



Questions and answers: European Commission endorses Latvia's €1.8 billion recovery and resilience plan

Brussels, 22 June 2021

How did the Commission assess Latvia's recovery and resilience plan?

The Commission is assessing the recovery and resilience plans based on eleven criteria set out in the Regulation itself. The 11 criteria require an assessment of whether:

- the measures have a lasting impact;
- the measures address the challenges identified in the country specific recommendations or a significant subset of it;
- the milestones and targets which allow for monitoring the progress with the reforms and investments are clear and realistic;
- the plans meet the 37% climate expenditure target and the 20% digital expenditure target;
- the plans respect the do no significant harm principle;
- the plans provide an adequate control and audit mechanism and set out the plausibility of the costing information.

The Commission has summarised its assessment in the proposal for the Council Implementing Decision. The accompanying staff-working document provides detailed documentation on the assessment.

Does Latvia's recovery and resilience plan effectively support the green transition?

The Latvian plan's contribution to the green transition amounts to 38% of its total allocation of €1.8 billion. This meets the minimum of 37% required by the RRF Regulation.

The plan focuses particularly on sustainable mobility. The reforms of the governance of the Riga area public transport system and the associated investment programme in greening urban public transport and infrastructure should contribute strongly to decarbonising the Latvian transport sector. The plan also includes measures with a focus on the improvement of energy efficiency in multi-apartment and public buildings and businesses and on the upgrade of the electricity grid. The recovery and resilience plan also focuses on climate change adaptation with investment in flood prevention and fire prevention, which should directly contribute to the achievement of the objective of adapting to the consequences of climate change.

Does Latvia's recovery and resilience plan effectively contribute to the digital transition?

The Latvian plan's contribution to the digital transition amounts to 21% of its total allocation of €1.8 billion. This exceeds the minimum of 20% required by the RRF Regulation.

The digital measures included in the plan cover various aspects of the digital transformation encompassing public and private sector, skills and connectivity – with a focus on improving the competitiveness of the Latvian economy in the medium and long term. Poor basic digital skills, low uptake of digital solutions by businesses as well as a shortage of information and communication technology specialists are Latvia's key digital challenges, impacting on workforce availability, competitiveness, resilience, use of government e-services and innovation alike. In response, Latvia's plan includes sizeable investments in basic and advanced digital skills.

Latvia's plan also includes measures for the digital modernisation of public administration and the digital transformation of public services, including centralised public solutions. The plan includes also measures supporting the digital transformation of businesses and enhancing environment for research and innovation by creating the necessary framework for Latvia's participation in the network

of European Digital Innovation Hubs. The plan also includes measures to deploy very high-speed broadband that should help further improve the digital infrastructure.

Does the recovery and resilience plan represent a balanced response to Latvia's economic and social situation?

The plan includes a balanced set of reforms and investments aimed at addressing Latvia's key challenges, stimulating recovery from Covid-19 crisis and laying foundation for its long-term growth.

The plan focuses on Latvia's main challenges that are the green and digital transitions, social exclusion, healthcare, regional disparities, digital skills and adult learning, and higher education, convergence and productivity growth, including research and innovation and support for business investments, and administrative capacity, including tax administration, public procurement and the judicial system.

Do the reforms presented by Latvia effectively address a significant part of the country-specific recommendations issued to it in the context of the European Semester?

The plan includes an extensive set of mutually reinforcing reforms and investments that contribute to effectively addressing all or a significant subset of the economic and social challenges outlined in the country-specific recommendations (CSRs) addressed to Latvia by the Council in the European Semester in 2019 and in 2020.

The reforms and investments in skills, education and training, healthcare and social inclusion should contribute to improving Latvia's productivity and long-term inclusive growth. Significant investments are provided for upskilling and reskilling measures aimed to equip the workforce with the required skills and new affordable housing to improve regional labour mobility.

Reforms and investments to enhance the resilience and accessibility of the health system, support the provision of integrated care services and raise the capacity of health institutions to adapt to crisis situations are included in the plan. The plan contributes to addressing the social challenges by further improving the minimum income support system, through an annual indexation mechanism and linking it to the development of the median income. Other investments in the accessibility and rehabilitation infrastructure for persons with reduced mobility and disabilities, as well as long-term care investments for elderly should also contribute to achieving progress in addressing current challenges.

To tackle regional disparities, the plan builds on the administrative territorial reform and includes significant investments in industrial parks, municipal transport, road renovation, schools and affordable housing.

The plan provides measures for work on the implementation of the anti-money laundering strategy to continue.

For More Information

[Press release: European Commission endorses Latvia's recovery and resilience plan](#)

[Recovery and Resilience Facility: Questions and Answers](#)

[Factsheet on Latvia's recovery and resilience plan](#)

[Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Latvia](#)

[Annex to the Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Latvia](#)

[Staff-working document accompanying the proposal for a Council Implementing Decision](#)

[Recovery and Resilience Facility](#)

[Recovery and Resilience Facility Regulation](#)



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