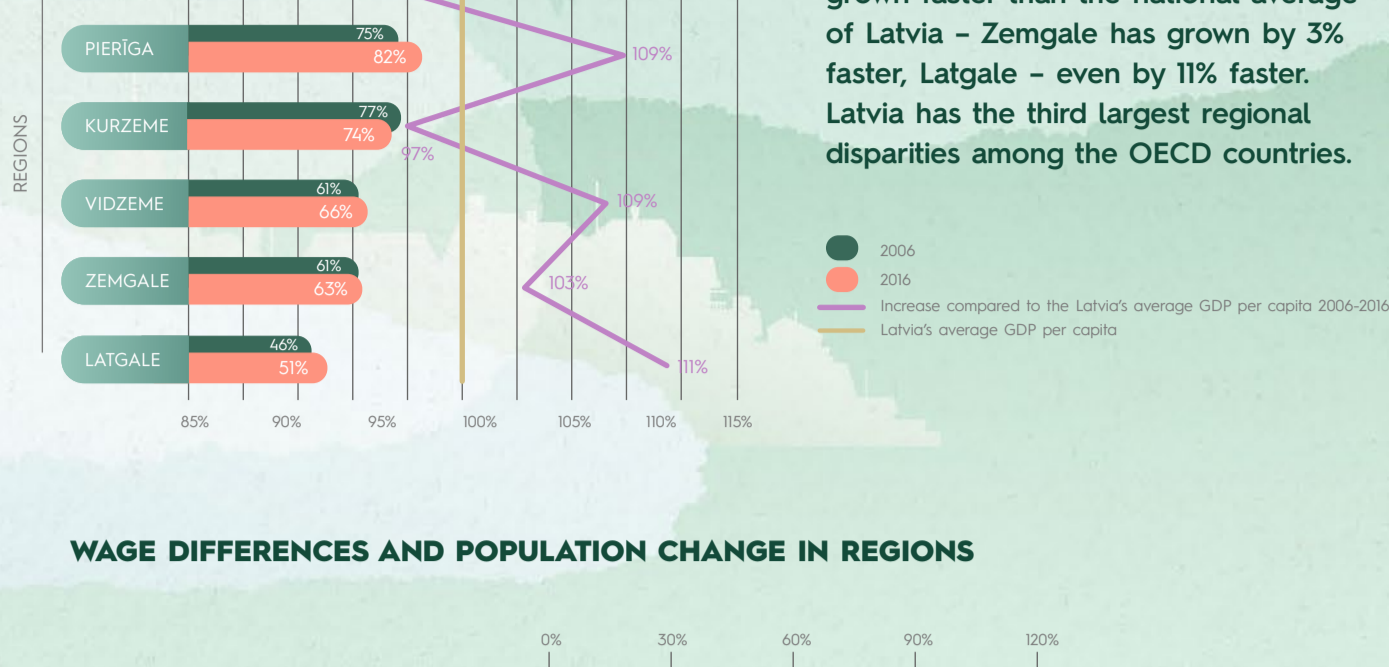


REGIONAL POLICY 2021-2027 – BASIS FOR INVESTMENTS* IN DEVELOPMENT OF TERRITORIES

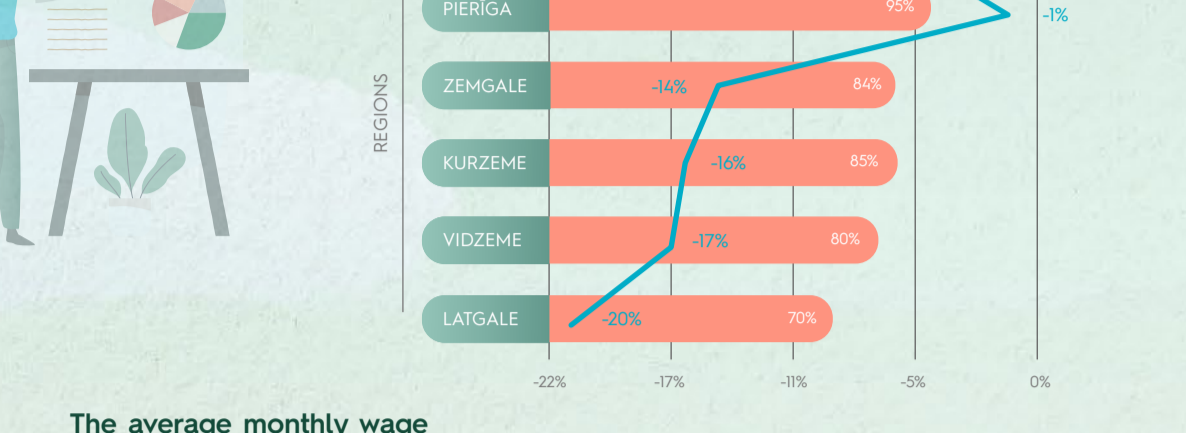
*INCLUDING FOR PLANNING EU FUNDS FINANCING FOR 2021-2027

REGIONAL DEVELOPMENT TRENDS

Annual GDP per capita in planning regions compared to the country's GDP per capita



WAGE DIFFERENCES AND POPULATION CHANGE IN REGIONS



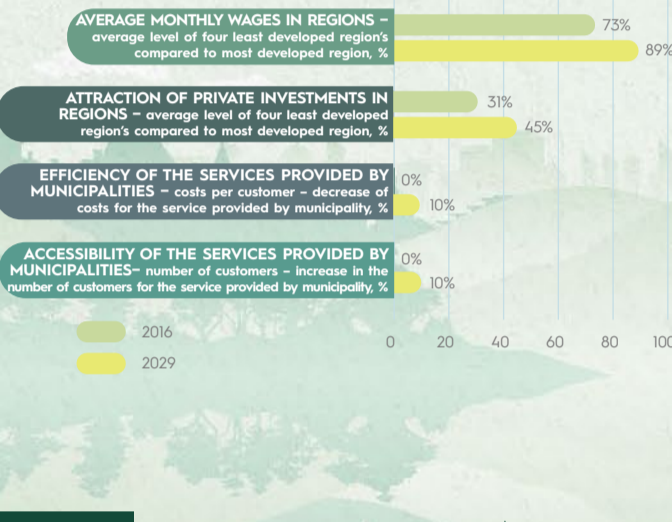
The average monthly wage varies by region more than 1.5 times (or 5 to 10 year difference between regions).

Due to the limited employment options and low wages the population in the regions has declined by up to 20% largely by emigration of inhabitants

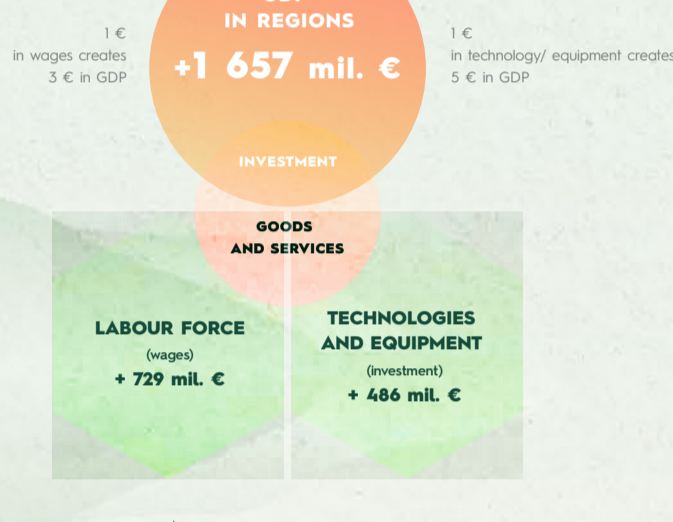
GOAL

To create preconditions to development of economic potential of all regions and decrease of regional disparities:
to strengthen the internal and external competitiveness of regions,
to provide solutions according to specificities of each territory for development of settlement and living environment

GOALS AND SUB-GOALS OF GUIDELINES, %



REGIONAL DEVELOPMENT MODEL – THE NECESSARY INVESTMENT DURING THE SEVEN YEAR PERIOD



HOW TO REACH THESE GOALS?

1. Improvement of the **business environment** in regions
2. Improvement of the **efficiency of public services** in regions
3. Public administration capacity and **public participation**

SOLUTIONS TO REACH THESE GOALS

PLANNED TOOLS FOR MUNICIPALITIES FOR IMPROVEMENT OF BUSINESS ENVIRONMENT IN REGIONS

- Development of **business support infrastructure**
- Improvement of **real estate regulation**
- Support for **regional projects**
- Investments in fixed assets** for development of existing/new products and services
- Municipality's support **set for businesses**
- Improvement of conditions for **national government loans for municipalities**
- Creation and operation of **regional innovation and knowledge platform**

PLANNED SUPPORT FOR ATTRACTION HUMAN RESOURCES IN THE REGIONS

- Support for attracting **highly qualified workforce** in regions
- Accessibility of housing for the workforce** in regions*
- Remigration support measures**
- Tax solutions** for support in terms of wages in Latgale region

* Within the framework of the housing policy a support instrument appropriate to the situation in Latvia will be developed to ensure complex access to housing.

PLANNED MEASURES FOR IMPROVEMENT OF SERVICE EFFICIENCY ACCORDING TO THE DEMOGRAPHIC CHALLENGES

- Support for **energy efficiency of municipal buildings**
- Support for **pre-school education and childcare service**
- Improvement of **road network infrastructure**
- Sustainable development** of public outdoor space
- Smart municipalities – improvement of service efficiency**
- Accessibility and operation of joint customer service centres**

PLANNED MEASURES FOR BUILDING PUBLIC ADMINISTRATION CAPACITY AND PUBLIC PARTICIPATION

- Capacity building of municipalities and planning regions**
- Improvement of regional and local level administration**
- Optimization of municipal finance system**
- Development of the regulatory framework for the state budget grant for co-financing municipal EU fund projects**
- Expanding the range of territorial statistics and its acquiring possibilities**
- Involvement of wider public in achieving regional policy goals**
- Modernization of municipality administrative processes and service provision processes**

IMPLEMENTATION

TOOLS FOR IMPLEMENTING REGIONAL POLICY GUIDELINES:

- EU funds
- Regional project programme
- Municipal budgets
- Other foreign financial sources (Norwegian Grants, Latvian-Swiss Cooperation Programme)

THE NECESSARY FUNDING TO REACH THE GOALS SET BY THE REGIONAL POLICY GUIDELINES AND IMPLEMENT THE PLANNED MEASURES

TOGETHER MAKE UP

2 187 198 857 €



* It is planned to divide the funding between regions according to GDP per capita, providing more funding to regions with lower GDP per capita. For municipalities in regions a project competition will be organized. It is planned to also provide funding for regional level projects (provisionally 30%)

BENEFITS

POPULATION

- Wider employment opportunities**, including opportunities to work remotely and have a higher pay job
- Improved living conditions** – well organized public space, better working accessibility, more accessible and qualitative services
- Better chances to participate in improving the municipality's development, **implementing local initiatives**
- Better mobility opportunities** to reach workplaces and services etc.

BUSINESSES

- The necessary infrastructure is provided**, thus giving the opportunity for the businesses to invest the more in their development, technologies and equipment
- Support is provided** (both advisory and financial) for development of enterprise and innovation
- Less bureaucracy**
- The necessary specialists are provided** according to the needs of enterprises etc.



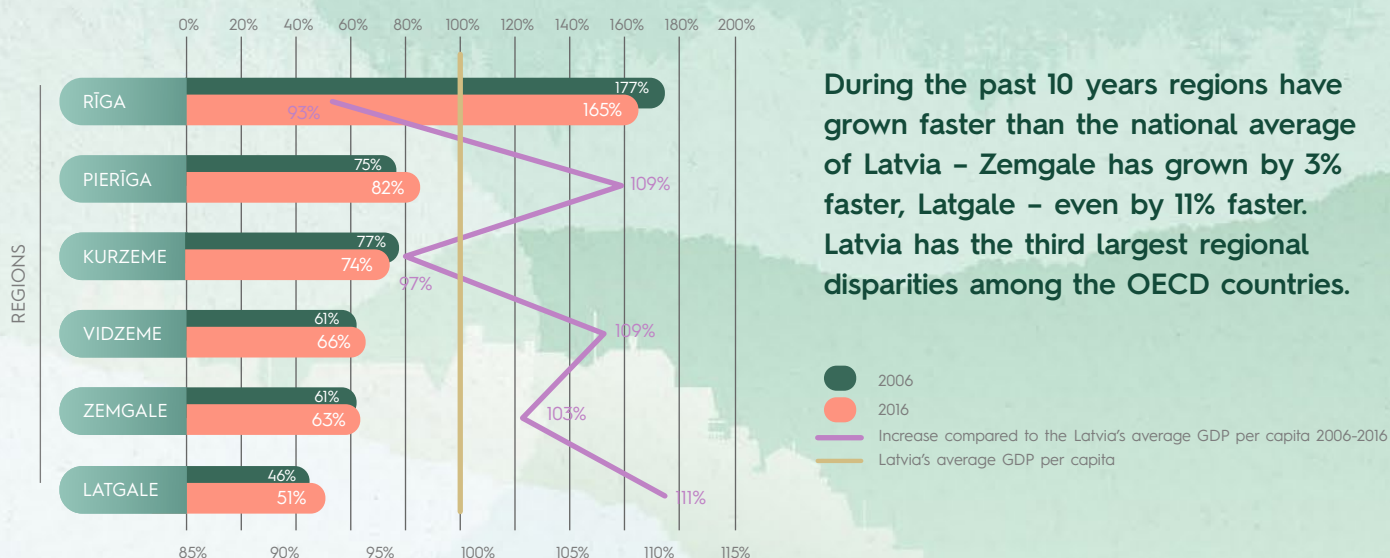
Ministry of Environmental
Protection and Regional
Development
Republic of Latvia

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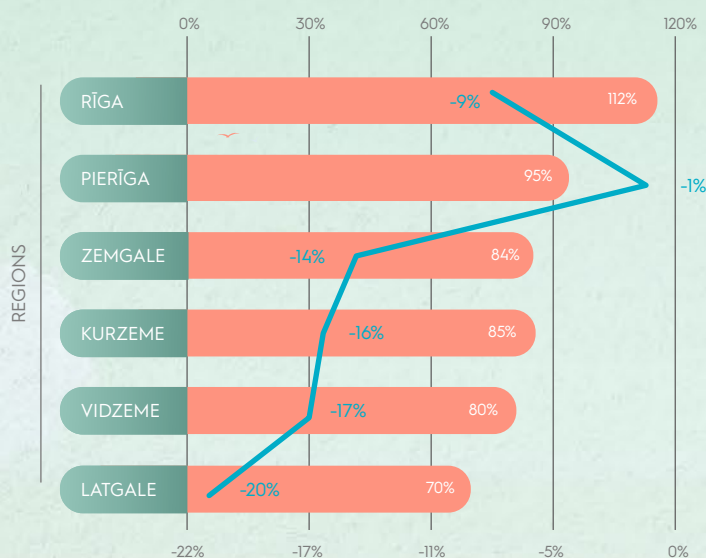
REGIONAL DEVELOPMENT TRENDS

Annual GDP per capita in planning regions
compared to the country's GDP per capita



During the past 10 years regions have grown faster than the national average of Latvia – Zemgale has grown by 3% faster, Latgale – even by 11% faster. Latvia has the third largest regional disparities among the OECD countries.

WAGE DIFFERENCES AND POPULATION CHANGE IN REGIONS



The average monthly wage varies by region more than 1.5 times (or 5 to 10 year difference between regions).

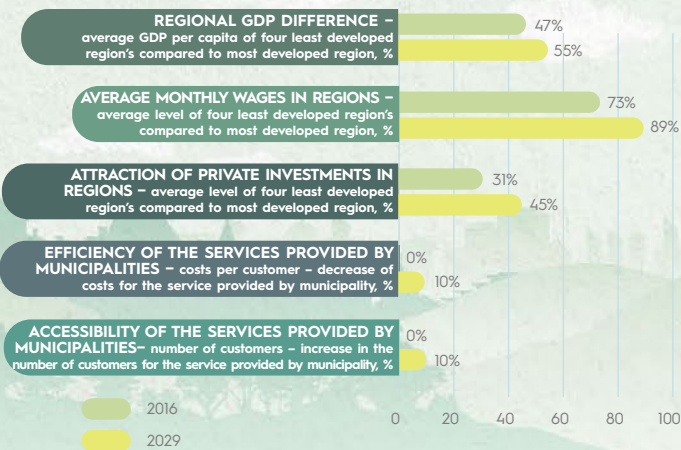
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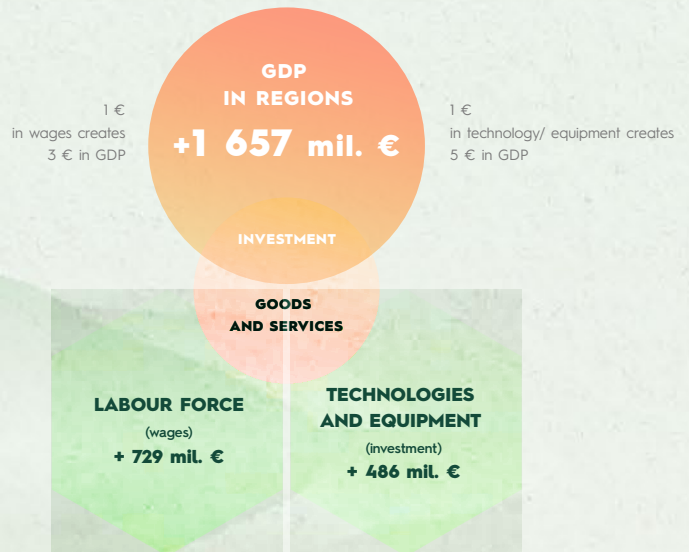


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HOW TO REACH THESE GOALS?



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2.

Improvement of the **efficiency of public services** in regions

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Municipality's support **set for businesses**



Improvement of conditions for **national government loans for municipalities**



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Improvement of **road network infrastructure**



Sustainable development of public outdoor space



Smart municipalities - **improvement of service efficiency**



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TOGETHER MAKE UP

2 187 198 857 €

254 840 667 €

363 811 375 €

523 714 286 €

1 104 832 530 €

Private sector

State budget

Municipal budget

Funding of tools of EU policies and other foreign financial assistance*

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