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| From: | General Secretariat of the Council |
| To: | Delegations |
| Subject: | ANNEX to the COUNCIL IMPLEMENTING DECISION amending Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Latvia |

Delegations will find attached the above-mentioned annex to the amending Council Implementing Decision.

ANNEX

SECTION 1: REFORMS AND INVESTMENTS UNDER THE RECOVERY AND RESILIENCE PLAN

1. Description of Reforms and Investments

A. COMPONENT 1: CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY

The general objective of this component of the Latvian recovery and resilience plan is to contribute to the green transition and notably contribute to the environmental objectives of climate change mitigation and climate adaptation. Each sub-component focuses on some of the challenges of the green transition. Subcomponent 1.1 focuses on sustainable mobility with a view to decrease emissions in the transport sector, especially in Riga and its periphery by investing in clean public transport (notably railway) infrastructure. Subcomponent 1.2 mainly targets increasing energy efficiency by supporting various energy renovation programmes in public and private buildings and supporting sustainable energy networks. Lastly, subcomponent 1.3 contributes to climate adaptation by preventing climate change related risks such as fires and floods.

The component supports addressing the Country Specific Recommendations on transport notably on its sustainability, energy efficiency and energy interconnections (Country Specific Recommendation 3, 2019). It also contributes to front-loading mature public investment projects and focusing on the green and digital transition, in particular clean and efficient production and use of energy, sustainable transport infrastructure (Country Specific Recommendation 3, 2020).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

A.1. Description of the reforms and investments for non-repayable financial support

Reform: 1.1.1.r. A sustainable transport system

The objective of the measure is to contribute to reducing Latvia's greenhouse gas (GHG) emissions with a focus on transport.

The measure consists of the entry into force of legal act(s) and reports related to the public transport network.

Investment: 1.1.1.i. Improving Riga metropolitan transport infrastructure

The objective of the measure is to support Riga metropolitan multimodal transport infrastructure.

The measure consists of an investment programme in clean mobility and infrastructure.

Investment: 1.2.1.1.i. Improving the energy efficiency of multi-apartment buildings

The objective of the measure is to increase the energy efficiency of buildings.

The measure consists of a support programme for energy renovation in multi-apartment buildings.

Investment: 1.2.1.2.i. Increasing energy efficiency in business in the form of a combined financial instrument

The objective of the measure is to increase the energy efficiency of Latvian businesses.

The measure consists of a support programme for activities of entities for example improving energy efficiency, introducing renewable energy technologies, investing in sustainable transport, introducing new energy-efficient technologies in production or research for new products and technologies related to the low-carbon economy, climate resilience and adaptation.

Investment: 1.2.1.3.i. Improving energy efficiency of municipal buildings

The objective of the measure is to increase the energy efficiency of Latvian municipal buildings.

The measure consists of investments in energy efficiency in municipal buildings.

Investment: 1.2.1.4.i. Improving the energy efficiency of public sector buildings

The objective of the measure is to increase the energy efficiency of the Latvian public building stock.

The measure consists of energy efficiency improvements in public buildings.

Investment: 1.2.1.5.i. Modernisation of electricity transmission and distribution networks

The objective of the measure is to contribute to reaching climate neutrality objectives.

The measure consists of support for infrastructure for electro-mobility and micro-generation installations, and entry into force of legal act(s) to facilitate onshore wind energy on public land.

Reform: 1.3.1.r. Disaster management system adaptation to climate change, rescue and rapid response services

The objective of the measure is to shorten the response time of fire rescue services.

The measure consists of the entry into force of a legal act on the national early warning system.

Investment: 1.3.1.1.i. Increasing the capacity of the rescue services

The objective of the measure is to contribute to climate change adaptation.

The measure consists of the construction of eight disaster management centres.

Investment: 1.3.1.2.i. Investments in flood risk reduction infrastructure

The objective of the measure is to contribute to climate change adaptation.

The measure consists of supporting flood risk protection projects.

A.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|--|--------------------|--|---|--|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 1 | 1.1.1.r. A sustainable transport system | Milestone | Coordinated approach for passenger transport planning, ordering and organisation of the Riga metropolitan area | A coordinated approach has been implemented for passenger transport planning, ordering and organisation of the Riga metropolitan area | N/A | N/A | N/A | Q4 | 2023 | Completion of the necessary steps to implement coordinated approach. This includes among others: - setting up a working group for the coordination of Riga metropolitan area public transport planning; - The Riga metropolitan area public transport plan has been adopted in line with the development of passenger transport by rail in Latvia. |
| 2 | 1.1.1.r. A sustainable transport system | Milestone | Sustainable public transport reform | Legal act(s) have entered into force and reports have been approved | N/A | N/A | N/A | Q3 | 2026 | -The approval of the review of the national transport route network by the Public Transport Council; -Entry into force of legal act(s) regulating the single discount policy for public transport at national level; -Entry into force of legal act(s) regulating the harmonised timetable for regional buses and train routes in Riga metropolitan area, including a single tariff and a unified public transport ticketing system; -The roll-out of a pilot project on the single ticket for public city transport and trains within Riga municipality. |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|--|--------------------|---|--|--|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 3 | 1.1.1.i. Improving Riga metropolitan transport infrastructure | Milestone | Transport projects | Transport projects | N/A | N/A | N/A | Q3 | 2026 | <ul style="list-style-type: none"> - 100 km of electrified rail lines and upgraded railway infrastructure; - 17 electric buses delivered; - 7 charging stations for buses constructed; - One transport hub constructed; - Eight mobility points constructed; - 2.2 km of tram line constructed; - 0.3 km of trolleybus line constructed; - 52 km of newly built or renovated cycle infrastructure in Riga and Pieriga. |
| 4 | 1.1.1.i. Improving Riga metropolitan transport infrastructure | Milestone | Signature of contracts for upgrading Riga Central Railway Station | Signed contract(s) | N/A | N/A | N/A | Q1 | 2025 | Signature of contract(s) for construction works and for supervision of construction works in the southern part of Riga Central Railway Station. The construction works in the southern part of the Riga Central Railway Station include roof laying, façade, platform canopy roof, finishing works, passenger access infrastructure, mechanical, electrical and plumbing works. |
| 4a | 1.1.1.i. Improving Riga metropolitan transport infrastructure | Milestone | Riga Central Railway Station | Construction works carried out | N/A | N/A | N/A | Q3 | 2026 | Construction works carried out in the southern part of Riga Central Railway Station related to: roof laying, façade, platform canopy roof, finishing works, passenger access infrastructure |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|--|--------------------|--|--|--|----------|------------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | mechanical, electrical and plumbing works. |
| 7 | 1.2.1.1.i. Improving the energy efficiency of multi-apartment buildings | Milestone | Entry into force of support programme for improving energy efficiency in residential buildings | Entry into force of support programme for improving energy efficiency in residential buildings | N/A | N/A | N/A | Q1 | 2022 | Entry into force of support programme for improving energy efficiency in residential buildings with eligibility criteria to reflect requirements of applicable intervention field “025 bis – energy efficiency renovation of existing housing, demonstration projects and support measures meeting energy efficiency criteria” of Annex VI of the RRF Regulation. |
| 8 | 1.2.1.1.i. Improving the energy efficiency of multi-apartment buildings | Target | Contracts signed | N/A | EUR | 0 | 40 097 400 | Q3 | 2024 | Contracts signed by ALTUM representing at least EUR 40 097 400. |
| 9 | 1.2.1.1.i. Improving the energy efficiency of multi-apartment buildings | Target | Reduction of primary energy consumption in multi-apartment buildings | N/A | MWh/Year | 0 | 14 423 | Q3 | 2026 | Reduction of primary energy consumption in multi-apartment buildings demonstrated by ex ante and ex post energy performance certificates. |
| 10 | 1.2.1.2.i. Increasing energy efficiency in business in the | Milestone | Entry into force of the Support Programme for Entrepreneurial | Entry into force of Regulation | N/A | N/A | N/A | Q1 | 2022 | Entry into force of Regulation approved by the Cabinet of Ministers supporting |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|--|-----------------------|----------------------|--|--|----------|------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | form of a combined financial instrument | | Energy Efficiency | | | | | | | <p>the implementation of programmes to improve energy efficiency of businesses.</p> <p>The support programmes shall be implemented in the form of a combined financial instrument, which is a repayable loan and a capital discount.</p> <p>As eligibility criteria to reflect requirements of applicable intervention field “024.ter – Energy efficiency and demonstration projects in SMEs or large enterprises and support measures meeting energy efficiency criteria [3]” of Annex VI of the RRF Regulation the aid conditions shall set a minimum primary energy saving of 30 % for energy efficiency projects in buildings and for equipment, a minimum of 30 % of average primary energy savings in the project portfolio of the RRF measure (with at least 25 % for energy efficiency equipment).</p> <p>In order to ensure that results are achieved, the conditions shall include a minimum threshold for energy savings per euro of public funding invested as an eligibility criterion for the project.</p> <p>The conditions shall include eligibility criteria to ensure compliance with the DNSH principles in line with the DNSH</p> |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|---|--------------------|---|--|--|----------|-------------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | Guidelines (2021/C58/01) and with relevant EU and national legislation. Support shall be provided through competitive tendering for projects with the highest expected energy savings per one euro invested. |
| 11 | 1.2.1.2.i. Increasing energy efficiency in business in the form of a combined financial instrument | Target | Planned GHG emission savings | N/A | Tonnes of CO2 equivalent /year | 0 | 11 498 | Q3 | 2026 | Planned Greenhouse gas (GHG) emission savings, in tonnes of CO2 equivalent. |
| 12 | 1.2.1.2.i. Increasing energy efficiency in business in the form of a combined financial instrument | Target | Contracts signed | N/A | EUR | 0 | 101 000 000 | Q3 | 2026 | Contracts signed representing at least EUR 101 000 000. |
| 13 | 1.2.1.3.i. Improving energy efficiency of municipal buildings | Milestone | Entry into force of the legal framework for a support programme to improve energy | Entry into force of Cabinet Regulation | N/A | N/A | N/A | Q4 | 2022 | Entry into force of Cabinet Regulation laying down implementing conditions for improvement of local government buildings and infrastructure, promoting the transition to the use of renewable energy technologies and improving |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|--|--------------------|---|--|--|----------|------------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | efficiency in municipal infrastructure, which supports projects with a planned reduction of primary energy or CO2 by at least 30% | | | | | | | energy efficiency, with eligibility criteria to reflect requirements of applicable intervention field “026 bis – Energy recovery or energy efficiency measures for public infrastructure, demonstration projects and support measures meeting energy efficiency criteria” of Annex VI of the RRF Regulation. |
| 14 | 1.2.1.3.i. Improving energy efficiency of municipal buildings | Target | Award of contracts | N/A | EUR | 0 | 27 838 800 | Q4 | 2024 | Notification of the award of contracts for at least EUR 27 838 800. |
| 15 | 1.2.1.3.i. Improving energy efficiency of municipal buildings | Target | Reduction in primary energy consumption in municipal buildings | N/A | KWh/Year | 0 | 4 544 563 | Q4 | 2025 | Reduction in primary energy consumption in municipal buildings demonstrated by ex ante and ex post energy performance certificates. |
| 16 | 1.2.1.4.i. Improving the energy efficiency of public sector buildings | Milestone | Entry into force of support programme for improving energy efficiency in national and | Entry into force of support programme for improving energy efficiency in national and historical buildings | N/A | N/A | N/A | Q1 | 2022 | Entry into force of a support programme for improving energy efficiency in national and historical buildings, with eligibility criteria to reflect requirements of applicable intervention field 026 bis – Energy recovery or energy efficiency measures for public infrastructure, demonstration projects and support measures meeting energy efficiency |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|---|-----------------------|--|--|--|----------|------------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | historical buildings | approved by the Cabinet of Ministers | | | | | | criteria of Annex VI of the RRF Regulation. |
| 18 | 1.2.1.4.i. Improving the energy efficiency of public sector buildings | Target | Reduction of primary energy consumption in public buildings | N/A | MWh/Year | 0 | 3 875 | Q3 | 2026 | Reduction of primary energy consumption in public building demonstrated by ex ante and ex post energy performance certificates. |
| 19 | 1.2.1.5.i. Modernisation of electricity transmission and distribution networks | Target | Notification of contracts award to projects approved for EUR 80 000 000 | N/A | EUR | 0 | 80 000 000 | Q1 | 2023 | Notification to beneficiaries of contracts award to projects approved for EUR 80 000 000. |
| 20 | 1.2.1.5.i. Modernisation of electricity transmission and distribution networks | Target | Connection points for charging electric vehicles and microgeneration installations | N/A | Number | 0 | 2 060 | Q3 | 2026 | 2 060 established connection points for charging electric vehicles and microgeneration installations. |
| 21 | 1.2.1.5.i. Modernisation of electricity transmission and distribution networks | Milestone | Entry into force of legal act(s) on wind energy on public land | Legal act(s) have entered into force | N/A | N/A | N/A | Q2 | 2024 | Entry into force of legal act(s): a) Setting out the conditions for granting building rights on public land for the installation of wind farms and obliging the grantor of building rights to publish information on undeveloped land plots to be auctioned; |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|---|--------------------|--|--|--|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | b) If the State Environmental Service decides to apply an environmental impact assessment, allowing the electricity producer to submit information on planned additional mitigation measures to prevent or reduce the adverse environmental impact of the activity and request that the initial assessment be carried out again. |
| 22 | 1.3.1.r. Disaster management system adaptation to climate change, rescue and rapid response services | Milestone | Publication of a report on implementation of the disaster risk management system | Publication of an information report on the implementation of the disaster risk management system approved by the Cabinet of Ministers | N/A | N/A | N/A | Q1 | 2022 | In agreement with the institutions involved in the disaster management system, the Ministry of the Interior shall publish an informative report to the Cabinet of Ministers on the construction sites of disaster centres, construction areas and costs at each construction site, as well as the indicative timetable for the implementation of the disaster management plans to be deployed at each site and on the conclusion of construction contracts, including in the report. The report shall also include an overall reform progress report and an implementation plan on the following reform components: (i) the technical capacity building (notably on the upgrading of specialised response and rescue vehicles), (ii) the timetable for implementation of related disaster management ICT solutions and (iii) |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|---|--------------------|--|--|--|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | progress on implementation of training and preventive measures. |
| 23 | 1.3.1.1.i. Increasing the capacity of the rescue services | Milestone | Disaster management centres | Act(s) of acceptance into service | N/A | N/A | N/A | Q1 | 2026 | Act(s) of acceptance into service signed for the construction of eight nearly zero-energy consumption disaster management centres. |
| 24 | 1.3.1.r. Disaster management system adaptation to climate change, rescue and rapid response services | Milestone | Legal act on the national early warning system | Legal act has entered into force | N/A | N/A | N/A | Q1 | 2025 | A legal act shall enter into force that includes obligations for electronic communications operators regarding compatibility and interoperability of their networks with the national early warning system. |
| 25 | 1.3.1.2.i. Investments in flood risk reduction infrastructure | Target | Construction contracts signed | N/A | Number | 0 | 15 | Q4 | 2024 | 15 construction contracts signed for projects protecting against flood risk. |
| 26 | 1.3.1.2.i. Investments in flood risk reduction infrastructure | Milestone | Projects protecting against flood risk | Certificate(s) of completion signed | N/A | N/A | N/A | Q3 | 2026 | Certificate(s) of completion signed for 21 construction projects protecting against flood risk, as follows: <ul style="list-style-type: none"> • Eight pumping stations; • Twelve protective dikes; • One canal. |

B. COMPONENT 2: DIGITAL TRANSFORMATION

The component addresses the main digital challenges - a lack of basic and advanced digital skills and low digital integration of the businesses. Moreover, the component addresses all the aspects of the digital transformation - public and private sector, skills and connectivity. The main focus of the investments is in infrastructure and services.

The objectives of the component are to contribute to the digital transformation of the society and economy, including the recovery from the COVID-19 crisis, by developing the necessary infrastructure, capacities and skills; improve efficiency, digital processes, and data management in public administration; provide support to the digital transformation of businesses and improve connectivity.

The component addresses the Country Specific Recommendations on skills and adult learning (Country Specific Recommendation 2, 2019, Country Specific Recommendation 2, 2020). In particular, it shall contribute to increasing the quality and efficiency of education and training with a focus on digital skills. Reskilling and upskilling measures for workers and unemployed are included, albeit without targeting low-skilled (Country Specific Recommendation 2, 2019). Investments in digital transition address the investment related Country Specific Recommendations (Country Specific Recommendations 3, 2019 and 3, 2020) - investments are envisaged in public sector IT systems, basic and advanced digital skills, digital adaptation of businesses, and connectivity.

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

B.1. Description of the reforms and investments for non-repayable financial support

Reform: 2.1.1.r. Modernisation of national processes and services and digital transformation

The objective of the measure is to modernise public administration and its services through digital transformation, focusing on important functions, processes and services of the public administration that have not yet been digitally transformed, are being newly developed or substantially strengthened.

The reform consists of building the common ICT conceptual architecture for public administration services and their management support, defining qualitative and quantitative metrics of services. The implementation of the reform shall be coordinated and managed by the national ICT governance organisation, while the implementation of the specific tasks of implementing the reform shall be carried out by the authority responsible for each task.

The reform shall be implemented by 30 June 2022.

Investment: 2.1.1.1.i. Administration modernisation and digital transformation of services

The objective of the measure is to transform public administration services and their delivery processes for the digital transformation of the economy.

The measure consists of investments in several ICT systems or solutions.

Reform: 2.1.2.r. Increasing efficiency and interoperability in the use of national ICT resources

The objectives of the reform are to transform the ICT provision approach in public administration by centralising the provision of uniform ICT sharing services in competence centres that support several institutions.

The reform consists of the development of central systems and platforms of public administration and consolidation of computing infrastructure services, enabling the automation and efficiency of the processes of supply, ensure cross-border access to public administration services, and consolidation of public administration computing and data storage infrastructure services.

The reform shall be implemented by 30 June 2022.

Investment: 2.1.2.1.i. Centralised platforms, solutions or systems

The objective of the measure is to support the functioning of the administration as a single organisation with the introduction of standardised support functions.

The measure consists of the delivery of centralised ICT platforms, solutions or systems.

Investment: 2.1.2.2.i. Cloud services

The objective of the measure is to provide computing and data management infrastructure and services.

The measure consists of the provision of cloud services to public authorities.

Reform: 2.1.3.r. Development of the national economic data and digital services economy

The objective of the reform is to ensure the availability and sharing of public and private data and services by laying the foundations for the development and interoperability of the data and platform economy with European data spaces and by ensuring data sharing within the EU.

The reform consists of developing the capacities of the public sector to manage, share and publish for repeated use datasets at its disposal.

The reform shall be implemented by 31 December 2023.

Investment: 2.1.3.1.i. Data availability, sharing and analysis

The objective of the measure is to enable data sharing within the public sector and between the public and private sectors.

The measure consists of providing access to datasets from different sectors of the public administration.

Reform: 2.2.1.r. Creating the full cycle of business digital transformation support with regional coverage

The objectives of the reform are to establish European Digital Innovation Hub (EDIH), ensure its regional presence through regional contact points, and to create a single and coordinated support ecosystem to facilitate the digital transformation of commercial activities.

The reform consists of establishing EDIH, a single platform/ecosystem supporting digital transformation as a one-stop-shop, establishing a digital maturity test system; ensuring the regional contact points provide the following new digital transformation support functions: digital maturity tests in regions; access to testing and piloting; mentoring and digital skills training. The EDIH may

receive funding from other EU funds, including the Digital Europe programme, for carrying out their activities.

The reform shall be implemented by 30 September 2022.

Investment: 2.2.1.1.i. Support for the establishment of Digital Innovation Hubs and regional contact points

The objective of the measure is to enhance the digital transformation of entities, offering tailored support measures that address identified digitalisation needs.

The investment consists of providing support to the operation of European Digital Innovation Hubs (EDIH). The operation of the EDIHs shall be structured into work packages. The RRF support shall not concern work packages for which EDIHs receive support under the Digital Europe Programme.

Investment: 2.2.1.2.i. Digitalisation of entities

The objective of the measure is to create higher added value in the supported entities.

The measure consists of improving the entities' digital maturity tests.

Investment: 2.2.1.3.i. Support for the introduction of products and services into business

The objective of the measure is to support the creation of digital products and services.

The measure consists of grant agreements to support projects for research in products or services.

Investment: 2.2.1.4.i. Financial instrument to facilitate the digital transformation of economic operators

The objective of the measure is to boost productivity and production process efficiency by supporting investments in digital transformation tools.

The measure consists of loan contracts to support digital transformation projects.

Investment: 2.2.1.5.i. Fostering the digital transformation of media companies

The objective of the measure is to facilitate the digital transformation of the media sector.

The measure consists of a support scheme for investments in digital skills in the media sector and the delivery of three platforms or IT solutions.

Reform: 2.3.1.r. Development of a sustainable and socially responsible support framework for adult learning

The objective of the measure is to increase adult learning participation and the support for adult learning.

The measure consists of enhancing support for training of employees and assessing the individual learning accounts approach.

Investment: 2.3.1.1.i. Delivering advanced digital skills

The objective of the measure is to increase the number of specialists with advanced digital skills.

The measure consists of designing advanced digital skills training modules for higher education study programmes.

Investment: 2.3.1.2.i. Development of digital skills of enterprises

The objective of the measure is to increase the level of digital skills in enterprises.

The measure consists of the provision of basic digital skills trainings to enterprises.

Investment: 2.3.1.5.i. Digital skills through the individual learning account platform

The objective of the measure is to support the acquisition of digital skills.

The measure consists of the provision of trainings in digital skills through the individual learning accounts platform.

Reform: 2.3.2.r. Digital skills for the digital transformation of society and government

The objective of the measure is to increase the share of inhabitants with basic and advanced digital skills.

The measure consists of the entry into force of a common framework for the assessment of basic digital skills, the identification and planning of training needs and amendments to national higher education standards.

Investment: 2.3.2.1.i. Digital skills for people, including youth

The objective of the measure is to increase digital and technological literacy of young people outside formal education.

The measure consists of conducting activities related to the digital youth work system in municipalities.

Investment: 2.3.2.2.i. Development of state and local government digital transformation skills and capabilities

The objective of the measure is to increase the digital skills of employees of public administration.

The measure consists of developing a digital skills framework and providing training in several digital skills framework areas.

Investment: 2.3.2.3.i. Closing the digital divide for socially vulnerable pupils and educational institutions

The objectives of the measure are to provide access to learning content and allow participating in remote learning process, in particular for the pupils from socially vulnerable groups.

The measure consists of purchasing information and communication technology equipment for general education, including to support pupils from socially vulnerable groups.

Reform: 2.4.1.r. Broadband infrastructure development

The objectives of the reform are to promote connected automated driving and to support sustainable mobility, including by improving road safety through innovation.

The reform consists of the adoption of technical requirements for connected and automated driving, and the adoption of a common model for the development of the “last mile”.

The reform shall be implemented by 31 December 2021.

Investment: 2.4.1.1.i. [deleted]

Investment: 2.4.1.2.i. Broadband or very high capacity network “last mile” infrastructure development

The objective of the measure is to create opportunities for regional development and stimulate demand for new digital services.

The measure consists of providing households and socio-economic drivers, for example businesses, schools and hospitals, with access to very high capacity broadband network.

B.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|---|-----------------------|--|---|--|----------|------|---------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 27 | 2.1.1.r. Modernisation of national processes and services and digital transformation | Milestone | Establishment of a framework for unified governance management of ICT development activities in public administration | Entry into force of the legal framework | N/A | N/A | N/A | Q1 | 2022 | Regulations of the Cabinet of Ministers laying down common procedures for monitoring ICT development activities entered into force. For the new regulations to be applicable for all ICT development activities within the scope of the measures of the Latvian recovery and resilience plan (including municipalities), the scope of the Law of State Information Systems shall be extended. If adoption of the amendments to the law are delayed, temporary regulation to supplement specific normative framework for specific regulations for respective ICT project activities issued. |
| 28 | 2.1.1.r. Modernisation of national processes and services and digital transformation | Milestone | Establishment of a normative framework for receiving support in the field of digital transformation of public administration processes and services | Entry into force of the legal framework | N/A | N/A | N/A | Q2 | 2022 | Cabinet of Ministers regulation entered into force for granting support in the field of digital transformation of public administration processes and services. |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|---|-----------------------|--|---|--|----------|------|---------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 29 | 2.1.1.1.i. Administration modernisation and digital transformation of services | Target | Descriptions of ICT solutions development activities developed and harmonised | N/A | Number | 0 | 11 | Q3 | 2023 | The ICT solutions (systems) descriptions concept models shall be developed in accordance with the adopted legal framework for ICT governance. Descriptions define ICT development activities to develop or modernise ICT solutions in at least following 4 areas: 1) the domestic affairs sector, including civil protection, fire safety supervision and public safety; 2) the cultural sector, including the accumulation of the heritage of archives, libraries, museums, cultural monuments and media content; 3) management of port logistics services; 4) support of ICT management processes. |
| 30 | 2.1.1.1.i. Administration modernisation and digital transformation of services | Target | ICT solutions or systems | N/A | Number | 0 | 11 | Q3 | 2026 | ICT solutions or systems shall be delivered, for example, in the areas of domestic affairs, culture, the management of port logistics services, ICT management processes. |
| 31 | 2.1.2.r. Increasing efficiency and interoperability in the use of national ICT resources | Milestone | Establishment of the legal framework for receiving support in the area of development of | Entry into force of the legal framework | N/A | N/A | N/A | Q2 | 2022 | Entry into force of the legal framework for granting support in the area of development of central IT systems and platforms of public |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|---|-----------------------|---|---|--|----------|------|---------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | central systems and platforms of public administration and consolidation of computing infrastructure services | | | | | | | administration and consolidation of computing infrastructure services. |
| 32 | 2.1.2.1.i. Centralised platforms, solutions or systems | Target | Approval of development plans for the creation, transformation or deployment of centralised ICT functions and shared services | N/A | Number | 0 | 15 | Q1 | 2023 | Before investments in development of centralised functions or shared services, the responsible institution shall prepare and get approval of the centralised ICT function or shared service development plan (including with regard to the financing of services). |
| 33 | 2.1.2.1.i. Centralised platforms, solutions or systems | Target | Approval of harmonised descriptions of the development activities of centralised ICT solutions | N/A | Number | 0 | 15 | Q3 | 2023 | Harmonised descriptions shall be approved to define ICT development activities of centralised platforms and systems. The ICT solutions (systems) shall be developed in accordance with the adopted legal framework for ICT governance. |
| 34 | 2.1.2.1.i. Centralised platforms, solutions or systems | Target | Centralised ICT platforms, solutions or systems | N/A | Number | 0 | 15 | Q3 | 2026 | Centralised ICT platforms, solutions or systems shall be delivered, for example, to support public services, |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|--|-----------------------|--|---|--|----------|------|---------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | administrative functions, or local governance. |
| 36 | 2.1.2.2.i. Cloud services | Target | Cloud services provided to public authorities | N/A | Number | 0 | 6 | Q3 | 2026 | Cloud services shall be provided to 6 public authorities. |
| 37 | 2.1.3.r. Development of the national economic data and digital services economy | Milestone | Entry into force of the legal framework for receiving support in the field of transformation of economic data management | Entry into force of the legal framework | N/A | N/A | N/A | Q2 | 2022 | Entry into force of the legal framework for granting support in the field of transformation of economic data management harmonised by the Cabinet of Ministers. |
| 38 | 2.1.3.r. Development of the national economic data and digital services economy | Milestone | Legal framework for the functioning of the national platform for the circulation of data | Entry into force of the legal framework | N/A | N/A | N/A | Q4 | 2023 | The successful implementation of the reform shall be ensured by entry into force of the legal framework specifying the following aspects of the national platform: 1. data sharing management, including the data exchange process in the central data exchange platform; 2. the rights and duties of the participating institutions for the sharing and circulation of data within the central data exchange platform; |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|---|-----------------------|--|--|--|----------|------|---------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | 3. uniformed and facilitated processing of personal data within the central data exchange platform. |
| 39 | 2.1.3.1.i. Data availability, sharing and analysis | Target | Sectors for which datasets are available on platforms | N/A | Number | 0 | 10 | Q3 | 2026 | Datasets shall be available on platforms covering at least 10 sectors of the public administration, for example: business, science, environment, finance, public procurement, healthcare, veterinary and agriculture. |
| 40 | 2.2.1.r. Creating the full cycle of business digital transformation support with regional coverage | Milestone | The European Digital Innovation Hub (EDIH) has been established | The European Digital Innovation Hub (EDIH) has been established | N/A | N/A | N/A | Q2 | 2022 | The EDIH shall be in operation in line with the Digital Europe Programme priorities and form part of the network of a common European Digital Innovation Hub. It shall serve as a one-stop-shop for the coordination of the digital transformation of businesses. It aims to ensure a common approach and information exchange of regional business centres, digital maturity test and state support. |
| 41 | 2.2.1.r. Creating the full cycle of business digital transformation support with regional coverage | Milestone | Regional business support centres provide new digital transformation support functions | Regional business support centres provide digital transformation | N/A | N/A | N/A | Q3 | 2022 | The regional business support centres shall have started providing the following new digital transformation support functions: |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|---|-----------------------|---|--|--|----------|-------|---------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | support functions | | | | | | <ol style="list-style-type: none"> Digital maturity tests in regions; Access to testing and piloting; Mentoring and digital skills training. |
| 42 | 2.2.1.r. Creating the full cycle of business digital transformation support with regional coverage | Milestone | Establishment of a digital maturity test system for entities to identify the actions needed by the entities and state support | Digital maturity test system in place | N/A | N/A | N/A | Q2 | 2022 | A digital maturity test system for entities shall be established. The digital maturity test is a digital tool available on the EDIH website, which assesses an entity's digital maturity in various aspects and may be filled by the entity independently or with the help of a consultant. |
| 44 | 2.2.1.1.i. Support for the establishment of Digital Innovation Hubs and regional contact points | Target | Digital transformation roadmaps | N/A | Number | 0 | 2 000 | Q2 | 2026 | Number of digital transformation roadmaps issued to entities by the European Digital Innovation Hubs (EDIHs). |
| 44a | 2.2.1.1.i. Support for the establishment of Digital Innovation Hubs and regional contact points | Milestone | Support for the digital transformation of entities by the European Digital Innovation Hubs (EDIH) | Work packages of the European Digital Innovation Hubs (EDIH) completed | N/A | N/A | N/A | Q2 | 2026 | All work packages of European Digital Innovation Hubs shall be completed, excluding those that are funded by the Digital Europe Programme. |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|---|-----------------------|--|---|--|----------|------|---------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 46 | 2.2.1.2.i. Digitalisation of entities | Target | Improvement in entities' Digital Maturity Test | N/A | Number | 0 | 200 | Q2 | 2026 | Improvement in the test result of 200 entities is observed in the repeated Digital Maturity Test. |
| 48 | 2.2.1.3.i. Support for the introduction of products and services into business | Target | Grant agreements signed and private financing committed | N/A | Number | 0 | 43 | Q2 | 2026 | Grant agreements to support 43 projects for research in digital products or services shall be signed, including the allocation of EUR 4 860 000 in private financing to supported projects. |
| 51 | 2.2.1.4.i. Financial instrument to facilitate the digital transformation of economic operators | Target | Loan contracts signed and private financing committed | N/A | Number | 0 | 65 | Q2 | 2026 | Number of loan contracts signed between ALTUM and economic operators to support digital transformation projects, including the allocation of EUR 45 300 000 of private financing to supported projects. |
| 53 | 2.2.1.5.i. Fostering the digital transformation of media companies | Target | Platforms or IT solutions | N/A | Number | 0 | 3 | Q2 | 2025 | Three platforms or IT solutions in the media sector shall be delivered. |
| 54 | 2.2.1.5.i. Fostering the digital transformation of media companies | Milestone | Support scheme established | Contracts signed | N/A | N/A | N/A | Q2 | 2026 | A support scheme for investments in digital skills in the media sector shall be established, and 10 contracts shall be signed between the Commercial Education Centre and entities under this support scheme. |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|--|-----------------------|---|---|--|----------|------|---------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 57 | 2.3.1.r. Development of a sustainable and socially responsible support framework for adult learning | Milestone | Enhanced support for training of employees | Legal acts have entered into force | N/A | N/A | N/A | Q4 | 2023 | Legal acts have entered into force that: 1) Introduce more favourable tax treatment in the Law on Personal Income Tax of tuition fees covered by employers for higher education of employees; 2) Amend the Labour Law to expand the right of employees to participate in training related to professional tasks; 3) Adopt Cabinet of Ministers instructions to standardise the preparation of support measures for employers to train employees. |
| 60 | 2.3.1.r. Development of a sustainable and socially responsible support framework for adult learning | Milestone | Development of the Individual Learning Accounts (ILA) approach | Regulations of the Cabinet of Ministers entered into force | N/A | N/A | N/A | Q4 | 2023 | Entry into force of Regulations specifying the approach for the development of the individual learning account including: (a) the establishment of eligibility criteria, (b) the establishment of criteria for the selection of educational providers. |
| 61 | 2.3.1.r. Development of a sustainable and socially responsible support framework for adult learning | Milestone | Individual learning account approach | Assessment published by the Ministry of Education and Science | N/A | N/A | N/A | Q3 | 2026 | The Ministry of Education and Science shall publish an assessment of the individual learning account approach |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|---|-----------------------|--|---|--|----------|--------|---------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | including an analysis by an independent auditor. |
| 62 | 2.3.1.1.i. Delivering advanced digital skills | Target | Modules designed for higher education study programmes | N/A | Number | 0 | 20 | Q3 | 2026 | 20 modules for example in the fields of high-performance computing, quantum technologies and language technologies, shall be designed for higher education study programmes. |
| 64 | 2.3.1.2.i. Development of digital skills of enterprises | Target | Trainings on basic digital skills provided to enterprises | N/A | Number | 0 | 2 080 | Q2 | 2026 | Number of trainings on basic digital skills provided to enterprises. |
| 68a | 2.3.1.5.i. Digital skills through the individual learning account platform | Target | Digital skills trainings | N/A | Number | 0 | 25 319 | Q3 | 2026 | 25 319 Digital skills trainings provided through the individual learning accounts platform. |
| 69 | 2.3.2.r. Digital skills for the digital transformation of society and government | Milestone | The normative framework strengthens and implements a common framework for assessment of basic digital skills, identification and planning of training needs and assessment | Regulatory framework entered into force | N/A | N/A | N/A | Q4 | 2022 | Legislative acts establishing a common framework for the assessment of basic digital skills, the identification and planning of training needs and the assessment based on DigiComp 2.1 have entered into force. |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|---|-----------------------|--|---|--|----------|------|---------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 70 | 2.3.2.r. Digital skills for the digital transformation of society and government | Milestone | Amendments have entered into force to normative acts on national higher education standards, envisaging achievement of digital competence study results at the corresponding levels of the Latvian Qualification Framework | Amended regulatory framework entered into force | N/A | N/A | N/A | Q4 | 2022 | Amendments to national higher education standards (State Standard for Higher Academic Education and National Standard for Higher Vocational Education) have entered into force. They shall establish the results to be achieved in the acquisition of digital competences and ensure their application in the development, licensing and accreditation of higher education programmes, providing that study programmes that are drawn up, licensed and accredited after the entry into force of the regulatory framework include such achievable study results and appropriate courses or modules to achieve them. |
| 73 | 2.3.2.1.i. Digital skills for people, including youth | Milestone | Digital youth work system in municipalities | Letter(s) of completion | N/A | N/A | N/A | Q3 | 2026 | Letter(s) of completion issued by the Central Finance and Contracting Agency (CFCA) on the digital youth work system in 42 municipalities related to a contract with the Agency for International Youth Programs (AIYP). |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|--|-----------------------|--|---|--|----------|--------|---------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 74 | 2.3.2.2.i. Development of state and local government digital transformation skills and capabilities | Milestone | Public administration digital skills framework developed | Digital skills framework is available in the State Administration School Training Management system and approved by an internal regulatory act of the School of State Administration | N/A | N/A | N/A | Q2 | 2023 | Public administration digital skills framework, including curricula, shall be developed. |
| 76 | 2.3.2.2.i. Development of state and local government digital transformation skills and capabilities | Target | Trainings attended | N/A | Number | 0 | 62 900 | Q3 | 2026 | Number of trainings attended for example in 1) digitalisation management and development; 2) digital content creation; 3) cybersecurity; 4) communication and collaboration; 5) information and data literacy; 6) transversal skills. |
| 77 | 2.3.2.3.i. Closing the digital divide for socially vulnerable pupils and educational institutions | Milestone | Entry into force of a regulatory framework laying down procedures for the organisation and implementation of remote learning | Entry into force of a regulatory framework laying down procedures for the organisation and implementation | N/A | N/A | N/A | Q4 | 2021 | Entry into force of regulations of the Cabinet of Ministers laying down criteria and conditions for the organisation and conduct of remote learning to ensure that remote learning is organised and implemented in all Latvian educational |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|---|-----------------------|------|---|--|----------|------|---------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | of remote learning | | | | | | <p>institutions and levels of education (except at pre-school level).</p> <p>The educational establishment shall include in its internal rules a framework for the organisation and implementation of remote learning, including:</p> <ol style="list-style-type: none"> 1. the procedure by which the educational establishment shall identify whether technical means are available to learners for the provision of remote learning, as well as the procedures for providing these technical means if they are not available to learners; 2. the procedure for recording students' participation in remote learning and the performance of the tasks assigned; 3. in cases where the participation of the learner in remote learning is not possible or is hampered for technical reasons; 4. the procedures for ensuring compliance with safety requirements during remote learning and the procedures for |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|--|-----------------------|---|---|--|----------|--------|---------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | communication with the legal representatives of the learner in the event of safety or health risks; 5. The procedure by which learners make use of educational institution resources and infrastructure (premises, libraries, etc.) as part of remote learning. |
| 79 | 2.3.2.3.i. Closing the digital divide for socially vulnerable pupils and educational institutions | Target | Number of ICT equipment units for the target group (learners) | N/A | Number | 0 | 26 620 | Q4 | 2023 | Number of ICT equipment units purchased and delivered to municipalities or directly to educational institutions for general education. |
| 79a | 2.3.2.3.i. Closing the digital divide for socially vulnerable pupils and educational institutions | Milestone | Purchase of ICT equipment | Invoice(s) | N/A | N/A | N/A | Q3 | 2026 | Invoice(s) signed by the Ministry of Education and Science for the purchase of ICT equipment for at least EUR 3 million. |
| 80 | 2.4.1.r. Broadband infrastructure development | Milestone | Adoption of technical requirement for connected and automated driving | Adoption of common technical requirements | N/A | N/A | N/A | Q4 | 2021 | The SJSC "Latvian State Radio and Television Centre" identifies the common technical requirements for electronic communications operators to allow for connected and automated driving. This shall take into account the needs of operators in cooperation with representatives of Estonia, |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|--|-----------------------|---|---|--|----------|------|---------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | Lithuania and Poland to facilitate the development of a connected and automated driving corridor along the Via Baltica track. Following that common technical requirements are adopted by the procurement committee. |
| 81 | 2.4.1.r. Broadband infrastructure development | Milestone | Adoption of a common model for the development of the last mile | Adoption of a common model for the development of the last mile | N/A | N/A | N/A | Q4 | 2021 | 1. On the basis of the studies carried out, the Ministry of Transport shall draw up a development plan for the electronic communications sector, which shall include a draft model. 2. The outcome of the public consultation shall lead to a final decision on the model, which shall be adopted and implemented. |
| 83 | 2.4.1.2.i. Broadband or very high capacity network “last mile” infrastructure development | Milestone | Access to very high capacity broadband network | Letter(s) of completion | N/A | N/A | N/A | Q3 | 2026 | Letter(s) of completion issued by the Central Finance and Contracting Agency for projects in five Latvian regions concerning access to very high capacity broadband for households and socio-economic drivers, for example businesses, schools and hospitals. |

C. COMPONENT 3: REDUCTION OF INEQUALITY

The general objective of this component of the Latvian recovery and resilience plan is to address the challenges of territorial and social inequality in Latvia, exacerbated by the COVID-19 pandemic. The component aims to reduce inequality by creating more jobs in the regions, improving regional connectivity and access to quality services, providing more affordable housing, improving the school infrastructure, helping to up-skill and re-skill workers and unemployed, strengthening the social safety net, improving accessibility to buildings for persons with disabilities, and new long-term care facilities for the elderly. All the measures in the component support either of the two headline reforms – the ongoing administrative territorial reform and the minimum income reform.

The component supports addressing the Country Specific Recommendations on social exclusion, notably to improve the adequacy of minimum income benefits, minimum old-age pensions and income support for people with disabilities and on the quality and efficiency of education and training, focusing on low-skilled workers and jobseekers (Country Specific Recommendation 2, 2019). The component also supports addressing the recommendation to focus investment-related economic policy to the provision of affordable housing, considering regional disparities (Country Specific Recommendation 3, 2019). Finally, the component supports addressing the recommendation to strengthen the social safety net and mitigate the employment impact of the crisis, including through improved active labour market measures and skills (Country Specific Recommendation 2, 2020).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

C.1. Description of the reforms and investments for non-repayable financial support

Reform: 3.1.1.r. Administrative territorial reform

The general objective of this reform is to improve the quality of services for the inhabitants of Latvia and improve local business environment by reducing the number of administrative units and increasing the efficiency and accessibility of service delivery. The actions described below (renovation and reconstruction of state regional and local roads, capacity building of local municipalities and planning regions ensuring more efficient public services, development of infrastructure for industrial parks, affordable housing, development of school infrastructure and school busses) are linked with and support this reform measure.

The measure includes the entry into force of a new Municipality Law reviewing the functions and tasks of local governments. The new law shall ensure better governance at the municipal level, a clearer separation and division of competences between the decision-making and the executive powers, and increasing the participation of citizens in the decision-making of local communities.

While the overall administrative territorial reform may continue beyond the timeframe of the RRF, the implementation of the specific reform shall be completed by 31 December 2023.

Investment: 3.1.1.1.i. Improvement of the network of regional and local roads

The objective of the measure is to ensure the connectivity of the new municipalities and enhance the access of citizens to jobs and services.

The measure consists of renovation or rebuilding of regional and local roads.

Investment: 3.1.1.2.i. Strengthening the capacity of municipalities to improve service efficiency and quality

The objective of the measure is to improve the quality and efficiency of municipal services following the reorganisation of local administrations.

The measure consists of the adoption of a government regulation defining the scope and parameters of the capacity building actions in the municipalities, a municipal public service assessment and capacity building of municipal staff.

Investment: 3.1.1.3.i. Investments in public infrastructure to develop industrial parks in the regions

The objective of the measure is to support the infrastructure of industrial zones and attract investors and firms to Latvia's regions outside Riga.

The measure consists of supporting the development of industrial parks and territories in the regions. For the purpose of the RRF the measure is finalized with the construction works for the industrial parks and territories.

On the basis of the RRF investment, the investment aims to incentivise investments for an amount of EUR 85 000 000 coming from industrial park operators or potential investors.

Investment: 3.1.1.4.i. Establishing a financing fund for the construction of low-rent housing

The objective of the measure is to stimulate housing supply, provide affordable housing, contribute to regional labour mobility, and help attract and retain skilled professionals in the regions.

The measure consists of the entry into force of a new legal framework for rents, the adoption of a housing affordability strategy, and support for the construction of apartments.

Investment: 3.1.1.5.i. Development of infrastructure and equipment of educational institutions

The objective of the measure is to increase the quality of regional schools.

The measure consists of the entry into force of a legal framework establishing the quantitative and qualitative criteria for general secondary education institutions, the adoption of decisions by local governments on the reorganisation of schools, and the upgrade of school infrastructure.

Investment: 3.1.1.6.i. Purchase of electric school buses

The objective of the measure is to facilitate the mobility of pupils.

The measure consists of support to municipalities for the delivery of electric school buses.

Investment: 3.1.1.7.i. Loans to real estate developers for the construction of low-rent dwellings

The measure shall consist of a public investment in a Facility, in order to incentivise private investment in, and improve access to finance in the construction of low-rent dwellings in Latvia. The Facility shall operate by providing loans, directly to the private sector, as well to public sector entities engaged in similar activities. On the basis of the RRF investment, the Facility aims at initially providing at least EUR 38 267 662 of financing.

This investment shall be managed by ALTUM as the implementing partner. This Facility shall include the following product line: direct loans to real estate developers to finance construction of low-rent dwellings.

In order to implement the investment into the Facility, Latvia and ALTUM shall sign an Implementing Agreement that shall include the following content:

- 1) Description of the decision-making process of the Facility: The final investment decision of the Facility shall be taken by an investment committee or other relevant equivalent governing body and approved by a majority of votes from members who are independent from the government.
- 2) Key requirements of the associated investment policy, which shall include:
 - a. The description of the financial product and eligible final beneficiaries.
 - b. The requirement that all investments supported are economically viable.
 - c. The requirement to comply with the ‘Do no significant harm’ (DNSH) principle as set out in the DNSH Technical Guidance (2021/C58/01). In particular, the investment policy shall exclude the following list of activities and assets from eligibility: (i) activities and assets related to fossil fuels, including downstream use¹, (ii) activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmark^{s2}, (iii) activities and assets related to waste landfills, incinerators³ and mechanical biological treatment plants⁴. Furthermore, the investment strategy shall require compliance with the relevant EU and national environmental legislation of the final beneficiaries of the Facility.
 - d. The requirement that final beneficiaries of the Facility shall not receive support from other Union instruments to cover the same costs.
- 3) The amount covered by the Implementing Agreement, the fee structure for the Implementing Partner and the requirement to reinvest any reflows according to the investment policy of the Facility.
- 4) Monitoring, audit, and control requirements, including:
 - a. The description of the implementing partner’s monitoring system to report on the investments mobilized.
 - b. The description of the implementing partner’s procedures that will ensure the prevention, detection and correction of fraud, corruption, and conflicts of interests.
 - c. The obligation to verify the eligibility of every operation in accordance with the requirements laid out in the Implementing Agreement before committing to finance an operation.
 - d. The obligation to carry out risk-based ex post audits in accordance with an audit plan of ALTUM. These audits shall verify: i) that the control systems are effective, including the

¹ Except for (a) assets and activities in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the ‘Do no significant harm’ Technical Guidance (2021/C58/01) and (b) activities and assets under point (ii) for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation.

² Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks, an explanation of the reasons why this is not possible shall be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

³ This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

⁴ This exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

detection of fraud, corruption, and conflict of interests; ii) compliance with the DNSH principle and the State Aid rules; and iii) that the requirement that final beneficiaries of the Facility have not received support from other Union instruments to cover the same cost is respected. The audits shall also verify the legality of the transactions and that the conditions of the applicable Implementing Agreement are being respected.

Reform: 3.1.2.r. Access to social and employment services in support of the minimum income reform

The general objective of this reform is to reduce inequality, improve the social safety net, foster social integration and inclusion in Latvia.

The measure consists of two main steps. The first step is the adoption of a plan for improvement of the minimum income support system for 2022-2024 to strengthen the methodology for calculating the minimum income; the adoption of Social Protection and Labour Market Guidelines 2021-2027 to promote the social inclusion of the population, to reduce income inequality and poverty, develop accessible and tailored social services and promote a high level of employment in a quality work environment; the adoption of a Social Services Development Plan 2021-2023 aimed at improving the provision of community-based services; and the adoption of a Plan for the Promotion of Equal Opportunities for Persons with Disabilities 2021-2023, which aims to develop an integrated support system that meets the needs of persons with disabilities. The second step is the entry into force of legislative amendments by the national Parliament to improve the minimum income support system, including setting a floor of the minimum income of no less than 20% of the median income and establishing a procedure for annual positive indexation (as of 2023).

The implementation of the reform shall be completed by 31 December 2021.

Investment: 3.1.2.1.i. Measures to promote access to public services and employment for people with functional impairments

The objective of the measure is to facilitate accessibility of buildings for people with functional impairments, thereby contributing to their social inclusion.

The measure consists of adapting state and local government buildings where public services in the welfare sector or local government social services are provided (hereinafter - state and local government buildings), and dwellings of persons with functional impairments.

Investment: 3.1.2.2.i. Development of a forecast tool

The objective of the measure is to upgrade the modelling capacity to assess the long-term sustainability of the social security system.

The measure consists of developing an information system for long-term forecasting of social security, including pensions.

Investment: 3.1.2.3.i. Resilience and continuity of the long-term social care service

The objective of the measure is to enable a transition from institutional long-term care provision to a more community-based care model.

The measure consists of developing a standard construction design for new long-term care facilities, as well as the construction and equipment of long-term care facilities.

Investment: 3.1.2.4.i. Synergistic development of social and vocational rehabilitation services for the promotion of the resilience of people with functional impairments

The objective of the measure is to improve the social inclusion and rehabilitation of persons with functional impairments.

The measure consists of the adoption of a vocational rehabilitation service standard for persons with functional impairments, and adaptation works for buildings in two addresses.

Investment: 3.1.2.5.i. Participation in the labour market of unemployed, jobseekers and people at risk of unemployment

The objective of the measure is to facilitate the acquisition of skills for the clients of the State Employment Agency.

The measure consists of developing a re-training and up-skilling offer with a focus on digital skills and the provision of training.

Investment: 3.1.2.6.i. Facilitating the availability of technical aids

The objective of the measure is to improve access to mobility, self-care, function replacement or restoration and alternative communication technical aids for persons with functional impairments.

The measure consists of the issuance of technical aids.

C.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|--|--------------------|---|--|--|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 84 | 3.1.1.r. Administrative territorial reform | Milestone | Entry into force of a new "Municipality Law" | Entry into force of the new "Municipality Law" | N/A | N/A | N/A | Q4 | 2023 | Entry into force of the "Municipality Law" which shall review the functions and tasks of local governments, to align them with the outcome of the administrative territorial reform (replacing the Law on Local Government of 19.05.1994). It shall ensure improved governance after the administrative territorial reform of the municipalities, promoting democratisation and a clearer separation of the decision-making power from the executive, establishing a clear division of competences and functions, reducing the concentration of powers and increasing the participation of the local community on a regular basis. |
| 85 | 3.1.1.1.i. Improvement of the network of regional and local roads | Target | Renovated or rebuilt regional and local roads for the safe accessibility of the county administrative | N/A | Km | 0 | 70 | Q4 | 2022 | The state regional and local roads have been renovated or rebuilt for the accessibility to the administrative centres of the counties and their services and jobs and for the full functioning of the new municipalities. Road |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|--|-----------------------|--|---|--|----------|------|--|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | centres and their services and jobs and for the full functioning of the new municipalities | | | | | | | construction works shall involve investments that improve road safety. |
| 86 | 3.1.1.1.i. Improvement of the network of regional and local roads | Target | Renovated or rebuilt regional and local roads | N/A | Km | 70 | 210 | Q4 | 2024 | The state regional and local roads have been renovated or rebuilt for the accessibility to the administrative centres of the counties and their services and jobs and for the full functioning of the new municipalities. Road construction works shall involve investments that improve road safety. |
| 89 | 3.1.1.2.i. Strengthening the capacity of municipalities to improve service efficiency and quality | Milestone | The legal basis for implementing support for capacity building of local governments has been adopted | Regulations of the Cabinet of Ministers have been adopted | N/A | N/A | N/A | Q4 | 2022 | Cabinet Regulations have been adopted for the implementation of support for capacity building of local governments, including: (a) defining the scope and parameters of the capacity building actions in the municipalities; (b) municipal public service assessments; (c) provision of methodological support and capacity-building; |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|--|-----------------------|--|---|--|----------|-------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | (d) piloting ways of planning and providing municipal public services. |
| 90 | 3.1.1.2.i. Strengthening the capacity of municipalities to improve service efficiency and quality | Milestone | Assessment of local government public services | Assessment finalised | N/A | N/A | N/A | Q4 | 2024 | Assessment of the efficiency of the provision of local government public services finalised. |
| 92 | 3.1.1.2.i. Strengthening the capacity of municipalities to improve service efficiency and quality | Target | People trained | N/A | Number | 0 | 1 300 | Q3 | 2026 | Number of people having participated in capacity building activities (for example trainings, study visits, experience/good practice exchanges, conferences, workshops, fora). |
| 93 | 3.1.1.3.i. Investments in public infrastructure to develop industrial parks in the regions | Milestone | Adoption of a support programme for the development of industrial parks and territories in the regions | Cabinet Regulations and coordinated aid programme adopted | N/A | N/A | N/A | Q4 | 2022 | Regulations of the Cabinet of Ministers laying down the conditions and criteria for the provision of aid to industrial areas have been drawn up and adopted. The selection criteria shall ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|---|-----------------------|---|---|--|----------|------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | with the relevant EU and national environmental legislation. |
| 94 | 3.1.1.3.i. Investments in public infrastructure to develop industrial parks in the regions | Milestone | Award of contracts for the development of industrial parks in the regions | Award of contracts for the projects' implementation | N/A | N/A | N/A | Q4 | 2023 | Award of contracts for the development of industrial parks in the regions to private or public sector beneficiaries who have developed an industrial park development strategy or business plan. The selection criteria shall ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. |
| 96 | 3.1.1.3.i. Investments in public infrastructure to develop industrial parks in the regions | Target | Industrial parks and territories in the regions | N/A | Number | 0 | 4 | Q3 | 2026 | Certificate(s) of readiness for operation of engineering construction or building signed for the construction of at least four industrial parks and territories in the regions, including connections (for example to heating, water and sewerage, electricity), renewal or installation of access roads, and letter(s) of intent or contract(s) signed by industrial park operators and/or potential |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|--|--------------------|---|--|--|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | investors to execute investments of EUR 85 000 000. |
| 98 | 3.1.1.4.i. Establishing a financing fund for the construction of low-rent housing | Milestone | Entry into force of the law balancing the rights of tenants and landlords | Entry into force of the Rental Law of housing premises | N/A | N/A | N/A | Q2 | 2021 | Entry into force of a new legal framework for rents to ensure a fair balance between the interests of the tenant and the landlord and to speed up the resolution of disputes over the term of the rent and the settlement of rents, which is particularly important in order to promote the construction of renting housing and consequently to facilitate affordability of housing. |
| 99 | 3.1.1.4.i. Establishing a financing fund for the construction of low-rent housing | Milestone | Adoption of a housing affordability strategy | The government has adopted housing, affordability strategy | N/A | N/A | N/A | Q2 | 2022 | The housing affordability strategy shall include directions of action, policy indicators and set of tasks for promoting access to housing, providing solutions for providing housing affordability support to households of different types and income levels, including the lowest-income households, and that support mechanisms and regulations promote both the repair of the existing housing stock and the development of a new housing stock. |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|--|-----------------------|---|---|--|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 100 | 3.1.1.4.i. Establishing a financing fund for the construction of low-rent housing | Milestone | Government regulation on the construction of low-rent dwellings | Entry into force of government regulation on construction of low-rent dwellings | N/A | N/A | N/A | Q3 | 2022 | Regulation of the Cabinet of Ministers on the construction of low-rent dwellings has entered into force in order to define size, scope and type of support and criteria for beneficiaries. |
| 101 | 3.1.1.4.i. Establishing a financing fund for the construction of low-rent housing | Target | Number of apartments within approved projects | N/A | Number | 0 | 300 | Q4 | 2024 | The funding shall have been approved by national development institution ALTUM for projects of at least 300 apartments. As part of the approved projects, housing shall be provided for a low rent (indicatively, EUR 4.40/m ²). The approved projects shall meet high quality requirements: (1) the building shall be a nearly zero-energy building; (2) Appropriate quality tests (acoustic measurements, building air permeability test) shall be carried out at the time of entry into service. |
| 102 | 3.1.1.4.i. Establishing a financing fund for the | Target | Number of apartments | N/A | Number | 300 | 467 | Q3 | 2026 | The funding shall have been approved by the national development institution ALTUM for projects of at least 467 apartments. |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|---|-----------------------|--|---|--|----------|------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | construction of low-rent housing | | | | | | | | | The approved projects shall meet the following quality requirements: (1) the building shall be a nearly zero-energy building; (2) quality tests (acoustic measurements, building air permeability test) at the time of entry into service of the buildings shall be made mandatory. |
| 103 | 3.1.1.4.i. Establishing a financing fund for the construction of low-rent housing | Target | Number of apartments built | N/A | Number | 0 | 300 | Q3 | 2026 | 300 apartments shall be built. |
| 104 | 3.1.1.5.i. Development of infrastructure and equipment of educational institutions | Milestone | Definition of qualitative and quantitative criteria adopted | The legal framework has entered into force | N/A | N/A | N/A | Q4 | 2021 | Entry into force of a legal framework adopted by the government promoting the provision of high-quality education by promoting a comprehensive offer of educational programmes at regional level, as well as by creating a network of general secondary education institutions in line with the demographic situation. The legal framework shall establish minimum quantitative and qualitative |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|---|-----------------------|---|---|--|----------|------|--|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | criteria (such as minimum number of learners, availability of infrastructure, etc.) for general secondary education institutions. |
| 105 | 3.1.1.5.i. Development of infrastructure and equipment of educational institutions | Milestone | Adoption of decisions by local councils on the reorganisation of at least 20 general secondary education institutions | Adoption of decisions by local councils | N/A | N/A | N/A | Q2 | 2022 | Reorganisation decisions (mergers, change of education level) of at least 20 general secondary education institutions adopted by local governments. |
| 106 | 3.1.1.5.i. Development of infrastructure and equipment of educational institutions | Target | Upgrade schools' infrastructure | N/A | Number | 0 | 21 | Q3 | 2026 | Upgrade of 21 schools' infrastructures established by local governments (for example: ventilation systems, energy efficient lighting, purchase of information technology and equipment for the teaching of science, technology, engineering or mathematics). |
| 107 | 3.1.1.6.i. Purchase of electric school buses | Milestone | A support programme has been adopted for local governments for the purchase of electric buses for the performance of | Entry into force of government regulation | N/A | N/A | N/A | Q4 | 2022 | Entry into force of Cabinet Regulations laying down implementing conditions for providing support to local governments for the purchase of electric buses for the performance |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|------|--|-----------------------|--|--|--|----------|------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | the municipal functions and related services | | | | | | | of the municipal functions and related services. |
| 108 | 3.1.1.6.i. Purchase of electric school buses | Target | Number of electric school buses under contracts awarded for the purchase of electric buses for the performance of the municipal functions and related services | N/A | Number | 0 | 15 | Q3 | 2023 | Award of contracts for the purchase of 15 electric buses for the performance of municipal functions and related services. |
| 109 | 3.1.1.6.i. Purchase of electric school buses | Target | Electric school buses | N/A | Number | 0 | 15 | Q4 | 2025 | Transfers act for the delivery of 15 electric school buses to municipalities have been issued. |
| 109a | 3.1.1.7.i. Loans to real estate developers for the construction of low-rent dwellings | Milestone | Implementing Agreement and completion of the investment | Entry into force of Implementing Agreement and certificate of transfer | N/A | N/A | N/A | Q2 | 2025 | Implementing Agreement shall enter into force, and Latvia shall transfer EUR 38 267 662 to ALTUM for the Facility. |
| 109b | 3.1.1.7.i. Loans to real estate developers for the construction | Target | Legal agreements signed with final beneficiaries | N/A | Percentage | 0% | 100% | Q2 | 2026 | ALTUM shall have entered into legal financing agreements with final beneficiaries for an amount necessary to use 100% of the |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|--|-----------------------|--|--|--|----------|------|--|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | of low-rent dwellings | | | | | | | | | RRF investment into the Facility (taking into account management fees). |
| 110 | 3.1.2.r. Access to social and employment services in support of the minimum income reform | Milestone | Adoption of the strategic framework for further development of the minimum income support system | The strategic framework for further development of the minimum income support system has been approved by the Cabinet of Ministers | N/A | N/A | N/A | Q4 | 2021 | <p>A strategic framework for further development of the minimum income support system has been developed and approved by the Cabinet of Ministers, which shall include at least:</p> <ul style="list-style-type: none"> - Plan for improvement of the minimum income support system for 2022-2024, with a view to strengthening the methodology for calculating the minimum income; - Social Protection and Labour Market Guidelines 2021-2027 to promote the social inclusion of the population, reduce income inequalities and poverty, develop accessible and tailored social services and promote a high level of employment in a quality work environment; - Social Services Development Plan 2021-2023, aimed at improving the provision of community-based services; |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|--|-----------------------|---|---|--|----------|------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | - The Plan for the Promotion of Equal Opportunities for Persons with Disabilities 2021-2023, which aims to develop an integrated support system that meets the needs of persons with disabilities. |
| 111 | 3.1.2.r. Access to social and employment services in support of the minimum income reform | Milestone | Entry into force of legislative amendments to improve the minimum income support system | Entry into force of legislative amendments to improve the minimum income support system | N/A | N/A | N/A | Q1 | 2023 | Entry into force of legislative amendments to improve the minimum income support system, which shall include: - a floor of the minimum income threshold of not less than 20% of the median income; - the procedure for revising the minimum income thresholds, which is to take place on an annual basis (from 2023), on the basis of changes in the median income and ensuring that the minimum income thresholds are not changed in the event of a decrease in the median income. |
| 112 | 3.1.2.1.i. Measures to promote access to public services and employment for people with | Milestone | Selection of state and local government buildings where environmental | Adoption of a list of 63 selected buildings of public and local authorities in | N/A | N/A | N/A | Q1 | 2022 | For the implementation of environmental accessibility measures, 63 state and local government buildings providing welfare sector public services or municipal social services shall be |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|---|-----------------------|--|--|--|----------|------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | functional impairments | | adaptations shall be carried out | which investments to adapt the environment shall be made | | | | | | selected (these buildings shall be included in the regulations of the Cabinet of Ministers). The investment shall include measures to implement a minimum accessibility standard: ensure access to the environment and information for persons with functional impairments and persons with disabilities. |
| 114 | 3.1.2.1.i. Measures to promote access to public services and employment for people with functional impairments | Target | Adaptation of state and local government buildings | N/A | Number of buildings | 0 | 63 | Q2 | 2026 | Adaptation of the accessibility of 63 state and local government buildings. |
| 115 | 3.1.2.1.i. Measures to promote access to public services and employment for people with functional impairments | Milestone | Selection of target group to adapt their dwelling | Decisions by municipalities | N/A | N/A | N/A | Q1 | 2024 | Decisions adopted by municipalities for 250 persons (adults with severe or very severe disabilities or children with disabilities) selected to adapt their dwelling. |
| 117 | 3.1.2.1.i. Measures to promote access | Target | Adaptation of dwelling | N/A | Number of persons | 0 | 250 | Q3 | 2026 | Adaptation of the accessibility of the dwelling of 250 persons. |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|--|-----------------------|---|--|--|----------|------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | to public services and employment for people with functional impairments | | | | | | | | | |
| 118 | 3.1.2.2.i. Development of a forecast tool | Milestone | Conclusion of contract for the development of algorithms for the forecasting model, the development of technical specifications for information system and the supervision of system development | Development of technical specifications and conclusion of a contract for the consultancy service involving Latvian and foreign econometric and mathematical modelling experts | N/A | N/A | N/A | Q2 | 2022 | <p>Award of a contract following a competition to:</p> <ul style="list-style-type: none"> - develop an econometric model and a methodology for the long-term forecasting of social support, including pensions; - draw up technical specifications for the development of an information system; - monitor the development of the system. <p>The contract concluded shall include a timetable for the following deliverables:</p> <ul style="list-style-type: none"> - an evaluation report on the current situation; - a mathematical model for pension forecasting; - evaluation of the current forecasting tool and its potential; |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|--|-----------------------|--|---|--|----------|------|--|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | <ul style="list-style-type: none"> - technical specifications for the development of an information system; - monitoring of the information system development throughout the project. |
| 119 | 3.1.2.2.i. Development of a forecast tool | Milestone | Completion of technical specifications for social security forecasting tool information system | Technical specifications approved by the Ministry of Welfare and ready for submission to the information system developer | N/A | N/A | N/A | Q3 | 2024 | <p>Completion of technical specifications for a new social security forecasting tool information system. The technical specifications shall include:</p> <ul style="list-style-type: none"> - an evaluation report on the current forecasting tool and its options and recommendations for the development of the new forecasting tool; - technical specifications for the development of system (the technical specification shall also include a requirement for the application of the Agile methodology during the system development phases). |
| 120 | 3.1.2.2.i. Development of a forecast tool | Milestone | Development of a forecasting tool | Information system for long-term forecasting | N/A | N/A | N/A | Q1 | 2026 | The handover act between the Ministry of Welfare and the software developer shall be signed for an information system |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|--|-----------------------|--|---|--|----------|------|--|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | of the social security system | | | | | | for long-term forecasting of the social security system. |
| 121 | 3.1.2.3.i. Resilience and continuity of the long-term social care service | Milestone | Development of standard construction design | Requirements of the design task and standard construction design developed for the provision of long-term care services close to family environment | N/A | N/A | N/A | Q3 | 2022 | <p>A standard construction design for the construction of buildings necessary for the provision of long-term care services close to the family environment has been adopted by the Ministry of Welfare.</p> <p>The construction design shall be intended for the construction of highly energy-efficient buildings (nearly zero-energy buildings).</p> <p>Municipalities shall be in possession of a standard construction project already ready, thus reducing project costs.</p> <p>Simpler project implementation for municipalities shall reduce risks for delays in project implementation.</p> |
| 122 | 3.1.2.3.i. Resilience and continuity of the long-term social care service | Target | Conclusion of contracts on the implementation of projects | N/A | Number of contracts | 0 | 6 | Q2 | 2023 | The Central Finance and Contracting Agency has concluded at least 6 contracts on the establishment of new places for the provision of long-term |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|--|-----------------------|--|---|--|----------|------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | care services close to the family environment. |
| 123 | 3.1.2.3.i. Resilience and continuity of the long-term social care service | Target | Provision of places for long-term care services | N/A | Number of places | 0 | 312 | Q3 | 2026 | Certificate(s) of readiness for the construction of buildings to provide 312 long-term care service places. In addition, basic appliances and furniture shall be provided. |
| 124 | 3.1.2.4.i. Synergistic development of social and vocational rehabilitation services for the promotion of the resilience of people with functional impairments | Milestone | Description of the vocational rehabilitation service adopted | Adoption of a description of the vocational rehabilitation services | N/A | N/A | N/A | Q1 | 2023 | The Advisory Council of the State Agency for Social Integration has adopted and the Agency for Social Integration has approved the description of a vocational rehabilitation service that promotes the maintenance, renewal and acquisition of new education or skills for re-employment as soon as possible, promoting the safety of customers. |
| 125 | 3.1.2.4.i. Synergistic development of social and vocational rehabilitation services for the promotion of the | Milestone | Adaptation of buildings | Adaptation of buildings at two addresses | N/A | N/A | N/A | Q1 | 2026 | Adaptation of buildings at two addresses, including accessibility and energy efficiency; and delivery of the equipment. |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|---|-----------------------|--|--|--|----------|------|--|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | resilience of people with functional impairments | | | | | | | | | |
| 127 | 3.1.2.5.i. Participation in the labour market of unemployed, jobseekers and people at risk of unemployment | Milestone | A retraining and up-skilling offer, with a focus on digital skills, has been established to clients (unemployed, jobseekers, persons at risk of unemployment) of the State Employment Agency for the job-rich recovery of the economy by implementing active labour market policy measures | Adoption of a new retraining and upskilling offer (including digital skills) for the State Employment Agency clients | N/A | N/A | N/A | Q2 | 2023 | An offer of retraining and up-skilling programmes to clients of the Latvian Employment Service (unemployed, jobseekers, persons at risk of unemployment) has been adopted at the meeting of the Latvian Training Commission in accordance with the measures of active labour market policy for the recovery of the job-friendly economy. |
| 128 | 3.1.2.5.i. Participation in the labour market of unemployed, jobseekers and | Milestone | Development of a digital tool for skills assessment | Digital tool developed and implemented | N/A | N/A | N/A | Q4 | 2023 | State Employment Agency has developed and implemented a digital assessment tool for an improved skills profiling system, which shall ensure the assessment of the skills and competences of the agency clients, to complete an |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|------|---|-----------------------|--|---|--|----------|--------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | people at risk of unemployment | | | | | | | | | appropriate offer of retraining and acquisition of skills, depending on the individual's level of knowledge and skills. The client profiling method currently used by the agency shall be supplemented by a digital skills assessment tool (tests) and the results of the tests shall be used in the client career advice process and in the preparation of the individual training offer. |
| 130 | 3.1.2.5.i. Participation in the labour market of unemployed, jobseekers and people at risk of unemployment | Target | Persons participating in training | N/A | Number of persons | 0 | 20 450 | Q4 | 2025 | 20 450 persons have participated in training. |
| 130a | 3.1.2.6.i. Facilitating the availability of technical aids | Target | EUR 7.2 million paid to NRC "Vaivari" to facilitate the availability of technical aids | N/A | EUR, million | 0 | 7.2 | Q2 | 2026 | A letter from the Central Finance and Contracting Agency informing of payments made to the recipient(s) and a report from the Cohesion Policy Fund Management Information System confirming the amount paid by |

| Nr | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|----|---|-----------------------|------|---|--|----------|------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | the Central Finance and Contracting Agency. |

D. COMPONENT 4: HEALTH

This component of the Latvian recovery and resilience plan contributes to addressing the challenges related to the resilience, accessibility, quality and cost-effectiveness of the health system and its human resources. Timely and equal access to healthcare is limited, especially for vulnerable groups. Latvia reports high unmet needs for healthcare and significant out-of-pocket payments. Unhealthy lifestyles are another important reason for the poor health outcomes. The shortage of health workers hinders the provision of public health care and threatens the success of health care reforms. These challenges have been exacerbated in particular by the crisis caused by the COVID-19 pandemic.

The objectives of the component are to improve the resilience and accessibility of health care by (i) developing a framework and necessary infrastructure for the provision of integrated health services, ensuring the capacity of health institutions to adapt to crisis situations, (ii) developing improved service delivery models and (iii) improving the provision of human resources and the professional development system for health professionals.

The component supports addressing the Country Specific Recommendations to strengthen the resilience and accessibility of the health system including by providing additional human and financial resources (Country Specific Recommendation 1, 2020) and to increase the accessibility, quality and cost-effectiveness of the healthcare system (Country Specific Recommendation 2, 2019).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

D.1. Description of the reforms and investments for non-repayable financial support

Reform: 4.1.1.r. Sustainability and resilience of a human-centred, comprehensive, integrated healthcare system

The objective of the measure is to move towards a human-centred, comprehensive, and integrated healthcare system, and ensure its sustainability and resilience.

The measure consists of the adoption of a digital health strategy, the development of an integrated healthcare delivery model, the establishment of a genome reference, and the introduction of new methodological management in oncology.

Investment: 4.1.1.1.i. Support for public health research

The objective of the measure is to revise public health policies.

The measure consists of the entry into force of legal act(s) and the publication of recommendations related to public health policies, as well as the publication of studies on anti-microbial resistance, on reasons for non-vaccination and on infectious diseases.

Investment: 4.1.1.2.i. Support for infrastructure or equipment of hospitals

The objective of the measure is to increase the resilience of the health sector and the availability of services.

The measure consists of investments in hospital infrastructure or equipment.

The RRF shall support part of the costs of the investment in hospitals, which may also receive support from other Union programmes or instruments for costs that are not supported by the RRF.

Investment: 4.1.1.3.i. Support for infrastructure or equipment of secondary outpatient healthcare service providers

The objective of the measure is to reinforce the infrastructure or equipment of secondary outpatient service providers.

The measure consists of investments in infrastructure or equipment for secondary outpatient healthcare service providers.

Reform: 4.2.1.r. Provision of human resources and upskilling

The objective of the measure is to revise the human resources management and support upskilling in the health sector.

The measure consists of the development of a human resources strategy, the introduction of a new remuneration model for healthcare staff, and the adoption of a model for forecasting the need for healthcare staff.

Investment: 4.2.1.1.i. Support for the implementation of the human resources development system

The objective of the measure is to introduce a common approach for continuous education in health and to introduce a simulation approach in the health education system.

The measure consists of the establishment of a coordination mechanism for the management of the continuous education process, and the approval of a strategy for the introduction of simulations in medical education.

Reform: 4.3.1.r. Sustainability of healthcare and efficient use of health resources

The objective of the measure is to increase the efficiency of the provision of state-funded health services.

The measure consists of the establishment of a coordinating unit and of testing new healthcare service delivery models.

Investment: 4.3.1.1.i. Support for assessing and improving the quality and accessibility of non-hospital secondary healthcare

The objective of the measure is to identify the weak spots in the provision of the state paid non-hospital secondary healthcare services.

The measure consists of conducting a study on non-hospital secondary healthcare services, and amendments to legal act(s) related to public health policies and publication of recommendations and service delivery planning documents.

D.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Nr. | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|---|--------------------|---|--|--|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 131 | 4.1.1.r. Sustainability and resilience of a human-centred, comprehensive, integrated healthcare system | Milestone | Adoption of a digital health strategy | Digital health strategy adopted by the Ministry of Health | N/A | N/A | N/A | Q3 | 2022 | The milestone shall be deemed to be reached after the digital health strategy has been approved by the Ministry of Health. The strategy shall be developed in line with the Public Health Guidelines 2021-2027 and Digital Transformation guidelines 2021-2027. The strategy shall contain an action plan and monitoring framework. The strategy shall cover such aspects as health care, use of data for research, common use of data, data management, public health sector IT systems and solutions, private IT systems, cross-border data exchange and digital skills. |
| 132 | 4.1.1.r. Sustainability and resilience of a human-centred, comprehensive, integrated healthcare system | Milestone | Development of a human-centred, comprehensive, integrated healthcare delivery model through the development of an investment strategy and recommendations for the development of integrated and | Integrated healthcare model documents approved by the Ministry of Health | N/A | N/A | N/A | Q4 | 2022 | The integrated healthcare shall be established once the following documents are developed and approved by the Ministry of Health: 1) an investment strategy for infrastructure investments for the provision of publicly funded health services, including a hospital mapping shall be included to ensure the |

| Nr. | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|---|--------------------|---|---|--|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | epidemiologically safe health care | | | | | | | continuation of the reform of the hospital network, including taking into account the assessment of hospital levels; 2) recommendations for the implementation of the integrated care approach; 3) a set of recommendations for epidemiological requirements |
| 133 | 4.1.1.r. Sustainability and resilience of a human-centred, comprehensive, integrated healthcare system | Milestone | Genome reference of the Latvian population | Genome reference established | N/A | N/A | N/A | Q1 | 2024 | The genomic design documentation demonstrating the establishment of the Latvian population genome reference shall be approved by the Ministry of Health. |
| 134 | 4.1.1.r. Sustainability and resilience of a human-centred, comprehensive, integrated healthcare system | Milestone | Methodological management in the field of oncology | Methodological documents approved | N/A | N/A | N/A | Q3 | 2026 | Documents introducing new methodological management in the field of oncology shall be approved. |
| 135 | 4.1.1.1.i. Support for public health research | Milestone | Adoption of a methodology for three studies to improve public health policy | Adoption of methodology by the Ministry of Health | N/A | N/A | N/A | Q3 | 2022 | The milestone shall be considered to be achieved following the development by a subordinate institution of the Ministry of Health and the |

| Nr. | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|--|--------------------|---|---|--|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | planning and implementation in the field of antimicrobial resistance, vaccination and infectious diseases | | | | | | | adoption by the Ministry of Health of a harmonised methodology for research in the areas of anti-microbial resistance (AMR), vaccination and infection reduction. |
| 137 | 4.1.1.1.i. Support for public health research | Milestone | Public health policies and studies | Entry into force of legal act(s) and publication of recommendations related to public health policies | N/A | N/A | N/A | Q3 | 2026 | Entry into force of legal act(s) and publication of recommendations related to public health policies. Studies on antimicrobial resistance (AMR), on reasons for non-vaccination and on infectious diseases shall be published. |
| 138 | 4.1.1.2.i. Support for infrastructure or equipment of hospitals | Target | Number of projects which received a positive opinion of the Technology Commission on the eligibility of equipment for the provision of the relevant state-funded services | N/A | Number | 0 | 10 | Q4 | 2022 | The target shall be considered to be achieved with the positive decision of the Ministry of Health on the harmonisation of the acquisition of medical technology in each of the ten projects supporting health infrastructure of university and regional hospitals. This decision shall be prepared for all projects. If such acquisitions are not planned, a decision to that effect is required. If a project involves the purchase of medical technology, it requires a positive |

| Nr. | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|--|--------------------|---|---|--|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | opinion from the Technology Commission. |
| 140 | 4.1.1.2.i. Support for infrastructure or equipment of hospitals | Milestone | Hospital infrastructure or equipment | Letters of completion | N/A | N/A | N/A | Q3 | 2026 | Letters of completion issued by the Central Finance and Contracting Agency for projects finalised in 15 hospitals, concerning infrastructure and equipment, corresponding to contracts financed by the RRF. |
| 141 | 4.1.1.3.i. Support for infrastructure or equipment of secondary outpatient healthcare service providers | Target | Secondary outpatient healthcare service providers | N/A | Number | 0 | 20 | Q4 | 2024 | Letters of completion issued by the Central Finance and Contracting Agency for projects finalised in 20 secondary outpatient service providers, concerning infrastructure and equipment. |
| 142 | 4.1.1.3.i. Support for infrastructure or equipment of secondary outpatient healthcare service providers | Target | Secondary outpatient healthcare service providers | N/A | Number | 20 | 40 | Q3 | 2026 | Letters of completion issued by the Central Finance and Contracting Agency for projects finalised in 20 secondary outpatient service providers, concerning infrastructure and equipment. |
| 143 | 4.2.1.r. Provision of human resources and upskilling | Milestone | Human resources development strategy | The Latvian authorities have adopted a comprehensive health workforce | N/A | N/A | N/A | Q2 | 2023 | A human resources development strategy has been adopted, in consultation with social partners and other stakeholders, in |

| Nr. | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|---|--------------------|---|---|--|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | strategy, which includes models for lifelong learning and for health workforce planning | | | | | | accordance with the Cabinet of Ministers' Rules of Procedure. The health workforce strategy shall provide a framework for the development of health workforce planning mechanism, including needs for under-graduate and post-graduate study places, a robust information system that shall include up-to-date information at individual level on the development of the skills and competences of medical practitioners during their career and an effective lifelong learning planning and management. The strategy shall also lay out the principles of the healthcare remuneration model. |
| 144 | 4.2.1.r. Provision of human resources and upskilling | Milestone | Adoption of Human Resources Mapping in Healthcare | Human resources mapping developed and approved by the Ministry of Health | N/A | N/A | N/A | Q4 | 2023 | The human resources in healthcare mapping has been completed. The mapping shall include detailed information on the number of health professionals working in different disciplines, in the public and in the private sector, at all levels of care. |

| Nr. | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|---|--------------------|---|--|--|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | The mapping shall also include detailed information on the workload borne by health professionals and on continuous training, highlighting the criticalities in the assessed levels of qualification and in the readiness to deal with technological and organisational innovation. |
| 145 | 4.2.1.r. Provision of human resources and upskilling | Milestone | New remuneration model for healthcare staff | Entry into force of legal act(s) | N/A | N/A | N/A | Q2 | 2024 | The new remuneration model for healthcare staff shall include a transparent wage calculation mechanism and streamline the wages in state-funded inpatient healthcare services with the aim to ensure fairness. The minimum wage for healthcare staff shall be increased. |
| 146 | 4.2.1.r. Provision of human resources and upskilling | Milestone | Adoption of a model for health workforce planning | Adoption and deployment of a model for forecasting future health workforce needs | N/A | N/A | N/A | Q4 | 2024 | A model (IT tool) to forecast the future needs of health workforce delivered and approved by the Ministry of Health. The model is to be used for planning purposes. The model shall provide estimates, based on projected population health care needs and the organisation of healthcare service delivery, on: |

| Nr. | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|--|--------------------|--|---|--|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | <ul style="list-style-type: none"> - The need for healthcare professionals, by specialty and geographic area / place of practice; - The need for professional development of health professionals, - Expected gaps in workforce supply. |
| 147 | 4.2.1.1.i. Support for the implementation of the human resources development system | Milestone | A coordinating mechanism for health workforce training established | A coordination mechanism for continuous health workforce training ensuring cooperation between the involved institutions, methodological management and quality control established by the Ministry of Health | N/A | N/A | N/A | Q4 | 2023 | <p>The establishment of a coordination mechanism for the management of the continuous education process, as evidenced by the relevant supporting documents of the Ministry of Health (e.g. orders, decisions).</p> <p>The organisational model for continuing training shall be developed, focusing on the content of the training, the form of training, the necessary facilities and equipment (e.g. simulations, use of virtual reality, etc.), as well as cooperation mechanisms between educational institutions, clinical university hospitals, regional hospitals and other key stakeholders. The organisational model, a governance structure</p> |

| Nr. | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|--|--------------------|--|--|--|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | and clear lines of responsibility and accountability shall be established. Guidelines for the procurement of training services, as well as quality standards for training and system for monitoring and evaluating. |
| 148 | 4.2.1.1.i. Support for the implementation of the human resources development system | Milestone | Simulations in medical education | Strategy approved | N/A | N/A | N/A | Q3 | 2026 | The strategy for the introduction of simulations in medical education shall be approved by the Ministry of Health. |
| 149 | 4.3.1.r. Sustainability of healthcare and efficient use of health resources | Milestone | Coordination mechanism approved to assess, develop and implement new healthcare service delivery models services | Coordination mechanism to assess and implement new healthcare service delivery models developed and approved by the Ministry of Health | N/A | N/A | N/A | Q4 | 2022 | A coordinating unit within the Ministry of Health or its subordinate body is in place. It shall ensure that industry representatives are involved in the development of proposals as experts (e.g. a working group or supervisory board). The aim of the unit is to coordinate the work to develop, implement and assess new healthcare service delivery models aimed to provide improved and more efficient provision of state-funded health services at all levels, ensuring availability and quality of |

| Nr. | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|--|--------------------|--|---|--|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | services through the establishment of a system change mechanism for state-paid services. |
| 150 | 4.3.1.r. Sustainability of healthcare and efficient use of health resources | Target | New healthcare service delivery models | N/A | Number | 0 | 10 | Q3 | 2026 | For each of the ten new models of healthcare service delivery, a report demonstrating that the model has been tested shall be prepared. |
| 151 | 4.3.1.1.i. Support for assessing and improving the quality and accessibility of non-hospital secondary healthcare | Milestone | Adoption of a methodology for the study on the quality and availability of non-hospital secondary healthcare | Adoption of a methodology by the Ministry of Health | N/A | N/A | N/A | Q4 | 2022 | The milestone shall be considered to be achieved after the approval by the Ministry of Health of a methodology required for carrying out the study aimed to assess the quality and accessibility of health care, including non-hospital secondary health service level mapping and the impact of the administrative territorial reform |
| 152 | 4.3.1.1.i. Support for assessing and improving the quality and accessibility of non-hospital secondary healthcare | Milestone | Study on the quality, accessibility and availability of non-hospital secondary healthcare | A study on the quality accessibility and availability of non-hospital secondary healthcare published by the | N/A | N/A | N/A | Q4 | 2023 | Study carried out and published by the Ministry of Health that covers the assessment of the quality, availability and accessibility of non-hospital secondary care, including non-hospital secondary health service level mapping and the impact of the administrative |

| Nr. | Related Measure (Reform or Investment) | Milestone / Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description of each milestone and target |
|-----|--|--------------------|------------------------|--|--|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | Ministry of Health | | | | | | territorial reform. The study includes health system assessment and proposals for systemic improvement. |
| 153 | 4.3.1.1.i. Support for assessing and improving the quality and accessibility of non-hospital secondary healthcare | Milestone | Public health policies | Entry into force of amendments to legal act(s), and publication of recommendations and service delivery planning documents | N/A | N/A | N/A | Q4 | 2024 | Based on the results of the research on quality, availability and accessibility of non-hospital secondary care, entry into force of amendments to legal act(s) related to public health policies, and publication of recommendations for hospitals and service delivery planning documents. |

E. COMPONENT 5: ECONOMIC TRANSFORMATION AND PRODUCTIVITY REFORM

This component of the Latvian recovery and resilience plan consists of two subparts addressing the key challenges in innovation and higher education, respectively. The key innovation-related challenges are the low innovation investment, particularly in the private sector, weak science-business links, the shortage of highly skilled human resources, and the fragmentation of innovation system governance. The key higher education-related challenge is a fragmented higher education landscape, comprised of a relatively large number of small institutions whose funding is both insufficient and ineffective. This means most higher education institutions (HEIs) lack resources to deliver good quality education and to create critical mass for high quality research. Moreover, there is a suboptimal university governance model with a poor representation of external stakeholders and a lack of attractive academic career opportunities, limiting human resources for education, research and innovation.

The objectives of the component are to increase productivity through higher R&D investments, boost competitiveness and foster cooperation between the public sector, businesses, academia and research institutions. The changes to the governance of the innovation system and their accompanying support schemes for private R&D investments are aimed at creating sustainable innovation ecosystems thereby fostering higher overall investment in innovation. The broad-ranging reform of the higher education aims to boost the quality and efficiency of higher education, the competitiveness of Latvia's research and to deliver better skills to Latvia's population in the long term.

The component supports addressing the Country Specific Recommendations to focus investment-related economic policy on innovation (Country Specific Recommendation 3, 2019, Country Specific Recommendation 3, 2020) and to increase the quality and efficiency of education and training (Country Specific Recommendation 2, 2019).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

E.1. Description of the reforms and investments for non-repayable financial support

Reform: 5.1.r. Innovation system governance and private research and development investment motivation

The objective of the measure is to introduce an ecosystem approach in innovation governance. It aims to introduce a support instrument that shall enable increased R&D capacity in enterprises, promote cross-sectoral cooperation, increase the share of innovative enterprises and thereby promote increased private investment in innovation.

The reform consists of the creation of an innovation governance model which shall mean assigning specific tasks to the involved institutions representing the government, the industry and the academia. The key tasks of the innovation system shall be strategy determination, management of innovation fund, data gathering, performance measurement and monitoring, as well as periodical re-assessment of the governance model.

The reform shall be implemented by 31 December 2022.

Investment: 5.1.1.1.i. Support for a fully-fledged innovation system governance model

The objective of the measure is to support the new model for the governance of the innovation system.

The measure consists of appointing people for the performance of the innovation system governance model, and the publication of monitoring reports.

Investment: 5.1.1.2.i. Support instrument for research and internationalization

The objective of the measure is to stimulate private R&D investments as well as knowledge transfer within the economy.

The measure consists of four programmes relating to i) competence centres, ii) research, iii) cooperation networks, and iv) participation in Important Projects of Common European Interest (IPCEI).

Reform: 5.2.1.r. Reform of Higher Education and Scientific Excellence and Governance

The objective of the measure is to increase the international competitiveness of higher education institutions.

The measure consists of a reform that links funding of universities to the results achieved; developing a new and unified career model for academic staff; introduction of a new doctoral model; and a reform of the governance of higher education institutions.

Investment: 5.2.1.1.i. Research, development and consolidation grants

The objective of the measure is to make structural changes in higher education institutions and scientific institutes by consolidating them.

The measure consists of consolidating four higher education institutions or scientific institutions and signing grant agreements.

E.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and Target |
|-----|---|-----------------------|--|--|--|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 154 | 5.1.r. Innovation system governance and private research and development investment motivation | Milestone | Development of a long-term national strategy for each of the RIS3 areas and establishment of a Strategic Steering Board for each of the RIS3 areas | The strategy has been agreed with all stakeholders and approved. The Strategic Steering Boards for RIS3 have been established and their representatives elected. | N/A | N/A | N/A | Q4 | 2022 | <p>Amendments to the relevant legislation giving the following functions to the relevant institutions shall enter into force:</p> <p>The Investment and Development Agency of Latvia (LIDA) shall be responsible for:</p> <ul style="list-style-type: none"> - Developing long-term strategies at national level in each of the RIS3 areas; - Developing annual action plans for each of the RIS3 areas -The establishment of a Strategic Steering Board for each of the RIS3 areas; - Leadership and coordination of established councils; - Developing a methodology for the selection of asset value chains, including the establishment of quantitative criteria for the elimination of value chains. <p>Strategic Steering Board for each RIS3 area:</p> <ul style="list-style-type: none"> -Ensure the compatibility of planned investments with RIS3 specialisation strategies, national competitive advantages; - shall be made up of key private, public and research actors; -is elected by LIDA in agreement with the ministries involved. The |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and Target |
|-----|--|-----------------------|--|---|--|----------|------|--|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | <p>Strategic Steering Board is re-elected once a year; -The Strategic Steering Board shall be responsible for approving the strategies for the RIS3 specialisation areas.</p> <p>The Ministry of Economics shall be responsible for: -development of analytics and monitoring system for the business sector in RIS3 specialisation areas, development of monitoring reports.</p> |
| 155 | 5.1.1.1.i. Support for a fully-fledged innovation system governance model | Target | Contracting or appointing the human resources needed | N/A | Number of people | 0 | 19 | Q4 | 2023 | The Ministry of Economics and the Latvian Investment and Development Agency shall contract or appoint at least 19 people for ensuring the performance of the functions assigned to these institutions in relation to the innovation governance. |
| 156 | 5.1.1.1.i. Support for a fully-fledged innovation system governance model | Milestone | Monitoring reports | Monitoring reports published | N/A | N/A | N/A | Q3 | 2026 | <p>The Ministry of Economics shall publish:</p> <ul style="list-style-type: none"> - two reports on RIS3 areas with data covering at least one year, at least one of which shall also include an evaluation of the Innovation Support Programme and recommendations. - one report containing an assessment of the performance of private intermediaries selected for the research support programme and the cooperation networks |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and Target |
|-----|--|-----------------------|--|--|--|----------|------|--|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | support programme, as well as analysis of the functioning of the new innovation governance model. |
| 157 | 5.1.1.2.i. Support instrument for research and internationalization | Milestone | Entry into force of legal act(s) governing four support programmes | Entry into force of legal act(s) | N/A | N/A | N/A | Q1 | 2024 | <p>Legal act(s) governing i) competence centres support programme, ii) research support programme, iii) cooperation networks support programme and iv) IPCEI participation support programme shall enter into force, and shall:</p> <ul style="list-style-type: none"> - include indicators for measuring the performance of the selected intermediaries, for example attracted private R&D investment, increased exports among beneficiaries, number of products developed; and - define the responsibility of intermediaries for collecting data from the final beneficiaries of the programme. <p>The legal act(s) shall establish that the selection of intermediaries for the research support programme and cooperation networks support programme shall take into account their compliance with the RIS3 specialisation strategy.</p> |
| 158 | 5.1.1.2.i. Support instrument for | Target | Commitment of funding | N/A | EUR million | 0 | 98 | Q2 | 2025 | Signature of contracts showing commitment by the Central Finance |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and Target |
|-----|---|-----------------------|---|--|--|----------|------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | research and internationalization | | | | | | | | | and Contracting Agency of at least EUR 98 million for the funding of R&D, cooperation and internationalisation projects. |
| 159 | 5.2.1.r. Reform of Higher Education and Scientific Excellence and Governance | Milestone | Reform of the governance of higher education institutions | Legislative amendments entered into force in line with the reform of governance of higher education institutions | N/A | N/A | N/A | Q4 | 2022 | The regulatory framework for implementing the reform of the governance of the higher education system has entered into force, including: - University typologies and criteria for qualifying for a particular type; - the procedure for the establishment and approval of university councils, the competence of the councils, while clarifying the competences of the Senate, the Rector and the Constitutional Assembly; - the procedure for selecting and approving new university rectors; - Defining the strategic specialisation of universities. |
| 160 | 5.2.1.r. Reform of Higher Education and Scientific Excellence and Governance | Milestone | Higher education reform | Entry into force of legal act(s) | N/A | N/A | N/A | Q3 | 2026 | Entry into force of legal act(s) introducing: (i) a revised doctoral model; (ii) principles for the employment of academic staff; (iii) the cyclical institutional accreditation system; (iv) scholarships of excellence, social scholarships and field-of-study scholarships; (v) an increase in the volume of performance funding (Pillar 2) and |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and Target |
|-----|---|-----------------------|--|---|--|----------|------|--|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | new performance indicators in Pillar 1; (vi) the linking of public funding to the results of the international evaluation of scientific institutions. |
| 161 | 5.2.1.r. Reform of Higher Education and Scientific Excellence and Governance | Target | Consolidation of higher education institutions | N/A | Number | 0 | 4 | Q2 | 2023 | <p>Consolidation plans of institutions of higher education approved by Ministry of Education, including:</p> <ul style="list-style-type: none"> - an investment plan and consolidation grant amount; - modalities and timeframe for achieving an internal or external consolidation of two or more institutions of higher education, including through the formation of consortia, if necessary for the implementation of external consolidation. <p>The following investments shall be eligible for financing from consolidation grants:</p> <ol style="list-style-type: none"> 1) grants for structural change; 2) "Exit" grants for termination of employment with academic staff over 65 years of age; 3) Digitalisation, technological development, improvement of research and education infrastructure (excluding construction); 4) Creation of new programmes of excellence. |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and Target |
|-----|---|-----------------------|--|---|---|----------|------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | The assessment criteria for approval of consolidation plans shall include: - whether there is a common development strategy, sharing of resources, development of study programmes, creation of common platforms; - whether there is a commitment to internal or external consolidation, including through the formation of consortia, with a clear timeframe. |
| 162 | 5.2.1.r. Reform of Higher Education and Scientific Excellence and Governance | Target | Governance changes in public universities | N/A | Number | 0 | 10 | Q3 | 2026 | Following the reform of the governance of higher education institutions, governance documents (for example statutes) of 10 public universities shall be created or updated. They shall include (i) procedures for the election of the rector, and (ii) the division of responsibilities across internal governing bodies, including the separation of academic decision making and strategic decision making. |
| 163 | 5.2.1.1.i. Research, development and consolidation grants | Target | Final payment decisions for consolidation plans | N/A | Number of final payment decisions for consolidation plans | 0 | 4 | Q3 | 2026 | Final payment decisions issued by the Central Finance and Contracting Agency for the consolidation of four higher education institutions or scientific institutions. |
| 164 | 5.2.1.1.i. Research, development and consolidation grants | Target | Academic career and research grant agreements signed | N/A | Number of academic career and research grant | 0 | 405 | Q3 | 2026 | Higher education institutions or research institutes have signed 315 academic career grant agreements and 90 grant agreements for research. |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and Target |
|----|---|-----------------------|------|--|--|----------|------|------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | agreements signed | | | | | |

F. COMPONENT 6: RULE OF LAW

This component of the Latvian recovery and resilience plan consists of four subparts that address the key challenges in tax compliance, law enforcement dealing with economic crime, public administration and public procurement. The key addressed challenges related to tax compliance are undeclared wages and employment, tax fraud, and smuggling. The key challenges related to economic crime are shortage of investigators, prosecutors and judges with specific knowledge in areas of economic crime. Key challenges related to public administration are the need to strengthen and improve its capacities, efficiency, transparency and accountability. While overall, Latvia's performance in the area of public procurement is satisfactory, there are several challenges that require further attention, namely the need to increase the efficiency, transparency and quality of public procurement procedures, foster the competition and strengthen human and analytical capacities, including, professional qualifications of procurers.

The objectives of the component are to reduce the shadow economy and foster a fairer business environment, to improve the quality and efficiency of the judicial system, particularly with respect to fighting economic crime, to modernise the public administration as well as to improve the quality, efficiency and integrity of public procurement.

The component supports addressing the Country Specific Recommendations to improve tax compliance (Country Specific Recommendation 1 2019), to strengthen the accountability and efficiency of public administration (Country Specific Recommendation 4 2019), and to continue progress on the anti-money laundering framework (Country Specific Recommendation 4 2020).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

F.1. Description of the reforms and investments for non-repayable financial support

Reform: 6.1.1.r. Strengthening analytics and developing data management in the field of tax administration and customs

The objective of this measure is to improve the quality and efficiency of compliance risk management and other activities related to fight against shadow economy through a broad set of measures, including the adoption of a comprehensive action plan for fighting the shadow economy, introducing a new taxpayer segmentation system and adjusting the audit and control practices to better target the risk of non-compliance. The measure also includes investment in research of taxpayer behaviour that shall be used to design a more effective policy response to tax avoidance and evasion.

The reform consists of: a) adoption of a national work plan to restrain the shadow economy for 2021 – 2022, b) the establishment of a taxpayer rating system and the related optimisation of audits and controls and tailoring of state revenue service (SRS) services, c) development of a handbook for recognising risks of undeclared wages, d) commissioning of research and policy recommendations in the area of the shadow economy.

The reform shall be implemented by 30 June 2024.

Investment: 6.1.1.1.i. Modernisation of existing analytical solutions

The objective of the measure is to modernise the information technology (IT) infrastructure in the tax administration.

The measure consists of changing several IT systems.

Investment: 6.1.1.2.i. Development of new analytical systems

The objective of the measure is to increase tax compliance through greater transparency.

The measure consists of the creation of a new taxpayer segmentation system and its integration with the 360-degree system of taxpayer analysis.

Investment: 6.1.1.3.i. Personnel training to work with an analytical platform and consultancy

The objective of this measure is to provide training for SRS specialists to work with the SAP HANA technology platform.

The investment consists of training 50 SRS specialists for working with SAP HANA platform. The training shall be aimed at risks analysts and system administrators.

The investment shall be implemented by 31 December 2023.

Investment: 6.1.2.1.i. Connecting railway scanners to BAXE and creating x-ray image analysis platform

The objective of the measure is to ensure the ability to perform analysis of railway cargo images scanned at customs control points in Indra and Karsava remotely.

The measure consists of a) connecting railway scanners at customs control points in Indra and Karsava to the BAXE information system and b) creating an x-ray image analysis platform.

Investment: 6.1.2.2.i. Capacity building of the Customs Laboratory

The objective of this measure is to allow the customs to control smuggling, counterfeit products and illegal substances more effectively.

The investment consists of equipping the customs laboratory and the customs control point at Riga airport with a spectrophotometer.

The investment shall be implemented by 31 December 2022.

Investment: 6.1.2.3.i. Improvement of customs control of received postal items at Airport customs control point

The objective of the measure is to increase the control efficiency of incoming postal consignments received at Riga airport customs control point.

The measure consists of the installation of a mail scanning and sorting line at Riga airport.

Investment: 6.1.2.4.i. Creation of infrastructure for the performance of control services in Kundzinsala

The objective of the measure is to increase the efficiency of customs controls, reduce the administrative burden on the control service users, and eliminate wasteful traffic of heavy-duty transport between the port and the control facilities.

The measure consists of the construction of the building's bearing and enclosing structures; and the delivery of cargo control x-ray equipment.

Reform: 6.2.1.r. Modernisation of the process of identifying money laundering, investigating economic crimes and judicial proceedings

The objective of this measure is to improve the efficiency of the system for reporting suspicious transactions.

The reform consists of a) amending the Law on the prevention of money laundering and terrorist and proliferation financing to eliminate parallel reporting of suspicious transactions to both the Financial Intelligence Unit and the State Revenue Service and to introduce provisions for new data reception and analysis system, b) adoption of a regulation by the Cabinet of Ministers prescribing procedure and content of suspicious transaction reports and threshold declarations.

The reform shall be implemented by 30 June 2021.

Investment: 6.2.1.1.i. Establishment of AML Innovation Hub to improve the identification of money laundering

The objective of the measure is to facilitate research and information sharing between the institutions involved in fight against money laundering.

The measure consists of the establishment of information systems, rooms for knowledge sharing and cooperation, inter-system connections for data exchange, and data processing infrastructure.

Investment: 6.2.1.2.i. Strengthening the capacity to investigate economic crime

The objective of the measure is to increase the availability and capacity of law enforcement officials dealing with economic crime.

The measure consists of training law enforcement officials on investigations of money laundering and purchasing of equipment.

Investment: 6.2.1.3.i. Establishment of a training centre

The objective of the measure is to increase the qualifications of the human resources of the judicial system.

The measure consists of creating a training centre and ten training modules.

Reform: 6.3.1.r. Modernisation of public administration

The objective of the measure is to take the first step in modernizing the public administration, which means making it more efficient and innovative and a more attractive place to work to deliver better policy and services to citizens as well as addressing the new challenges that have emerged in the context of the COVID-19 crisis.

The measure consists of a) adoption of a plan for the modernisation of public administration, b) development of a concept and its gradual implementation of a single service centre, starting the centralization of public administration support functions, which is part of the modernization plan.

The reform shall be implemented by 31 August 2026.

Investment: 6.3.1.1.i. Open, transparent, fair and accountable public administration

The objective of the measure is to increase public officials' competences in the areas of ethics, anti-corruption, prevention of fraud and conflict of interest.

The measure consists of setting up a competence framework in the areas of ethics, anti-corruption, prevention of fraud and conflict of interest.

Investment: 6.3.1.2.i. Professional, open and accountable public administration

The objective of the measure is to increase public officials' competences.

The measure consists of establishing competence development and training programmes, and attending trainings in areas for example customer service, development of leadership, basic competences of public administration, management of public procurement, human resources, legal practice, policy planning, ethics, anti-corruption, prevention of fraud and conflict of interest.

Investment: 6.3.1.3.i. Development of the innovation ecosystem of public administration

The objective of the measure is to foster the innovation culture and increase the innovation output within public administration.

The measure consists of a) the approval of the informative report and b) renovation of premises.

Investment: 6.3.1.4.i. Growth of non-governmental organisations to strengthen social security representation and monitor public interests

The objective of the measure is to support public initiatives and dialogue in the areas of social resilience and advocacy of public interest.

The measure consists of establishing support for non-governmental organisations.

Reform: 6.4.1.r. Creation of a register of public procurement contracts

The objective of this measure is to increase the transparency and availability of information regarding the execution and actual performance of contracts concluded thus improving the conduct of procurers and suppliers and reducing corruption risks during the implementation phase of public procurement.

The reform consists of a) amending the law of public procurement mandating the publication of the relevant additional information and b) development of a technical solution for the register of public procurement contracts and making it available online.

The reform shall be implemented by 31 December 2022.

Reform: 6.4.2.r. Improvement of the Competition Environment

The objective of this measure is to improve the competition and reduce conflict of interest and risks of corruption in public tenders as well as to make value-for-money criteria more broadly used in public procurement.

The reform consists of amending the rules with respect to conflict of interest requirements of for procurement commissions, mandating a broader use of qualitative criteria for contract award, mandating a broader use of market consultations, and broadening exclusion criteria for bidders.

The reform shall be implemented by 31 December 2021.

Reform: 6.4.3.r. Development and implementation of a professionalisation strategy

The objective of the measure is to increase the quality and efficiency of public procurement while optimising resources used by developing competencies, skills and capacities of public procurers.

The measure consists of a) establishing standardised qualification requirements for suppliers of certain services, which are yet to be specified, b) requiring the use of standardised acceptance-transfer documents in construction procurements, c) developing a unified training programme for public procurers, d) setting requirements for procurement commission competence in procurements reaching a certain threshold of contract prices.

Reform: 6.4.4.r. IUB IT and analytical capacity building

The objective of the measure is to review preventive measures to ensure a timely identification of risky public procurement.

The measure consists of a) establishing criteria for identifying risky market sectors, customers and purchases, and b) making available a publications management system.

F.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|---|-----------------------|---|---|--|----------|------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 166 | 6.1.1.r. Strengthening analytics and developing data management in the field of tax administration and customs | Milestone | Adoption of work plan for public authorities to curb the shadow economy 2021-2022 | Adoption of the work plan of the national authorities to limit the shadow economy for 2021-2022 | N/A | N/A | N/A | Q4 | 2022 | <p>National Institutions Work Plan for Restraining the Shadow Economy for 2021-2022 is adopted. It includes the following activities:</p> <ul style="list-style-type: none"> - Unregistered/illegal economic activity; - Undeclared employment; - Unrecorded transactions and illicit movement of goods; - Unrecorded/uncontrolled movements of cash; - Tax fraud. <p>It shall focus on economic sectors with the highest shadow economy risk, such as construction, trade, services, security, catering and hospitality, transport.</p> |
| 167 | 6.1.1.r. Strengthening analytics and developing data management in the field of tax administration and customs | Milestone | Entry into operation of a taxpayer rating system, optimisation of controls | Entry into force of legal acts | N/A | N/A | N/A | Q4 | 2022 | <p>Entry into force of amendments to the legal acts, including:</p> <ul style="list-style-type: none"> - the legal framework of the taxpayer rating system has been included, providing the publishing of their assessment. - optimised types of tax controls and inspections to improve the efficiency of tax controls and inspections. |
| 168 | 6.1.1.r. Strengthening analytics and developing data management in the | Milestone | Entry into operation of a basket of data-based services for | Changes to State Revenue Service's internal rules and/or | N/A | N/A | N/A | Q2 | 2024 | Entry into operation of a data-based basket of services for each segmentation group of taxpayers. |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|---|-----------------------|---|---|--|----------|------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | field of tax administration and customs | | each segmentation group of taxpayers | service provision platform(s) | | | | | | |
| 169 | 6.1.1.r. Strengthening analytics and developing data management in the field of tax administration and customs | Milestone | Publication of handbook for compliance risk management | Amendments to the State Revenue Service's internal rules | N/A | N/A | N/A | Q3 | 2023 | A Handbook for methodological compliance risk management of undeclared wages has been published, including: - risk assessment guidelines - aspects of typologies of 'envelope wage payers' - aspects of available preventive and control tools - analysis of court rulings in the area of undeclared wages. |
| 170 | 6.1.1.r. Strengthening analytics and developing data management in the field of tax administration and customs | Target | Implementation of the national research programme "Reducing the shadow economy to ensure the sustainable development of the country" | N/A | Number of study reports | 0 | 5 | Q4 | 2022 | The following research in the area of tax compliance shall be delivered: - Report on the factors influencing the shadow economy in Latvia, focusing on the most significant sectors; - Report on the determinants of tax evasion by individuals, including an analysis of the impact of level of the shadow economy on tax compliance; - Report with policy recommendations for legislative, organisational, technological and other improvements to improve tax compliance, including an assessment of the financial |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|---|-----------------------|--|---|--|----------|------|--|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | <p>impact of the proposed recommendations;</p> <p>- Report assessing the forgone budgetary revenue resulting from illegal activities, including legislative recommendations for reducing the risks of illicit money circulation;</p> <p>- Development of methodology for the measurement of shadow economy, using a dynamic "multi - indicator - multi - cause" model, including breakdown by tax types, company size and sectors.</p> |
| 171 | 6.1.1.r. Strengthening analytics and developing data management in the field of tax administration and customs | Milestone | Implementation of the research results | Published assessment report of the shadow economy | N/A | N/A | N/A | Q4 | 2023 | A first assessment report of the size of the shadow economy based on the methodology developed in 2022 shall be published. |
| 172 | 6.1.1.1.i. Modernisation of existing analytical solutions | Milestone | Changes to IT systems | Risk analysis systems migrated or created | N/A | N/A | N/A | Q2 | 2024 | <p>Existing risk systems have been migrated to a single analytical platform.</p> <p>System of Risks for Individual Taxpayers has been created.</p> <p>Excise Tax Risk Management System has been created.</p> <p>The ESKORT system has been transferred to the SAP HANA database.</p> |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|--|-----------------------|---|---|--|----------|------|--|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 173 | 6.1.1.2.i. Development of new analytical systems | Milestone | Taxpayer segmentation system | New IT system created | N/A | N/A | N/A | Q2 | 2024 | An IT system for taxpayer segmentation shall be created. The new system shall be integrated with the 360 degrees analysis of the taxpayer. |
| 174 | 6.1.1.3.i. Personnel training with analytical platform and consultancy | Target | Training of staff to work with the analytical platform | N/A | Number of training certificates | 0 | 50 | Q4 | 2023 | 50 SRS specialists have been trained to work with SAP HANA platform. The training shall focus on the skills to work with SAP HANA framework and practical skills in system administration. |
| 176 | 6.1.2.1.i. Connecting railway scanners to BAXE and creating x-ray image analysis platform | Milestone | Railway scanners connected to BAXE information system | Certificate(s) of completion signed | N/A | N/A | N/A | Q1 | 2026 | Certificate(s) of completion signed for connection of railway scanners at customs control points in Indra and Karsava to BAXE information system. |
| 177 | 6.1.2.1.i. Connecting railway scanners to BAXE and creating x-ray image analysis platform | Milestone | X-ray image analysis platform | Certificate(s) of completion signed | N/A | N/A | N/A | Q1 | 2026 | Certificate(s) of completion signed for an automated x-ray image analysis platform. |
| 178 | 6.1.2.2.i. Capacity building of the Customs Laboratory | Milestone | Purchased and installed spectrophotometer for use in the Customs Laboratory | Deed of acceptance signed | N/A | N/A | N/A | Q4 | 2022 | A spectrophotometer is set up and in use at the Customs Laboratory. |
| 179 | 6.1.2.2.i. Capacity building of the Customs Laboratory | Milestone | Purchased and installed spectrophotometer for use in Airport | Deed of acceptance signed | N/A | N/A | N/A | Q4 | 2022 | A spectrophotometer is set up and in use at the airport customs control point. |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|--|-----------------------|---|--|--|----------|------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | customs control point | | | | | | | |
| 180 | 6.1.2.3.i. Improvement of customs control of received postal items at Airport customs control point | Milestone | Mail scanning and sorting line at Riga airport | Certificate(s) of completion signed | N/A | N/A | N/A | Q1 | 2025 | Certificate(s) of completion signed for the installation of a mail scanning and sorting line at the Riga airport customs control point. |
| 181 | 6.1.2.4.i. Creation of infrastructure for the performance of control services in Kundziņsala | Milestone | Joint design – construction contract signed | Construction and design contract signed | N/A | N/A | N/A | Q3 | 2023 | A contract for the design and construction of infrastructure for the control services at Kundziņsala has been signed following a tender procedure. |
| 182 | 6.1.2.4.i. Creation of infrastructure for the performance of control services in Kundziņsala | Milestone | Building permit received | Notification of the permit approval decision | N/A | N/A | N/A | Q3 | 2024 | A building permit has been received from the Construction Board. |
| 183 | 6.1.2.4.i. Creation of infrastructure for the performance of control services in Kundziņsala | Milestone | Bearing and enclosing structures and equipment for the performance of control services | Construction act (Form 2 and Form 3) issued and invoice signed | N/A | N/A | N/A | Q3 | 2026 | Construction act (Form 2 and Form 3) is issued for construction of the building's bearing and enclosing structures, including the roof. Invoice signed for the delivery of cargo control x-ray equipment. |
| 184 | 6.1.2.4.i. Creation of infrastructure for the performance of control services in Kundziņsala | Milestone | Procurement and conclusion of a contract for the supply and installation of X-ray cargo control equipment | Contract signed | N/A | N/A | N/A | Q3 | 2023 | A contract for the supply and installation of X-ray cargo control equipment has been signed following a tender procedure. |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|--|-----------------------|---|--|--|----------|------|--|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 186 | 6.2.1.r. Modernisation of the process of identifying money laundering, investigating economic crimes and judicial proceedings | Milestone | Entry into force of amendments to the Law on the prevention of money laundering and terrorist and proliferation financing | Entry into force of amendments to the NILLTPFN Law | N/A | N/A | N/A | Q2 | 2021 | Amendments to the Law on the prevention of money laundering and terrorist and proliferation financing have entered into force, including: - the introduction of a new Financial intelligence unit (FIU) data reception and analysis system and the abolition of a parallel reporting system for both the FIU and the State revenue service (SRS), providing only for reporting to the FIU. Cabinet of ministers Regulation on the procedure and content of suspicious transaction reports and threshold declarations has been adopted. |
| 187 | 6.2.1.1.i. Establishment of AML Innovation Hub to improve the identification of money laundering | Milestone | Cooperation platform for financial intelligence and knowledge-sharing in identifying money laundering | Certificate(s) of completion or invoice signed | N/A | N/A | N/A | Q1 | 2025 | The following is established: (a) 5 information systems in the area of money laundering; (b) 3 rooms for knowledge-sharing and cooperation; (c) 5 inter-system connections for data exchange; (d) data processing infrastructure based on 6 technical solutions. |
| 190 | 6.2.1.2.i. Strengthening the capacity to investigate economic crime | Target | Number of law enforcement officials with a certificate on | N/A | Number | 0 | 30 | Q1 | 2025 | At least 30 law enforcement officials as certified by the State Police shall have obtained a certificate on investigation of money laundering. |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|--|-----------------------|---|--|--|----------|------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | investigation of money laundering | | | | | | | |
| 191 | 6.2.1.2.i. Strengthening the capacity to investigate economic crime | Milestone | Equipment for law enforcement officials | Invoice(s) | N/A | N/A | N/A | Q1 | 2025 | Invoice(s) signed for the purchase of the following equipment: - 200 mobile workstations; - 30 portable printers; - 4 components for large-scale servers; - videoconferencing equipment; - training of a speech recognition IT tool. |
| 192 | 6.2.1.3.i. Establishment of a training centre | Milestone | Legal act(s) related to the training centre | Entry into force of legal act(s) for the training centre | N/A | N/A | N/A | Q1 | 2025 | The following has entered into force: - A law for the establishment and operation of the institutional model of the training centre ("Judicial Academy"), including the definition of the involvement of the judiciary and the Judicial Council on training content and methodology. - State budget law for 2025, with funding for the financing of the coverage of the training centre's maintenance costs, staff costs and training content expenses, including the updating of training programmes. |
| 193 | 6.2.1.3.i. Establishment of a training centre | Target | New training programmes | N/A | Number | 0 | 10 | Q4 | 2024 | Ten new training programmes for judges, court staff, prosecutors, assistant |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|--|-----------------------|--|--|--|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | prosecutors, and investigators, including on issues for example cybercrime, fraud and tax evasion, corruption in public procurement and money laundering shall be created and approved. The programmes are approved by the Supervisory Board of the “Judicial Academy” project, in which the Judicial Council is also represented. |
| 195 | 6.2.1.3.i. Establishment of a training centre | Milestone | Training centre refurbished and equipped | Refurbishment of premises and provision of equipment for the training centre | N/A | N/A | N/A | Q4 | 2024 | The premises of a training centre (“Judicial Academy”) are refurbished and equipped. |
| 196 | 6.3.1.r. Modernisation of public administration | Milestone | Approved Plan for Modernisation of Public Administration | Plan for Modernisation of Public Administration approved | N/A | N/A | N/A | Q4 | 2022 | A plan for the modernisation of public administration is approved by the Cabinet of Ministers. The plan covers the following priority areas and including timeframes for implementation: (a) An open, transparent, fair and accountable public administration: the principles of integrity are reviewed and improved by defining and implementing accountability to every public administration, as well as by respecting ethical principles and values in the work of public administration; |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|--|-----------------------|---|---|--|----------|------|--|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | (b) Uniform, centralised and standardised support processes and systems – the introduction of a centralised resource management system in public administrations, including accounting and human resources management; (c) Strategic human resources management and development, including selection, career management, evaluation, learning and development; (d) Available, comprehensible and relevant services – developing digital transmission guidelines and digitising services, while ensuring their accessibility, accessibility and comprehensibility for all citizens, including those who do not use digital tools. |
| 198 | 6.3.1.r. Modernisation of public administration | Milestone | Concept of the Single Service Centre approved as a prerequisite for the provision of centralised services | N/A | N/A | N/A | N/A | Q4 | 2022 | The concept of the Single Service Centre has been developed and approved by the Cabinet of Ministers. The concept shall describe how gradual centralisation of public administration support functions (at least accounting and personnel record keeping) shall take place. |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|---|-----------------------|---|---|--|----------|------|--|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 200 | 6.3.1.1.i. Open, transparent, fair and accountable public administration | Milestone | Competence framework available | Competence framework is available in the State Administration School Training Management system and approved by an internal regulatory act of the School of State Administration and the state budget law for 2024 has been passed | N/A | N/A | N/A | Q4 | 2023 | A competence framework has been set up and made available in the areas of ethics, anti- corruption, prevention of fraud and conflict of interest. State budget financing for the main public administration development training programmes has been ensured from 2024 onwards. |
| 202 | 6.3.1.2.i. Professional, open and accountable public administration | Milestone | Competence framework available, including training programmes | Competence framework is available in the State Administration School Training Management System and approved by an internal regulatory act of the State Administration School and the state budget law for 2024 has been passed | N/A | N/A | N/A | Q4 | 2023 | A competence framework and training programmes are available in the following areas: - customer service, - development of leadership, - basic competences of public administration, - management of public procurement, - human resources, - legal practice, - policy-planning and implementation. State budget financing for the professionalisation of public administration has been ensured from 2024 onwards. |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|--|-----------------------|---|---|--|----------|--------|--|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 203 | 6.3.1.2.i. Professional, open and accountable public administration | Target | Trainings attended | N/A | Number | 0 | 36 243 | Q4 | 2025 | Number of trainings attended, for example in the areas of customer service, development of leadership, basic competences of public administration, management of public procurement, human resources, legal practice, policy planning, ethics, anti-corruption, prevention of fraud and conflict of interest. |
| 204 | 6.3.1.3.i. Development of the innovation ecosystem of public administration | Milestone | Innovation lab | Approval of the informative report and renovation of innovation lab | N/A | N/A | N/A | Q2 | 2025 | Informative report on strengthening innovation capacity in public administration is approved by the Cabinet of Ministers. Premises of the innovation lab have been renovated, and innovation sprints have been organised. |
| 206 | 6.3.1.4.i. Growth of non-governmental organisations to strengthen social security representation and monitor public interests | Milestone | Publication of the framework for the support of non-governmental organisations in areas of: -social resilience -advocacy of public interest | The publication of the rules for the support programme | N/A | N/A | N/A | Q4 | 2022 | An open call for funding for strengthening the work of non-governmental organisations in two areas – (a) fostering social resilience and (b) advocacy for public interest has been published. The call shall include conditions and criteria for NGO participation in the support programme, a reporting mechanism and indicators and targets to be achieved within the programme. |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|---|-----------------------|--|--|--|----------|------|--|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 207 | 6.3.1.4.i. Growth of non- governmental organisations to strengthen social security representation and monitor public interests | Target | Beneficiaries of the support programme | N/A | Number of beneficiaries (including partners) of the support programme | 0 | 30 | Q3 | 2026 | The funding shall benefit at least 30 non-governmental organisations. The target indicator is deemed to have been fulfilled when a contract has been signed between the non-governmental organisations and the Society Integration Foundation for the execution of the project. |
| 208 | 6.4.1.r. Creation of a register of public procurement contracts | Milestone | A register of public procurement contracts made available | Amendments to public procurement legislation and technical solution developed and available for production | N/A | N/A | N/A | Q4 | 2022 | Amendments to the legislation governing public procurement have entered into force, providing for a register of contracts containing structured information on procurement contracts concluded and their actual performance (including actual costs and deadlines or the reason for termination). A technical solution for the register of public procurement contracts has been developed and made available online. |
| 209 | 6.4.2.r. Improvement of the Competition Environment | Milestone | Entry into force of regulatory framework for improving the competition environment and reducing corruption risks in public procurement | N/A | N/A | N/A | N/A | Q4 | 2021 | Entry into force of amendments to the public procurement law, including, inter alia, the following changes: 1) The procurement commission shall be established for each procurement separately or for a specified period of time; |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|--|-----------------------|---|---|--|----------|------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | 2) the secretary of the procurement commission shall sign a declaration of absence of conflict of interest; 3) broadened cases where a supplier may be excluded from tender; 4) the evaluation criteria identify specific areas where life-cycle costs and quality criteria are to be assessed in addition to the purchase price; 5) stricter requirements for cases with only a single bid; 6) requirement for a market consultation in order to avoid restrictive technical specifications. |
| 210 | 6.4.3.r. Development and implementation of a professionalisation strategy | Milestone | Adoption of a strategy for the professionalization of procurers | A strategy has been adopted | N/A | N/A | N/A | Q1 | 2022 | Adoption of a professionalisation strategy that includes specific directions of action for the competence of procurers and for conducting centralised procurements. |
| 211 | 6.4.3.r. Development and implementation of a professionalisation strategy | Milestone | Amendments to the relevant legal acts, regulation and internal procedures | Entry into force of amendments to relevant legal acts, regulations or internal procedures | N/A | N/A | N/A | Q4 | 2022 | The adoption of the following has been completed: (1) Standardised qualification requirements by sector (information and communication technologies, construction, road transport, mobile and fixed communication services), (2) Standardised acceptance- |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|--|-----------------------|--|--|--|----------|------|--|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | transfer documents in works procurements, (3) public access to methodological materials, (4) a single training programme to ensure that procurers' competence has been developed and implemented, (5) increased requirements for procurement commission competence in procurements reaching a certain threshold of contract prices, e.g. certification to the Chair of the Procurement Commission, (6) pre-verification of procurements ensure that the procurement commission advertises the appropriate quality of tenders. |
| 212 | 6.4.3.r. Development and implementation of a professionalisation strategy | Milestone | Centralization of procurement | Entry into force of the decision by the Cabinet of Ministers | N/A | N/A | N/A | Q3 | 2026 | Entry into force of a decision by the Cabinet of Ministers on the execution of centralised procurements, for example in the areas of vehicles, transport services and electricity. |
| 213 | 6.4.4.r. IUB IT and analytical capacity building | Milestone | Adoption of criteria for identifying risky market sectors, customers and purchases | N/A | N/A | N/A | N/A | Q4 | 2021 | Criteria for identification of risky market sectors, customers and procurement procedures have been approved. The criteria set are based on procurement publication indicators and EC procurement indicators, as well as on good practices from other countries, such as the Index tool. |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|---|-----------------------|--------------------------------|---|--|----------|------|------------------------------------|------|--|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 214 | 6.4.4.r. IUB IT and analytical capacity building | Milestone | Publications management system | Upgrade of publications management system available | N/A | N/A | N/A | Q4 | 2024 | A publications management system is available, ensuring: - online access, - publication of e-forms, - overview of procurement statistics, - availability of client profiles, - module for procurement complaints process, - module for carrying out pre-checks, - module for administrative infringement process cases. |

G. COMPONENT 7: REPowerEU

The objectives of the REPowerEU chapter of the Latvian recovery and resilience plan are:

- to increase the share and accelerate the deployment of renewable energy by i) implementing smart electricity grid management solutions both at transmission and distribution levels, ii) increasing the grid capacity to accommodate a higher integration of variable renewable energy and iii) introducing new frameworks for energy communities and self-consumers;
- to address energy poverty by supporting and promoting energy communities;
- to address internal and cross-border energy transmission and distribution bottlenecks by digitalising, modernising and securing the national electricity transmission and distribution networks, and by introducing provisions for electricity network optimisation;
- to support electricity storage and to increase energy security by investing in the installation of a Battery Energy Storage System and in cybersecurity solutions for critical energy transmission infrastructure; and
- to increase the uptake of sustainable biomethane by creating a regional biomethane injection point and by establishing a legal framework for injecting sustainable biomethane into the existing natural gas network.

Of the four measures in the Latvian REPowerEU chapter, two have a cross-border and multi-country dimension and effect. The investment measure covering the installation of a Battery Energy Storage System is precisely aimed at complementing a cross-border project implemented by Latvia, Lithuania, Estonia and Poland aimed at ensuring full synchronisation of the Baltic States' electricity networks with the Continental Europe network. This investment also encompasses ancillary activities aimed at enhancing cybersecurity of critical infrastructures and at ensuring stable operation of the transmission network after the synchronisation, in view of a greater integration of renewable energy sources. The investment on upgrading, digitalising and securing the electricity transmission and distribution networks also has a cross-border and multi-country dimension and effect, as it is expected to contribute to removing bottlenecks in energy flows and to facilitating the integration of renewable energy sources in the networks.

The two investments account for 99% of the estimated costs of the chapter.

The REPowerEU chapter contributes to addressing recommendations to reduce overall reliance on fossil fuels (Country Specific Recommendation 4.1 2023) by accelerating the deployment of renewables (Country Specific Recommendation 4.2 2023), and to ensure sufficient capacity of interconnections to increase security of supply and continue synchronisation with the EU electricity grid (Country Specific Recommendation 4.3 2023).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the 'Do not significant harm' Technical Guidance (2021/C58/01).

G.1. Description of the reforms and investments for non-repayable financial support

Reform: 7.1.r. Transforming the national energy sector

The objective of the measure is to reduce overall reliance on fossil fuels and to advance Latvia's goal of becoming a green energy exporting country.

The measure consists of i) entry into force of legal acts laying down the conditions and procedures for the registration and operation of energy communities, and supporting socially disadvantaged groups of society; ii) introducing amendments to norms on electricity trade and consumption promoting self-consumers and energy sharing; iii) introducing a flexible transmission system service.

Investment: 7.2.i. Security and stability of energy supply, and synchronisation with the Union grid

The objective of the measure is to increase the security and stability of energy supply, and to facilitate the synchronisation of the national electricity grid with the Continental Europe electricity networks.

The measure consists of the commissioning of an energy storage system.

Investment: 7.3.i. Upgrading, digitalising and securing the electricity transmission and distribution networks

The objective of the measure is to contribute to the clean energy transition and to increase electricity security.

The measure consists of sub-investments covering additional electricity grid capacity and interventions to upgrade electricity networks.

Investment: 7.4.i. Increasing the uptake of sustainable biomethane

This objective of the measure is to increase the uptake of sustainable biomethane.

The measure consists of investments for the commissioning of a biomethane injection point and the delivery of related IT solutions.

G.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|---|-----------------------|--|--|--|----------|------|---------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| 215 | 7.1.r. Transforming the national energy sector | Milestone | Legal acts establishing a framework for registering and operating energy communities | Legal provisions indicating the entry into force of the legal acts | N/A | N/A | N/A | Q4 | 2024 | Entry into force of legal acts which shall: - set the conditions and procedures for registering and operating energy communities; - introduce the obligation for local authorities to direct a part of the amount of electricity produced in the energy community to socially disadvantaged groups of society; - introduce the obligation for electricity traders to offer at least one product for the purchase of electricity from energy communities. |
| 216 | 7.1.r. Transforming the national energy sector | Milestone | Legislation amending norms on electricity trade and consumption | Legal provisions indicating the entry into force of the legislation amending the norms on electricity trade and consumption | N/A | N/A | N/A | Q1 | 2024 | Entry into force of amendments to the norms on electricity trade and consumption, which shall introduce: - the condition that energy sharing be possible beyond the multi-apartment building without the need to create an energy community; - the possibility to use the amount of electricity produced in the facility of one electricity user to cover the consumption needs of another facility of the same user, regardless of the location of the facilities. The only limitations are that the facilities shall be i) located in the territory of the Republic of Latvia and ii) |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|--|--------------------|--|---|--|----------|------|---------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | | | | | | | | | | switched on for the existing electricity transmission and distribution system in the Republic of Latvia. - the obligation for electricity traders to introduce at least one product for the purchase of electricity from self-consumers operating a micro-generator facility. |
| 217 | 7.1.r. Transforming the national energy sector | Milestone | Legislation on electricity network optimisation | Legal provisions indicating the entry into force of the legislation | N/A | N/A | N/A | Q4 | 2025 | Entry into force of legislation introducing a flexible transmission system service and a temporary window allowing electricity producers to request a refund of the fee paid in the past to reserve transmission system capacity, if the producers want to discontinue the connection or reduce the capacity specified in the technical requirements. |
| 219 | 7.2.i. Security and stability of energy supply, and synchronisation with the Union grid | Milestone | Regulation governing the installation of a Battery Energy Storage System | Legal provisions indicating the entry into force of the Regulation | N/A | N/A | N/A | Q4 | 2024 | Entry into force of the regulation of the Cabinet of Ministers on the legal framework for the investment in the installation of a Battery Energy Storage System in Rēzekne. |
| 221 | 7.2.i. Security and stability of energy supply, and synchronisation with the Union grid | Target | Battery Energy Storage System (BESS) | N/A | MW | 0 | 60 | Q4 | 2025 | Certificate(s) of completion signed for the commissioning of a 60 MW Battery Energy Storage System (BESS) in Rēzekne. |
| 223 | 7.3.i. Upgrading, digitalising and | Milestone | Regulations governing | Legal provisions indicating the | N/A | N/A | N/A | Q4 | 2024 | Entry into force of Cabinet of Ministers' regulations governing |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|---|--------------------|--|--|--|----------|------|---------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | securing the electricity transmission and distribution networks | | investments in the national electricity transmission and distribution networks | entry into force of the regulations governing investments in the national electricity transmission and distribution networks | | | | | | investments related to new electricity grid capacity, substations, transmission lines and smart energy distribution management. |
| 224 | 7.3.i. Upgrading, digitalising and securing the electricity transmission and distribution networks | Target | Additional electricity grid capacity | N/A | MW | 0 | 70 | Q2 | 2026 | Technical act(s) signed for the commissioning of additional electricity grid capacity for a total of 70 MW. |
| 225 | 7.3.i. Upgrading, digitalising and securing the electricity transmission and distribution networks | Milestone | Substations | Certificate(s) of completion signed | N/A | N/A | N/A | Q2 | 2026 | 1) Certificate(s) of completion signed for the commissioning of a digital substation in Kuldīga. 2) Certificate(s) of completion signed for a refurbished substation in Carnikava. |
| 226 | 7.3.i. Upgrading, digitalising and securing the electricity transmission and distribution networks | Target | Built power lines | N/A | Km | 0 | 190 | Q2 | 2026 | Technical act(s) signed for a total of 190 km of built power lines. |
| 227 | 7.3.i. Upgrading, digitalising and securing the electricity transmission and | Milestone | Distribution network management system upgrades | Certificate(s) of completion and technical act(s) signed | N/A | N/A | N/A | Q2 | 2026 | - Certificate(s) of completion signed for upgrades to two network management systems operated by the DSO; |

| Nr | Related measure (reform or investment) | Milestone / target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timeline for completion | | Description and clear definition of each milestone and target |
|-----|---|--------------------|---|--|--|----------|------|---------------------------------------|------|---|
| | | | | | Unit of measure | Baseline | Goal | Quarter | Year | |
| | distribution networks | | and circuit breakers | | | | | | | - Technical act(s) signed for the installation of at least 285 circuit breakers. |
| 229 | 7.4.i. Increasing the uptake of sustainable biomethane | Milestone | Regulations governing investments in the biomethane sector | Legal provisions indicating the entry into force of the Regulations governing investments in the biomethane sector | N/A | N/A | N/A | Q4 | 2024 | Entry into force of the regulations of the Cabinet of Ministers on the legal framework for the investments in the construction of a regional biomethane input point and in the purchase of an IT solution for the management of the input point. |
| 231 | 7.4.i. Increasing the uptake of sustainable biomethane | Milestone | Biomethane injection point | Certificate(s) of completion signed | N/A | N/A | N/A | Q4 | 2025 | Certificate(s) of completion signed for the commissioning of a biomethane injection point. Biomethane injected via the new point shall comply with the regulatory requirements regarding the sustainability of renewable energy sources and greenhouse gas emission savings criteria. |
| 232 | 7.4.i. Increasing the uptake of sustainable biomethane | Milestone | IT solutions for the management of the biomethane injection point (BIP) | IT solutions delivered | N/A | N/A | N/A | Q2 | 2026 | Certificate(s) of completion signed for the delivery of IT solutions for the management of the biomethane injection point (BIP). A certificate issued by an accredited body demonstrating that methane and biomethane leakage detectors have been tested. |

2. ESTIMATED TOTAL COST OF THE RECOVERY AND RESILIENCE PLAN

The estimated total cost of the recovery and resilience plan of Latvia is EUR 1 969 244 522.

The estimated total cost of the REPowerEU chapter is EUR 141 555 190.

SECTION 2: FINANCIAL SUPPORT

1. Financial contribution

The instalments referred to in Article 2(2) shall be organised in the following manner:

1.1. First Instalment (non-repayable support):

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|--|
| 77 | 2.3.2.3.i. Closing the digital divide for socially vulnerable pupils and educational institutions | Milestone | Entry into force of a regulatory framework laying down procedures for the organisation and implementation of remote learning |
| 80 | 2.4.1.r. Broadband infrastructure development | Milestone | Adoption of technical requirement for connected and automated driving |
| 81 | 2.4.1.r. Broadband infrastructure development | Milestone | Adoption of a common model for the development of the last mile |
| 98 | 3.1.1.4.i. Establishing a financing fund for the construction of low-rent housing | Milestone | Entry into force of the law balancing the rights of tenants and landlords |
| 104 | 3.1.1.5.i. Development of infrastructure and equipment of educational institutions | Milestone | Definition of qualitative and quantitative criteria adopted |
| 110 | 3.1.2.r. Access to social and employment services in support of the minimum income reform | Milestone | Adoption of the strategic framework for further development of the minimum income support system |
| 186 | 6.2.1.r. Modernisation of the process of identifying money laundering, investigating economic crimes and judicial proceedings | Milestone | Entry into force of amendments to the Law on the prevention of money laundering and terrorist and proliferation financing |
| 209 | 6.4.2.r. Improvement of the Competition Environment | Milestone | Entry into force of regulatory framework for improving the competition environment and |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|--|--------------------|--|
| | | | reducing corruption risks in public procurement |
| 213 | 6.4.4.r. IUB IT and analytical capacity building | Milestone | Adoption of criteria for identifying risky market sectors, customers and purchases |
| | | Instalment Amount | EUR 231 000 000 |

1.2. Second Instalment (non-repayable support):

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|--|--------------------|--|
| 7 | 1.2.1.1.i. Improving the energy efficiency of multi-apartment buildings | Milestone | Entry into force of support programme for improving energy efficiency in residential buildings |
| 10 | 1.2.1.2.i. Increasing energy efficiency in business in the form of a combined financial instrument | Milestone | Entry into force of the Support Programme for Entrepreneurial Energy Efficiency |
| 13 | 1.2.1.3.i. Improving energy efficiency of municipal buildings | Milestone | Entry into force of the legal framework for a support programme to improve energy efficiency in municipal infrastructure, which supports projects with a planned reduction of primary energy or CO2 by at least 30 % |
| 16 | 1.2.1.4.i. Improving the energy efficiency of public sector buildings | Milestone | Entry into force of support programme for improving energy efficiency in national and historical buildings |
| 22 | 1.3.1.r. Disaster management system adaptation to climate change, rescue and rapid response services | Milestone | Publication of a report on implementation of the disaster risk management system |
| 27 | 2.1.1.r. Modernisation of national processes and services and digital transformation | Milestone | Establishment of a framework for unified governance management of ICT development activities in public administration |
| 28 | 2.1.1.r Modernisation of national processes and services and digital transformation | Milestone | Establishment of a normative framework for receiving support in the field of digital transformation of public |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|--|--------------------|--|
| | | | administration processes and services |
| 31 | 2.1.2.r. Increasing efficiency and interoperability in the use of national ICT resources | Milestone | Establishment of the legal framework for receiving support in the area of development of central systems and platforms of public administration and consolidation of computing infrastructure services |
| 37 | 2.1.3.r. Development of the national economic data and digital services economy | Milestone | Entry into force of the legal framework for receiving support in the field of transformation of economic data management |
| 40 | 2.2.1.r. Creating the full cycle of business digital transformation support with regional coverage | Milestone | The European Digital Innovation Hub (EDIH) has been established |
| 41 | 2.2.1.r. Creating the full cycle of business digital transformation support with regional coverage | Milestone | Regional business support centres provide new digital transformation support functions |
| 42 | 2.2.1.r. Creating the full cycle of business digital transformation support with regional coverage | Milestone | Establishment of a digital maturity test system for entities to identify the actions needed by the entities and state support |
| 69 | 2.3.2.r. Digital skills for the digital transformation of society and government | Milestone | The normative framework strengthens and implements a common framework for assessment of basic digital skills, identification and planning of training needs and assessment |
| 70 | 2.3.2.r. Digital skills for the digital transformation of society and government | Milestone | Amendments have entered into force to normative acts on national higher education standards, envisaging achievement of digital competence study results at the corresponding levels of the Latvian Qualification Framework |
| 85 | 3.1.1.1.i. Improvement of the network of regional and local roads | Target | Renovated or rebuilt regional and local roads for the safe |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|--|--------------------|--|
| | | | accessibility of the county administrative centres and their services and jobs and for the full functioning of the new municipalities |
| 89 | 3.1.1.2.i. Strengthening the capacity of municipalities to improve service efficiency and quality | Milestone | The legal basis for implementing support for capacity building of local governments has been adopted |
| 93 | 3.1.1.3.i. Investments in public infrastructure to develop industrial parks in the regions | Milestone | Adoption of a support programme for the development of industrial parks and territories in the regions |
| 99 | 3.1.1.4.i. Establishing a financing fund for the construction of low-rent housing | Milestone | Adoption of a housing affordability strategy |
| 100 | 3.1.1.4.i. Establishing a financing fund for the construction of low-rent housing | Milestone | Government regulation on the construction of low-rent dwellings |
| 105 | 3.1.1.5.i. Development of infrastructure and equipment of educational institutions | Milestone | Adoption of decisions by local councils on the reorganisation of at least 20 general secondary education institutions |
| 107 | 3.1.1.6.i. Purchase of electric school buses | Milestone | A support programme has been adopted for local governments for the purchase of electric buses for the performance of the municipal functions and related services |
| 112 | 3.1.2.1.i. Measures to promote access to public services and employment for people with functional impairments | Milestone | Selection of state and local government buildings where environmental adaptations shall be carried out |
| 118 | 3.1.2.2.i. Development of a forecast tool | Milestone | Conclusion of contract for the development of algorithms for the forecasting model, the development of technical specifications for information system and the supervision of system development |
| 121 | 3.1.2.3.i. Resilience and continuity of the long-term social care service | Milestone | Development of standard construction design |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|--|
| 131 | 4.1.1.r. Sustainability and resilience of a human-centred, comprehensive, integrated healthcare system | Milestone | Adoption of a digital health strategy |
| 132 | 4.1.1.r. Sustainability and resilience of a human-centred, comprehensive, integrated healthcare system | Milestone | Development of a human-centred, comprehensive, integrated healthcare delivery model through the development of an investment strategy and recommendations for the development of integrated and epidemiologically safe health care |
| 135 | 4.1.1.1.i. Support for public health research | Milestone | Adoption of a methodology for three studies to improve public health policy planning and implementation in the field of antimicrobial resistance, vaccination and infectious diseases |
| 138 | 4.1.1.2.i. Support for infrastructure or equipment of hospitals | Target | Number of projects which received a positive opinion of the Technology Commission on the eligibility of equipment for the provision of the relevant state-funded services |
| 149 | 4.3.1.r. Sustainability of healthcare and efficient use of health resources | Milestone | Coordination mechanism approved to assess, develop and implement new healthcare service delivery models services |
| 151 | 4.3.1.1.i. Support for assessing and improving the quality and accessibility of non-hospital secondary healthcare | Milestone | Adoptions of a methodology for the study on the quality and availability of non-hospital secondary healthcare |
| 154 | 5.1.r. Innovation system governance and private research and development investment motivation | Milestone | Development of a long-term national strategy for each of the RIS3 areas and establishment of a Strategic Steering Board for each of the RIS3 areas |
| 159 | 5.2.1.r. Reform of Higher Education and Scientific Excellence and Governance | Milestone | Reform of the governance of higher education institutions |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|--|
| 166 | 6.1.1.r. Strengthening analytics and developing data management in the field of tax administration and customs | Milestone | Adoption of work plan for public authorities to curb the shadow economy 2021-2022 |
| 167 | 6.1.1.r. Strengthening analytics and developing data management in the field of tax administration and customs | Milestone | Entry into operation of a taxpayer rating system, optimisation of controls |
| 170 | 6.1.1.r. Strengthening analytics and developing data management in the field of tax administration and customs | Target | Implementation of the national research programme "Reducing the shadow economy to ensure the sustainable development of the country" |
| 178 | 6.1.2.2.i. Capacity building of the Customs Laboratory | Milestone | Purchased and installed spectrophotometer for use in the Customs Laboratory |
| 179 | 6.1.2.2.i. Capacity building of the Customs Laboratory | Milestone | Purchased and installed spectrophotometer for use in Airport customs control point |
| 196 | 6.3.1.r. Modernisation of public administration | Milestone | Approved Plan for Modernisation of Public Administration |
| 198 | 6.3.1.r. Modernisation of public administration | Milestone | Concept of the Single Service Centre approved as a prerequisite for the provision of centralised services |
| 206 | 6.3.1.4.i. Growth of non-governmental organisations to strengthen social security representation and monitor public interests | Milestone | Publication of the framework for the support of non-governmental organisations in areas of: - social resilience; - advocacy of public interest |
| 208 | 6.4.1.r. Creation of a register of public procurement contracts | Milestone | A register of public procurement contracts made available |
| 210 | 6.4.3.r. Development and implementation of a professionalisation strategy | Milestone | Adoption of a strategy for the professionalization of procurers |
| 211 | 6.4.3.r. Development and implementation of a professionalisation strategy | Milestone | Amendments to the relevant legal acts, regulation and internal procedures |
| | | Instalment Amount | EUR 388 000 000 |

1.3. Third Instalment (non-repayable support):

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|---|
| 1 | 1.1.1.r. A sustainable transport system | Milestone | Coordinated approach for passenger transport planning, ordering and organisation of the Riga metropolitan area |
| 19 | 1.2.1.5.i. Modernisation of electricity transmission and distribution networks | Target | Notification of contracts award to projects approved for EUR 80 000 000 |
| 29 | 2.1.1.1.i. Administration modernisation and digital transformation of services | Target | Descriptions of ICT solutions development activities developed and harmonised |
| 32 | 2.1.2.1.i. Centralised platforms, solutions or systems | Target | Approval of development plans for the creation, transformation or deployment of centralised ICT functions and shared services |
| 33 | 2.1.2.1.i. Centralised platforms, solutions or systems | Target | Approval of harmonised descriptions of the development activities of centralised ICT solutions |
| 38 | 2.1.3.r. Development of the national economic data and digital services economy | Milestone | Legal framework for the functioning of the national platform for the circulation of data |
| 57 | 2.3.1.r. Development of a sustainable and socially responsible support framework for adult learning | Milestone | Enhanced support for training of employees |
| 60 | 2.3.1.r. Development of a sustainable and socially responsible support framework for adult learning | Milestone | Development of the Individual Learning Accounts (ILA) approach |
| 74 | 2.3.2.2.i. Development of state and local government digital transformation skills and capabilities | Milestone | Public administration digital skills framework developed |
| 79 | 2.3.2.3.i. Closing the digital divide for socially vulnerable pupils and educational institutions | Target | Number of ICT equipment units for the target group (learners) |
| 84 | 3.1.1.r. Administrative territorial reform | Milestone | Entry into force of a new “Municipality Law” |
| 94 | 3.1.1.3.i. Investments in public infrastructure to develop industrial parks in the regions | Milestone | Award of contracts for the development of industrial parks in the regions |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|--|
| 101 | 3.1.1.4.i. Establishing a financing fund for the construction of low-rent housing | Target | Number of apartments within approved projects |
| 108 | 3.1.1.6.i. Purchase of electric school buses | Target | Number of electric school buses under contracts awarded for the purchase of electric buses for the performance of the municipal functions and related services |
| 111 | 3.1.2.r. Access to social and employment services in support of the minimum income reform | Milestone | Entry into force of legislative amendments to improve the minimum income support system |
| 119 | 3.1.2.2.i. Development of a forecast tool | Milestone | Completion of technical specifications for social security forecasting tool information system |
| 122 | 3.1.2.3.i. Resilience and continuity of the long-term social care service | Target | Conclusion of contracts on the implementation of projects |
| 124 | 3.1.2.4.i. Synergistic development of social and vocational rehabilitation services for the promotion of the resilience of people with functional impairments | Milestone | Description of the vocational rehabilitation service adopted |
| 127 | 3.1.2.5.i. Participation in the labour market of unemployed, jobseekers and people at risk of unemployment | Milestone | A retraining and up-skilling offer, with a focus on digital skills, has been established to clients (unemployed, jobseekers, persons at risk of unemployment) of the State Employment Agency for the job-rich recovery of the economy by implementing active labour market policy measures |
| 128 | 3.1.2.5.i. Participation in the labour market of unemployed, jobseekers and people at risk of unemployment | Milestone | Development of a digital tool for skills assessment |
| 143 | 4.2.1.r. Provision of human resources and upskilling | Milestone | Human resources development strategy |
| 144 | 4.2.1.r. Provision of human resources and upskilling | Milestone | Adoption of Human Resources Mapping in Healthcare |
| 146 | 4.2.1.r. Provision of human resources and upskilling | Milestone | Adoption of a model for health workforce planning |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|---|
| 147 | 4.2.1.1.i. Support for the implementation of the human resources development system | Milestone | A coordinating mechanism for health workforce training established |
| 152 | 4.3.1.1.i. Support for assessing and improving the quality and accessibility of non-hospital secondary healthcare | Milestone | Study on the quality, accessibility and availability of non-hospital secondary healthcare |
| 155 | 5.1.1.1.i. Support for a fully-fledged innovation system governance model | Target | Contracting or appointing the human resources needed |
| 161 | 5.2.1.r. Reform of Higher Education and Scientific Excellence and Governance | Target | Consolidation of higher education institutions |
| 168 | 6.1.1.r. Strengthening analytics and developing data management in the field of tax administration and customs | Milestone | Entry into operation of a basket of data-based services for each segmentation group of taxpayers |
| 169 | 6.1.1.r. Strengthening analytics and developing data management in the field of tax administration and customs | Milestone | Publication of handbook for compliance risk management |
| 171 | 6.1.1.r. Strengthening analytics and developing data management in the field of tax administration and customs | Milestone | Implementation of the research results |
| 174 | 6.1.1.3.i. Personnel training with analytical platform and consultancy | Target | Training of staff to work with the analytical platform |
| 181 | 6.1.2.4.i. Creation of infrastructure for the performance of control services in Kundziņsala | Milestone | Joint design – construction contract signed |
| 184 | 6.1.2.4.i. Creation of infrastructure for the performance of control services in Kundziņsala | Milestone | Procurement and conclusion of a contract for the supply and installation of X-ray cargo control equipment |
| 200 | 6.3.1.1.i. Open, transparent, fair and accountable public administration | Milestone | Competence framework available |
| 202 | 6.3.1.2.i. Professional, open and accountable public administration | Milestone | Competence framework available, including training programmes |
| 219 | 7.2.i. Security and stability of energy supply, and synchronisation with the Union grid | Milestone | Regulations governing the installation of a Battery Energy Storage System |
| 223 | 7.3.i. Upgrading, digitalising and securing the electricity transmission and distribution networks | Milestone | Regulations governing investments in the national electricity transmission and distribution networks |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|--|--------------------|--|
| 229 | 7.4.i. Increasing the uptake of sustainable biomethane | Milestone | Regulations governing investments in the biomethane sector |
| | | Instalment Amount | EUR 339 038 937 |

1.4. Fourth Instalment (non-repayable support):

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|--|--------------------|--|
| 8 | 1.2.1.1.i. Improving the energy efficiency of multi-apartment buildings | Target | Contracts signed |
| 14 | 1.2.1.3.i. Improving energy efficiency of municipal buildings | Target | Award of contracts |
| 21 | 1.2.1.5.i. Modernisation of electricity transmission and distribution networks | Milestone | Entry into force of legal act(s) on wind energy on public land |
| 24 | 1.3.1.r. Disaster management system adaptation to climate change, rescue and rapid response services | Milestone | Legal act on the national early warning system |
| 25 | 1.3.1.2.i. Investments in flood risk reduction infrastructure | Target | Construction contracts signed |
| 36 | 2.1.2.2.i. Cloud services | Target | Cloud services provided to public authorities |
| 44 | 2.2.1.1.i. Support for the establishment of Digital Innovation Hubs and regional contact points | Target | Digital transformation roadmaps |
| 46 | 2.2.1.2.i. Digitalisation of entities | Target | Improvement in entities' Digital Maturity Test |
| 48 | 2.2.1.3.i. Support for the introduction of products and services into business | Target | Grant agreements signed and private financing committed |
| 51 | 2.2.1.4.i. Financial instrument to facilitate the digital transformation of economic operators | Target | Loan contracts signed and private financing committed |
| 54 | 2.2.1.5.i. Fostering the digital transformation of media companies | Milestone | Support scheme established |
| 86 | 3.1.1.1.i. Improvement of the network of regional and local roads | Target | Renovated or rebuilt regional and local roads |
| 90 | 3.1.1.2.i. Strengthening the capacity of municipalities to improve service efficiency and quality | Milestone | Assessment of local government public services |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|--|
| 92 | 3.1.1.2.i. Strengthening the capacity of municipalities to improve service efficiency and quality | Target | People trained |
| 102 | 3.1.1.4.i. Establishing a financing fund for the construction of low-rent housing | Target | Number of apartments |
| 115 | 3.1.2.1.i. Measures to promote access to public services and employment for people with functional impairments | Milestone | Selection of target group to adapt their dwelling |
| 130 | 3.1.2.5.i. Participation in the labour market of unemployed, jobseekers and people at risk of unemployment | Target | Persons participating in training |
| 133 | 4.1.1.r. Sustainability and resilience of a human-centred, comprehensive, integrated healthcare system | Milestone | Genome reference of the Latvian population |
| 134 | 4.1.1.r. Sustainability and resilience of a human-centred, comprehensive, integrated healthcare system | Milestone | Methodological management in the field of oncology |
| 141 | 4.1.1.3.i. Support for infrastructure or equipment of secondary outpatient healthcare service providers | Target | Secondary outpatient healthcare service providers |
| 145 | 4.2.1.r. Provision of human resources and upskilling | Milestone | New remuneration model for healthcare staff |
| 148 | 4.2.1.1.i. Support for the implementation of the human resources development system | Milestone | Simulations in medical education |
| 153 | 4.3.1.1.i. Support for assessing and improving the quality and accessibility of non-hospital secondary healthcare | Milestone | Public health policies |
| 157 | 5.1.1.2.i. Support instrument for research and internationalization | Milestone | Entry into force of legal act(s) governing four support programmes |
| 172 | 6.1.1.1.i. Modernisation of existing analytical solutions | Milestone | Changes to IT systems |
| 173 | 6.1.1.2.i. Development of new analytical systems | Milestone | Taxpayer segmentation system |
| 182 | 6.1.2.4.i. Creation of infrastructure for the performance of control services in Kundziņsala | Milestone | Building permit received |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|---|
| 187 | 6.2.1.1.i. Establishment of AML Innovation Hub to improve the identification of money laundering | Milestone | Cooperation platform for financial intelligence and knowledge-sharing in identifying money laundering |
| 190 | 6.2.1.2.i. Strengthening the capacity to investigate economic crime | Target | Number of law enforcement officials with a certificate on investigation of money laundering |
| 191 | 6.2.1.2.i. Strengthening the capacity to investigate economic crime | Milestone | Equipment for law enforcement officials |
| 192 | 6.2.1.3.i. Establishment of a training centre | Milestone | Legal act(s) related to the training centre |
| 193 | 6.2.1.3.i. Establishment of a training centre | Target | New training programmes |
| 195 | 6.2.1.3.i. Establishment of a training centre | Milestone | Training centre refurbished and equipped |
| 203 | 6.3.1.2.i. Professional, open and accountable public administration | Target | Trainings attended |
| 204 | 6.3.1.3.i. Development of the innovation ecosystem of public administration | Milestone | Innovation lab |
| 207 | 6.3.1.4.i. Growth of non-governmental organisations to strengthen social security representation and monitor public interests | Target | Beneficiaries of the support programme |
| 212 | 6.4.3.r. Development and implementation of a professionalisation strategy | Milestone | Centralization of procurement |
| 214 | 6.4.4.r. IUB IT and analytical capacity building | Milestone | Publications management system |
| 215 | 7.1.r. Transforming the national energy sector | Milestone | Legal acts establishing a framework for registering and operating energy communities |
| 216 | 7.1.r. Transforming the national energy sector | Milestone | Legislation amending norms on electricity trade and consumption |
| 217 | 7.1.r. Transforming the national energy sector | Milestone | Legislation on electricity network optimisation |
| | | Instalment Amount | EUR 428 996 309 |

1.5. Fifth Instalment (non-repayable support):

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|--|--------------------|---|
| 2 | 1.1.1.r. A sustainable transport system | Milestone | Sustainable public transport reform |
| 3 | 1.1.1.i. Improving Riga metropolitan transport infrastructure | Milestone | Transport projects |
| 4 | 1.1.1.i. Improving Riga metropolitan transport infrastructure | Milestone | Signature of contracts for upgrading Riga Central Railway Station |
| 4a | 1.1.1.i. Improving Riga metropolitan transport infrastructure | Milestone | Riga Central Railway Station |
| 9 | 1.2.1.1.i. Improving the energy efficiency of multi-apartment buildings | Target | Reduction of primary energy consumption in multi-apartment buildings |
| 11 | 1.2.1.2.i. Increasing energy efficiency in business in the form of a combined financial instrument | Target | Planned GHG emission savings |
| 12 | 1.2.1.2.i. Increasing energy efficiency in business in the form of a combined financial instrument | Target | Contracts signed |
| 15 | 1.2.1.3.i. Improving energy efficiency of municipal buildings | Target | Reduction in primary energy consumption in municipal buildings |
| 18 | 1.2.1.4.i. Improving the energy efficiency of public sector buildings | Target | Reduction of primary energy consumption in public buildings |
| 20 | 1.2.1.5.i. Modernisation of electricity transmission and distribution networks | Target | Connection points for charging electric vehicles and microgeneration installations |
| 23 | 1.3.1.1.i. Increasing the capacity of the rescue services | Milestone | Disaster management centres |
| 26 | 1.3.1.2.i. Investments in flood risk reduction infrastructure | Milestone | Projects protecting against flood risk |
| 30 | 2.1.1.1.i. Administration modernisation and digital transformation of services | Target | ICT solutions or systems |
| 34 | 2.1.2.1.i. Centralised platforms, solutions or systems | Target | Centralised ICT platforms, solutions or systems |
| 39 | 2.1.3.1.i. Data availability, sharing and analysis | Target | Sectors for which datasets are available on platforms |
| 44a | 2.2.1.1.i. Support for the establishment of Digital Innovation Hubs and regional contact points | Milestone | Support for the digital transformation of entities by the European Digital Innovation Hubs (EDIH) |
| 53 | 2.2.1.5.i. Fostering the digital transformation of media companies | Target | Platforms or IT solutions |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|--|--------------------|---|
| 61 | 2.3.1.r. Development of a sustainable and socially responsible support framework for adult learning | Milestone | Individual learning account approach |
| 62 | 2.3.1.1.i. Delivering advanced digital skills | Target | Modules designed for higher education study programmes |
| 64 | 2.3.1.2.i. Development of digital skills of enterprises | Target | Trainings on basic digital skills provided to enterprises |
| 68a | 2.3.1.5.i. Digital skills through the individual learning account platform | Target | Digital skills trainings |
| 73 | 2.3.2.1.i. Digital skills for people, including youth | Milestone | Digital youth work system in municipalities |
| 76 | 2.3.2.2.i. Development of state and local government digital transformation skills and capabilities | Target | Trainings attended |
| 79a | 2.3.2.3.i. Closing the digital divide for socially vulnerable pupils and educational institutions | Milestone | Purchase of ICT equipment |
| 83 | 2.4.1.2.i. Broadband or very high capacity network “last mile” infrastructure development | Milestone | Access to the very high capacity broadband network |
| 96 | 3.1.1.3.i. Investments in public infrastructure to develop industrial parks in the regions | Target | Industrial parks and territories in the regions |
| 103 | 3.1.1.4.i. Establishing a financing fund for the construction of low-rent housing | Target | Number of apartments built |
| 106 | 3.1.1.5.i. Development of infrastructure and equipment of educational institutions | Target | Upgrade of schools’ infrastructure |
| 109 | 3.1.1.6.i. Purchase of electric school buses | Target | Electric school buses |
| 109a | 3.1.1.7.i. Loans to real estate developers for the construction of low-rent dwellings | Milestone | Implementing Agreement and completion of the investment |
| 109b | 3.1.1.7.i. Loans to real estate developers for the construction of low-rent dwellings | Target | Legal agreements signed with final beneficiaries |
| 114 | 3.1.2.1.i. Measures to promote access to public services and employment for people with functional impairments | Target | Adaptation of state and local government buildings |
| 117 | 3.1.2.1.i. Measures to promote access to public services and employment for with functional impairments | Target | Adaptation of dwelling |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|---|--------------------|--|
| 120 | 3.1.2.2.i. Development of a forecast tool | Milestone | Development of a forecasting tool |
| 123 | 3.1.2.3.i. Resilience and continuity of the long-term social care service | Target | Provision of places for long-term care services |
| 125 | 3.1.2.4.i. Synergistic development of social and vocational rehabilitation services for the promotion of the resilience of people with functional impairments | Milestone | Adaptation of buildings |
| 130a | 3.1.2.6.i. Facilitating the availability of technical aids | Target | EUR 7.2 million paid to NRC “Vaivari” to facilitate the availability of technical aids |
| 137 | 4.1.1.1.i. Support for public health research | Milestone | Public health policies and studies |
| 140 | 4.1.1.2.i. Support for infrastructure or equipment of hospitals | Milestone | Hospital infrastructure or equipment |
| 142 | 4.1.1.3.i. Support for infrastructure or equipment of secondary outpatient healthcare service providers | Target | Secondary outpatient healthcare service providers |
| 150 | 4.3.1.r. Sustainability of healthcare and efficient use of health resources | Target | New healthcare service delivery models |
| 156 | 5.1.1.1.i. Support for a fully-fledged innovation system governance model | Milestone | Monitoring reports |
| 158 | 5.1.1.2.i. Support instrument for research and internationalization | Target | Commitment of funding |
| 160 | 5.2.1.r. Reform of Higher Education and Scientific Excellence and Governance | Milestone | Higher education reform |
| 162 | 5.2.1.r. Reform of Higher Education and Scientific Excellence and Governance | Target | Governance changes in public universities |
| 163 | 5.2.1.1.i. Research, development and consolidation grants | Target | Final payment decisions for consolidation plans |
| 164 | 5.2.1.1.i. Research, development and consolidation grants | Target | Academic career and research grant agreements signed |
| 176 | 6.1.2.1.i. Connecting railway scanners to BAXE and developing x-ray image analysis platform | Milestone | Railway scanners connected to BAXE information system |
| 177 | 6.1.2.1.i. Connecting railway scanners to BAXE and creating x-ray image analysis platform | Milestone | X-ray image analysis platform |
| 180 | 6.1.2.3.i. Improvement of customs control of received postal items at Airport customs control point | Milestone | Mail scanning and sorting line at Riga airport |

| Sequential Number | Related Measure (Reform or Investment) | Milestone / Target | Name |
|-------------------|--|--------------------|--|
| 183 | 6.1.2.4.i. Creation of infrastructure for the performance of control services in Kundziņsala | Milestone | Bearing and enclosing structures and equipment for the performance of control services |
| 221 | 7.2.i. Security and stability of energy supply, and synchronisation with the Union grid | Target | Battery Energy Storage System (BESS) |
| 224 | 7.3.i. Upgrading, digitalising and securing the electricity transmission and distribution networks | Target | Additional electricity grid capacity |
| 225 | 7.3.i. Upgrading, digitalising and securing the electricity transmission and distribution networks | Milestone | Substations |
| 226 | 7.3.i. Upgrading, digitalising and securing the electricity transmission and distribution networks | Target | Built power lines |
| 227 | 7.3.i. Upgrading, digitalising and securing the electricity transmission and distribution networks | Milestone | Distribution network management system upgrades and circuit breakers |
| 231 | 7.4.i. Increasing the uptake of sustainable biomethane | Milestone | Biomethane injection point |
| 232 | 7.4.i. Increasing the uptake of sustainable biomethane | Milestone | IT solutions for the management of the biomethane injection point (BIP) |
| | | Instalment Amount | EUR 582 209 276 |

SECTION 3: ADDITIONAL ARRANGEMENTS

1. Arrangements for monitoring and implementation of the recovery and resilience plan

The implementation of the plan shall be coordinated by the Ministry of Finance.

The Ministry of Finance shall perform the functions of the Managing Authority; these shall be separated from its other functions, including those of the Audit Authority.

The Ministry of Finance as the Managing authority is in charge of the development of the management and control system of the plan, coordinating the reporting process during the implementation of the plan (a half-yearly report on the compilation and progress of the plan) and other functions. The Central Finance and Contracting Agency (CFCA) has been designated as an intermediary body delegated with responsibilities for implementation, control and monitoring of the plan.

The Audit Authority, which is independent from the other departments of the Ministry of Finance in its planning, auditing, reporting and opinion, shall develop a plan audit strategy and prepare a summary of the audits carried out to accompany the request for payments. The sectoral ministries and the State Chancellery shall perform the responsibilities related to the implementation of the plan.

The necessary administrative resources for the management and monitoring functions of the plan shall be provided within the existing resources of responsible institutions, making use of additional human resources needed. The involvement of the authorities in the implementation of the plan takes place within the defined framework of their core activities and functions. Financing of sectoral ministries for the implementation of the plan shall be allocated in accordance with the relevant national procedures for the financing from the state budget.

A separate budget programme for Recovery and Resilience plan-related financial flows is provided in the state budget, which ensures the traceability and separability of the financial flows.

2. Arrangements for providing full access by the Commission to the underlying data

The Ministry of Finance, as the central coordinating body for Latvia's recovery and resilience plan and its implementation, is responsible for overall coordination and monitoring of the plan. Data related to the implementation and monitoring of the plan shall be stored in the existing EU funds management and control system KPVIS. KPVIS shall be adapted to the requirements under Regulation (EU) 2021/241 for data collection, progress reports and payment requests, including to collect indicators and other information necessary to demonstrate and report the achievement of milestones and targets. KPVIS shall be used by all actors involved in the implementation of the plan, including beneficiaries and monitoring authorities between the CFCA, line ministries and Audit Authority and others. Sectoral ministries shall continuously manage and update information in the KPVIS on the progress and results of the plan, on the checks carried out, controls, including deficiencies identified and all corrective actions taken.

In accordance with Article 24(2) of Regulation (EU) 2021/241, upon completion of the relevant agreed milestones and targets in Section 2.1 of this Annex, Latvia shall submit to the Commission a duly justified request for payment of the financial contribution. Latvia shall ensure that, upon request, the Commission has full access to the underlying relevant data that supports the due justification of the request for payment, both for the assessment of the request for payment in accordance with Article 24(3) of Regulation (EU) 2021/241 and for audit and control purposes.