policy initiatives to an earlier phase of the policy-planning process.

The management of relations with parliament, governing parties, and ministries is not regularly reviewed. This is considered by civil servants to be the purview of politicians and therefore not an appropriate topic for initiatives emanating from the civil service level.

Research on how to improve governance is commissioned sporadically. The last report of this kind was commissioned in 2015, focusing on strengthening human resource policies within the government's core. However, it had no appreciable impact.

Citation:

1. PKC (2015) Report on the Center of Government in Latvia, its Strengthening and the Implemented Human Resource Policy, Available (in Latvian) at: <http://petijumi.mk.gov.lv/node/2797>, Last accessed: 10.01.2022.

Institutional
Reform
Score: 8

The regular review of decision-making procedures results in frequent reforms aimed at improving the system. Changes in institutional arrangements, such as the establishment of the PKC planning center in 2010, have significantly improved the government's strategic capacity and ability to undertake long-term strategic planning. In 2023, the PKC will be merged into the State Chancellery, again with the goal of improving capacities.

Citation:

1. LSM (2021) Kariņš instructs to add the Interdepartmental Coordination Center to the State Chancellery from 2023, Available (in Latvian) at: <https://www.lsm.lv/raksts/zinas/latvija/karins-uzdod-no-2023-gada-parresoru-koordinacijas-centru-pievienot-valsts-kancelejai.a432958/>, Last accessed: 10.01.2022.

II. Executive Accountability

Citizens' Participatory Competence

Political
Knowledge
Score: 6

There is no local survey data specifically indicating the extent to which citizens are informed of government policymaking decisions. NGOs (which are predisposed to participation) are able to obtain the information and knowledge required to understand the motives, objectives, effects, and implications of policy proposals; and make their opinions known through the existing system. However, that same information may not be made available to the general public.

According to USAID's 2019 CSO Sustainability Index for Central and Eastern Europe and Eurasia, the government has a positive attitude toward NGOs and NGOs provide significant input to the policymaking process. Latvia scored 2.6 and its CSO sustainability was described as "enhanced."

A 2015 Democracy Audit, conducted by researchers at the University of Latvia, noted that overall civic activism in Latvia can be described as poor. The report found that citizens are passive, skeptical, and slow to engage with the political process, and are increasingly alienated from democratic institutions and processes.

The rise of social media and the increasing use of the internet has placed new tools at the disposal of citizens wishing to participate in the political process. An e-petition tool, manabalss.lv, lets any group of 10,000 or more citizens place issues on the parliamentary agenda. In addition, many state institutions are actively using social media channels for communication with the general public.

Citation:

1. Rozenvalds, J. (2015) How Democratic is Latvia? Audit of Democracy 2005-2014, Available at: https://www.szf.lu.lv/fileadmin/user_upload/szf_faili/Petnieciba/spi/demokratija/ENG_Audit_of_Democracy_2015.pdf, Last accessed: 10.01.2022.
2. Latvian Civic Alliance (2021), Public Participation in the Decision-Making Process (2021). Available at: https://nvo.lv/lv/portfelis/petijumi/public_participation_in_the_decisionmaking_process_20212021-11-04.pdf, Last accessed: 10.01.2022.
3. ManaBalss (2021), Progress data, Available at: <https://manabalss.lv/page/progress>, Last accessed: 10.01.2022.

Open
Government
Score: 5

Latvia joined the Open Government Partnership in 2011, with the State Chancellery as the assigned contact point. The government has made efforts to ensure Latvia complies with the partnership requirements. Four National Action Plans have been published since joining the partnership, monitoring the progress and proposing future improvements in the field of open government.

Following these recommendations, an online platform was set up in 2017 (<https://data.gov.lv>) to serve as a single point of public access to government data. At the time of writing, the portal contained 581 datasets from 90 data publishers (compared to 33 datasets from 13 data publishers in 2017). However, it is not mandatory for government data to be published on the platform. Instead, data is only published on a voluntary basis. The Latvian Open Data Portal is linked with the European Data Portal, which means that all data published is also available on the European Data Portal.

In 2017, Latvia ranked 14 (up from 31 in 2015) in the Global Open Data Index. Open public sector data in Latvia is evaluated as meeting the basic

criteria of the Open Data Index, but fails when it comes to more advanced criteria, especially when it comes to usability of the data (e.g., publishing documents in a machine-readable format, offering bulk-download options and using open license statements). Importantly, although the law (updated in 2018) regulates what information should be published online by governmental institutions, no unified approach is used when it comes to structuring the information, which often makes locating information difficult, although this could potentially be improved by the new unified state and local government website platform (see “Digitalization for Interministerial Coordination”).

Citation:

1. State Chancellery (2017), National Action Plan 2017-2019, Available at: https://www.opengovpartnership.org/sites/default/files/Latvia_National-Action-Plan_2017-2019_LAT.pdf, Last accessed: 10.01.2022.
2. Latvian Open Data Portal, Available at: <https://data.gov.lv/lv>
4. Cabinet of Ministers (2020) Open Government, Available at: <https://www.mk.gov.lv/en/open-government>, Last accessed: 10.01.2022.
5. Global Open Data Index (2017), Available at: <https://index.okfn.org/place/>, Last accessed: 10.01.2022.

Legislative Actors' Resources

Parliamentary
Resources
Score: 3

Parliament does not have adequate resources to monitor government activity effectively. Some limited expertise is available from the parliamentary committee, legal office, personal administrative support, and parliamentary library staff. However, this has not allowed for substantive policy analysis or the independent production of information. Until 2017, the Latvian parliament was the only legislature in the Baltic Sea region with no institutional research capacity.

In 2017, the parliament created a new parliamentary research unit. As of May 2017, it is in its startup phase, with a director and staff of three. The 2018 budget for the unit is expected to include resources for outsourcing expertise. To date, the unit has produced 19 studies and reports.

Obtaining
Documents
Score: 10
Summoning
Ministers
Score: 10

The parliament has the right to obtain documents from the government. No problems have been observed in the exercise of this right.

Members of parliament have the right to pose questions to ministers and summon them to answer questions before parliament. At least five signatories are required for such a request. Ministers generally comply with parliamentary requests.

Summoning
Experts
Score: 7

Parliamentary committees have the right to request information from ministries as well as to summon ministers to committee meetings.

Parliamentary committees are able to invite experts to committee meetings but have no power to make attendance mandatory. The parliament largely relies on

Task Area
Congruence
Score: 4

the pro bono participation of experts to compensate for its own lack of substantive capacities and resources. However, committee chairs do have some discretion to pay modest honorariums to external experts.

The task areas of the parliamentary committees poorly match the task areas of the ministries. Only the Ministry of Finance, the Ministry of Foreign Affairs and the Department of Justice have an equivalent parliamentary committee. These committees being the Budget and Finance Committee, the Foreign Affairs Committee and the Committee of Justice. While the Ministry of Agriculture reports to only a single committee, this committee oversees three other ministries. In all other cases, ministries report to multiple committees and committees oversee multiple ministries' task areas.

Citation:

1. List of Parliamentary Committees: https://titania.saeima.lv/Personal/Deputati/Saeima13_DepWeb_Public.nsf/structureview?readform&type=3&lang=LV
2. Composition of the Cabinet of Ministers: <https://www.mk.gov.lv/en/amatpersonas>

Media

Media Reporting
Score: 5

While in the past, only a minority of the 10 most important mass-media brands in Latvia provided high-quality information, the situation has improved somewhat in recent years, with Latvian Television, Radio and LSM, as well as weekly magazine IR and investigative journalism center Re:Baltica all providing timely and contextualized information and analysis concerning public policy.

The financial constraints on the media brought about by audience and advertising shifts to internet-based sources, along with the limited budgets for public broadcasting, have a negative effect on the provision of high-quality content in Latvia. Additional challenges include the proliferation of pro-Russian narratives in the media, which are broadcast by both Russian and Latvian outlets, and are shared through social networks.

Nevertheless, some media organizations have succeeded in meeting a high standard of quality. In particular, the weekly magazine IR, established in 2010, provides in-depth information on government policy plans and publishes leaked information of broad political significance. Similarly, sustained analytical focus on issues of public concern is provided by the non-profit investigative journalism center Re:Baltica, founded in August 2011, which has often fulfilled a watchdog function. It has focused on issues such as the social costs of economic austerity, corruption, consumer protection and drug-money flows. By cooperating with the mainstream media, it has succeeded in moving these issues onto the public agenda.

New concerns have arisen about the influence of Russia's "hybrid warfare" on the media environment in Latvia, especially for Russian-language media consumers. While a new LSM Russian-language multimedia platform has been established, Russian commercial media in Latvia can be described as stagnant. Misinformation from Russian media channels flows into the general information space, not just the Russian-language media.

The overall situation regarding media reporting in Latvia is not encouraging, due to a lack of funding and professionalism, and a general inability to adapt to the rapid changes in the media market. Even though there are some platforms producing high-quality journalism, Latvian journalism generally lacks explanatory and analytical journalism, which is the main stumbling block in reporting on public-policy-related topics.

Citation:

1. Rožukalne A. (2010), Research Paper on Hidden Advertising Issues in the Media, Available at (in Latvian): http://providus.lv/article_files/2117/original/slepta_reklama_mediju_prakse.pdf?1343212009, Last accessed: 10.01.2022.

2. Vita Zelce (2018), The Diversity of the Media Environment in Latvia (in Latvian, with and annotation in English), Available at: https://www.km.gov.lv/uploads/ckeditor/files/mediju_politika/petijumi/Latvijas-mediju-vides-daudzveidiba-small.pdf, Last accessed: 10.01.2022.

Parties and Interest Associations

Intra-party
Decision-Making
Score: 5

The Law on Political Parties mandates that certain political-party decisions be made in the context of full-membership meetings or by elected officials of the parties. These include party officer elections as well as decisions on party governing statutes and party programs. Other decisions must be taken in accordance with party statutes, but are not subject to regulation. Regulations allow for little input from party members. By comparison, commercial law provides more rights to shareholders than rights accorded to party members in their own party.

In the run-up to the 2018 parliamentary election, three new parties emerged and gained substantial support: the nationalist-conservative New Conservative Party (Jauna Konservatīva Partija, JKP), the center-left-liberal Development/For! (Attīstībai/PAR, AP) and the populist "Who Owns the State?" (Kam pieder valsts?, KPV LV) party. In their statutes, all three parties indicated a decision-making procedure in which power lies with the party's general assembly and is directed by the board of the party. In the case of JKP, there is also an intermediate body of the party council. Since these parties have been elected to the Saeima, with the exception of KPV LV, there has been no indication that party guidelines have been seriously mismanaged.

Association
Competence
(Employers &
Unions)
Score: 8

The National Tripartite Cooperation Council (Nacionālā trīspusējās sadarbības padome, NTSP), which links employers' associations, business associations and trade unions, provides a good example of effective association involvement in policy formulation. The members of the NTSP are all capable of proposing concrete measures, and work with academic figures in order to ensure quality inputs into the policy dialogue.

Employers' and business associations are continually engaged with the policy process on specific issues such as energy policy, formulation of the national development plan and tax policy. The Latvian Chamber of Commerce (LTRK) engages in ongoing dialogue with the government, and along with the slightly less influential Employers' Confederation of Latvia (LDDK), forms a part of the tripartite council.

The Foreign Investors' Council (FICIL) has a strong capacity for presenting well-formulated policy proposals. FICIL conducts an annual structured dialogue at the prime-ministerial level. The actions that come out of these dialogues are subsequently implemented and monitored. The 2018 council meeting focused attention on labor availability and quality, governance issues within the education and transport sectors, public sector effectiveness (including digitalization, rule of law, and combating economic and financial crimes), and developments in the energy sector.

1. The Foreign Investors' Council in Latvia, Information available: <http://www.ficil.lv/index.php/home/>, Last accessed: 12.01.2022.

2. National Tripartite Cooperation Council, Agenda available at (in Latvian): <https://www.mk.gov.lv/lv/content/nacionalas-trispusejas-sadarbibas-padomes-sedes>, 12.01.2022.

Association
Competence
(Others)
Score: 4

A number of environmental interest groups have the capacity to propose concrete policy measures and provide capable analysis of policy effects, often in cooperation with their international networks or academic bodies. Environmental organizations engage in structured policy dialogue with the relevant ministries, which supports sustained involvement in decision-making and has contributed to further capacity development.

Social interest groups are very diverse. However, most lack the capacity to propose concrete policy measures or analyze likely policy outcomes. While the government consults regularly with some social interest groups, such as the Pensioners' Federation, these groups do not produce high-quality policy analysis. Groups representing patients' rights or reproductive health interests are skilled at producing policy proposals, but most lack the resources to engage in sustained advocacy or policy development.

Religious communities have until recently remained largely outside of the public-policy development process, but have now become more vocal in their

defense of “traditional Christian values,” especially in the context of LGBTQ+ and reproductive rights.

The Civic Alliance is an umbrella group of NGOs that serves as a platform for common issues. In 2017, the alliance galvanized a group of influential NGOs to call for increased transparency and participatory opportunities for NGOs in the government’s budget planning process. The NGOs are demanding the type of access and consultation already in place for other social partners, such as the National Tripartite Cooperation Council (NTSP). Unlike the social dialogue process, civic dialogue in Latvia has no official status and does not receive special support from the state or the EU structural forums. As a result, the vast majority of organizations participate in structures such as the Memorandum Council in their spare time, without remuneration. There is therefore an imbalance in the decision-making process, with local and economic lobbies participating in the process actively, but civil society organizations only occasionally.

Independent Supervisory Bodies

Audit Office
Score: 6

The State Audit Office is Latvia’s independent and collegial supreme audit institution. The office is constitutionally independent of parliament and the executive. It primarily audits the executive and local governments, and reports to parliament, which has full access to all audit findings.

In order to promote the responsibility of officials and company managers for their decisions, the State Audit Office has frequently called for amendments to the law, which would enable the State Audit Office to impose financial penalties on officials who have wasted state funds. The law has been under discussion in the parliament since 2015, with repeated calls from the State Audit Office to solve the issue.

In addition, in 2019, the State Audit office made an announcement emphasizing the urgent need to marshal the state guarantee and debt discharge accounting. It was noted that if the ministries were unable to cooperate, the State Audit Office would refuse to give an opinion on the state’s annual report for the financial year and call on the respective officials to take responsibility for the consequences.

Citation:

1. State Audit Office (2019) The Reluctance of Ministries Can Lead to the State Audit Office Refusing to Express an Opinion on the Annual Report of the State for Financial Year 2019, Available at: <http://www.lrvk.gov.lv/en/the-reluctance-of-ministries-can-lead-to-the-state-audit-office-refusing-to-express-an-opinion-on-the-annual-report-of-the-state-for-financial-year-2019/>, Last assessed: 05.11.2019.
2. OECD (2009), Review on Budgeting in Latvia, p. 204 and 223, Available at: <http://www.oecd.org/countries/latvia/46051679.pdf>, Last assessed: 05.11.2019

3. http://www.transparency.org/whatwedo/pub/national_integrity_system_assessment_latvia, Last assessed: 05.11.2019

Ombuds Office
Score: 5

An independent ombuds office was created in 2007 following the reorganization of the Latvian National Human Rights Office. The ombuds office is charged with investigating citizens' complaints, monitoring human rights and proposing governmental action to address systemic issues. Since 2011, the ombuds office has been active in monitoring social care facilities for the disabled, closed institutions, access-to-justice failings, issues of equal access to free education, and discrimination against women. It has also worked to raise public awareness on the issue of hate speech. In 2020, the ombuds office received 1,617 complaints.

In 2020, the Ombuds office turned to the Constitutional Court on several occasions to challenge the regulation on minimum income, which it argued was unconstitutional. The court agreed in several cases, for example ruling that the procedure for determining income subject to personal income tax did not comply with the constitution.

Citation:

1. Ombudsman of Latvia Annual report (2020) Available at (in Latvian): https://www.tiesibsargs.lv/uploads/content/tiesibsargs_2020_gada_zinojums_final_1613044295.pdf, Last accessed 12.01.2022.

Data Protection
Authority
Score: 5

The Data State Inspectorate, established in 2001, operates in accordance with the Personal Data Protection Law and is based on a cabinet regulation of 2013, Regulations on the Data State Inspectorate. A new version of the law was proclaimed in 2018. The main goal of the inspectorate is to protect the fundamental rights and freedoms of citizens, particularly the privacy of individuals with regard to the processing of personal data. The law describes the Data State Inspectorate as an independent institution. Nevertheless, the inspectorate is subject to the supervision of the Ministry of Justice and the Cabinet of Ministers, and is financed from the state budget.

Citation:

1. Personal Data Processing Law (2018) Available at: <https://likumi.lv/ta/en/en/id/300099>, Last accessed: 10.01.2022.

2. Data State Inspectorate (2018) Annual Report 2018, Available at: https://www.dvi.gov.lv/en/wp-content/uploads/2013/01/Annual_report_DVI_2018.pdf, Last accessed: 10.01.2022.

Address | Contact

Bertelsmann Stiftung

Carl-Bertelsmann-Straße 256
33311 Gütersloh
Germany
Phone +49 5241 81-0

Dr. Christof Schiller

Phone +49 30 275788-138
christof.schiller@bertelsmann-stiftung.de

Dr. Thorsten Hellmann

Phone +49 5241 81-81236
thorsten.hellmann@bertelsmann-stiftung.de

Pia Paulini

Phone +49 5241 81-81468
pia.paulini@bertelsmann-stiftung.de

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