



Ministry of Finance of
the Republic of Latvia

Progress Report 2026

of the Fiscal Structural Plan 2025-2028 of Latvia

**RIGA
2026**

FOREWORD



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For the second successive year, Latvia is preparing a Progress Report of the Fiscal Structural Plan within the new Economic Governance Framework of the European Union. This document provides a comprehensive overview of macroeconomic development trends, fiscal indicators and available fiscal space up to 2030, while serving as an essential basis for responsible and sustainable budget policy-making.

The development of the Progress Report arises from the Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97.

The Report is prepared on the basis of the macroeconomic forecasts of the Ministry of Finance of February 2026, which, in addition to the baseline scenario, also analyse the optimistic and pessimistic development scenario. This approach allows for better assessment of risks and preparation for different directions of global economic development. The current geopolitical situation in the world, especially the risk of escalation of the conflict in the Middle East, requires increased attention to the possibility of a pessimistic scenario. Blockade of oil and gas supplies in the Strait of Hormuz can not only contribute to inflation, but as the blockade lasts, it can also cause a drop in supply with subsequent negative effects on growth. There is a risk of stagflation – low growth combined with high inflation.

The macroeconomic base scenario based on this February's forecasts predicts an acceleration of Latvia's economic growth to 2.6% in 2026, while inflation is projected at 2.9% in 2026. In the following year, inflation is projected to fall to 2.6%, after which price increases stabilise at 2.3%, which corresponds to the level of price increases in a converging country. However, given the heightened geopolitical uncertainty, this year, more than in other years, attention should be paid to the pessimistic scenario. There is a high probability that the next macroeconomic forecasts prepared in August will be more similar to such a scenario. According to the pessimistic scenario, GDP growth in constant prices could reach 0.7% in 2026, and 0.8% in 2027, which would be by 1.9 percentage points lower than in the base scenario. At the same time, inflation could rise to 3.2% in 2026 and 2.8% in 2027, which is above the baseline scenario by 0.3 and 0.2 percentage points, respectively.

The state of public finances in Latvia as a whole remains in good condition. We ended 2025 with a general government deficit of 2.4% of GDP, which was by 0.5 percentage points lower than projected in August last year. This year, too, we plan to remain compliant with the Maastricht deficit and debt criteria – this year, the general government deficit is projected at 3.0% of GDP, but the debt is projected at 48% of GDP. In 2027, a positive fiscal space of EUR 80.3 million is currently projected, but in the next two years it is projected to be negative at EUR 153.3 million

and EUR 191.1 million. These projections also include Latvia's commitment to continue supporting Ukraine at 0.25% of GDP in 2027 and 2028, demonstrating consistent solidarity and contribution to European security.

In 2030, the fiscal policy space of Latvia is significantly narrowing due to a number of interrelated factors. First, the security situation in the region dictates the need to secure defence investments of 5% of GDP. At the same time, in 2030, the flexibility mechanism – the application of the national escape clause in the fiscal framework of the European Union – expires. Secondly, several temporary revenue measures – bank solidarity contributions intended as a time-limited measure – are gradually coming to an end by 2030. Also, the amount of state contributions to the state-funded pension scheme (second pension pillar) must be fully restored. In total, the combination of these factors determines that in 2030 the negative fiscal space reaches EUR 883.5 million.

Although for the Cabinet of Ministers approved by the next *Saeima*, we leave a positive fiscal space for 2027, when preparing the law on the state budget for 2027 and the budget framework for 2027, 2028, 2029 and 2030, the next years will have to see effort in searching for an optimal balance between revenue-increasing and expenditure-reducing measures to eliminate the negative fiscal space, in particular, to ensure defence expenditure in the amount of 5% of GDP in 2030.

Although the development of the global economy in the coming years may be affected by even more rapid and difficult to predict changes, the information contained in the Progress Report is the best approximation currently available and provides a reference point for work on next year's budget.

May the second Progress Report of the Fiscal Structural Plan serve as a useful source of information when evaluating the 2025 result and forecasting the coming years!

TABLE OF CONTENTS

1 Introduction	8
2 Summary.....	12
3 Economic situation	14
3.1 External economic environment	14
3.2 Macroeconomic indicators for 2025 and projections for 2026	15
3.3 Macroeconomic development scenario for 2026-2030.....	22
3.4 Long-term GDP forecast, potential GDP dynamics.....	23
4 Fiscal situation.....	25
4.1 Fiscal performance in 2025 and assessment for 2026.....	25
4.2 Fiscal projections under no-change policy for 2027-2030.....	28
4.3 Tax revenue projections for 2027-2030	32
5 Fiscal trajectory – execution.....	36
6 Policy measures	45
6.1 <i>Ex-post</i> assessment of discretionary revenue measures included in the FSP.....	45
6.2 The new discretionary measures, their assessment	49
7 Fiscal policy strategy, fiscal rules and indicative fiscal space	52
7.1 Fiscal rules and fiscal space	52
7.1.1 FDL structural balance fiscal rule	52
7.1.2 EU structural primary balance rule	56
7.1.3 Net expenditure growth rule	56
7.1.4 Nominal balance rule	57
7.2 Decisive fiscal rule and fiscal space.....	58
8 Government debt development trends and long-term projections	61
8.1 Government debt development trends	61
8.2. Long-term general government debt projections	63
8.3. Long-term development scenario for public finances.....	66
9 Sensitivity analysis and macroeconomic scenario risks	70
9.1 Pessimistic scenario	70
9.2 Optimistic scenario.....	72
10 Green budgeting	74
11 Fiscal risks (state guarantees, contingent liabilities)	76
12 Reforms and investments.....	82
Table 9. Progress in implementing reforms and investments.....	83

COMMONLY USED ABBREVIATIONS

Altum	JSC "Development Finance Institution Altum"
BoL	Bank of Latvia
CF	European Union Cohesion Fund
CFCA	The Central Finance and Contracting Agency
CID	Council Implementing Decision
CIT	Corporate Income Tax
CoM	Cabinet of Ministers
CPCB	Corruption Prevention and Combating Bureau
CPI	Consumer Price Index
CSB	Central Statistical Bureau
CSR	Country-specific recommendations
DRM	Discretionary revenue measures
EC	European Commission
ECB	European Central Bank
ED	Excise duty
ERDF	European Regional Development Fund
ESA	European system of national and regional accounts
ESF+	European Social Fund Plus
ESI	Economic Sentiment Index
EU	European Union
FDC	Fiscal Discipline Council
FDL	Fiscal Discipline Law
FFA	Foreign Financial Assistance
FRD	Fiscal Risks Declaration
FSP	Fiscal Structural Plan
GDP	Gross Domestic Product

IMF	International Monetary Fund
JTF	Just Transition Fund
LALRG	Latvian Association of Local and Regional Governments
RoL	Republic of Latvia
LBMF	Law on Budget and Financial Management
TFEU	Treaty on the Functioning of the European Union
LCS	Latvian Council of Science
MFJ	Multiannual Financial Framework
MoA	Ministry of Agriculture
MoC	Ministry of Culture
MoCE	Ministry of Climate and Energy
MoD	Ministry of Defence
MoE	Ministry of Economics
MoES	Ministry of Education and Science
MoF	Ministry of Finance
MoH	Ministry of Health
MoI	Ministry of the Interior
MoJ	Ministry of Justice
MoSARD	Ministry of Smart Administration and Regional Development
MoT	Ministry of Transport
MoW	Ministry of Welfare
MSSIC	Mandatory State social insurance contributions
NAF	National Armed Forces
NHS	National Health Service
NNFPE	Net Nationally Financed Primary Expenditure
NRT	Natural Resources Tax
OECD	Organisation for Economic Co-operation and Development

PIT	Personal Income Tax
PMI	Purchasing Managers' Index
pp	Percentage points
Regulation 2024/1263	Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on effective coordination of economic policies and multilateral surveillance of budgetary developments and repealing Council Regulation (EC) No. 1466/97
RF	Recovery Fund
RRF	Recovery and Resilience Facility
RSS	Rural Support Service
SAFE Regulation	Council Regulation (EU) 2025/1106 of 27 May 2025 establishing the Security Action for Europe (SAFE) through the Reinforcement of the European Defence Industry Instrument
SCCB	State Construction Control Bureau
SDG	Sustainable Development Goals
SP	Stability Programme
SSIA	State Social Insurance Agency
TEN-T	Trans-European Transport Network
TT	The Treasury
UN	United Nations
USA	United States of America
VAT	Value Added Tax
VOT	Vehicle Operation Tax

1 INTRODUCTION

On 21 January 2025, the Council of the European Union (hereinafter – the EU) approved a new medium-term planning document – Fiscal Structural Plan of Latvia 2025-2028¹ (hereinafter – the FSP). Accordingly, in 2026, Latvia prepares the next, second consecutive FSP Progress Report – the 2026 Progress Report of the Fiscal Structural Plan of Latvia 2025-2028 (hereinafter – the Progress Report), the development of which stems from the new EU legal framework for economic governance, namely Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on effective coordination of economic policies and multilateral surveillance of budgetary developments and repealing Council Regulation (EC) No 1466/97 (hereinafter – Regulation 2024/1263). In turn, Article 28 of the Law on Budget and Financial Management (hereinafter – LBFM) stipulates that the Annual Progress Report of the Medium-Term Fiscal Structural Plan of Latvia must be submitted to the *Saeima* by 15 April and the Minister for Finance must report on it at the *Saeima* meeting, including information on the macroeconomic development scenario, the fiscal policy strategy and medium-term objectives of fiscal policy, the structural reforms and investments included in the plan, as well as on possible priority development directions of the State budget.

Accordingly, the task of the Progress Report is to comply with the requirements of the EU regulatory framework, informing about the fulfilment of the fiscal commitments adopted by the FSP and progress in the fulfilment of the structural part of the FSP, as well as to provide the most up-to-date assessment of macroeconomic and fiscal development scenarios and potentially available funding in the preparation cycle of the draft budget law, serving as the basis for decisions on possible priority development directions of the state budget. It should be noted that as of 1 January 2026, amendments to the Fiscal Discipline Law (hereinafter – FDL) entered into force, as a result of which the medium-term budgetary framework period was extended by one year, henceforth forming it for four years and thus aligning the length of the planning period with the FSP.

This Progress Report has been developed in the spring of 2026, when geopolitical events are rapidly changing and since the end of February this year the conflict in the Middle East has escalated, which the European Commission (hereinafter – EC) assesses as a serious threat to both global and European economic stability and has warned that the prolonged blockade of the Strait of Hormuz could lead to a **“significant stagflation shock”**. These events further increase the high uncertainty associated with the protracted Russian war in Ukraine, as a result of which the security situation in the world, Europe and Latvia has changed irrevocably. In order to ensure a predictable amount of defence financing for Latvia by investing not less than 5% of the amount of the forecasted gross domestic product (hereinafter – GDP) for the respective year, thus fulfilling the goals set by NATO, amendments have been made to the State Defence Financing Law, which entered into force on 28 March 2026². The fiscal impact of the amendments to the National Defence Financing Law is assessed and included in the fiscal projections, while the impact of the Middle East conflict is not directly taken into account in the prepared macroeconomic development scenario, as it predates 28 February 2026, when the USA and Israel launched military strikes in Iran and, accordingly, was not directly taken into account in the revenue and expenditure projections. More specifically, the impact of the Middle East will be analysed at a later stage, namely in the process of preparing the draft National Budget Law.

¹ Recommendation of the EU Council endorsed the medium-term FSP of Latvia available at: https://eur-lex.europa.eu/legal-content/LV/TXT/HTML/?uri=OJ:C_202500652

² Available at: <https://likumi.lv/ta/id/367362-grozijums-valsts-aizsardzibas-finansesanas-likuma>

The Progress Report is similar in structure to the FSP and includes two conditional parts: the **fiscal part** and the **structural part**. The preparation of the fiscal part is provided by the Ministry of Finance (hereinafter – MoF), while information on the implementation of the structural part of the FSP is collected by the Ministry of Economics (hereinafter – MoE) and submitted to the MoF for inclusion in the Progress Report. The fiscal part of the progress report first provides information on the performance of macroeconomic indicators (Chapter 3) and fiscal indicators (Chapter 4) in 2025 and on their development in 2026. In addition, the two chapters also provide an overview of updated no-change policy scenario projections, covering the projection period up to 2030. The projections for macroeconomic indicators for 2026-2030 prepared by the Ministry of Finance were endorsed on 13 February 2026 by the Fiscal Discipline Council (hereinafter – the FDC) and on 16 March 2026 it endorsed technical adjustments to the macroeconomic forecasts taking into account the current GDP indicators published by the Central Statistical Bureau (hereinafter – the CSB), while the fiscal forecasts take into account the budget implementation in 2025 and in the first two months of 2026, as well as decisions made by 11 March 2026 (with the mentioned exception regarding amendments to the National Defence Financing Law). The general government revenue and expenditure forecasts have been updated in accordance with the updated macroeconomic development scenario, as well as taking into account the forecasts submitted by enterprises classified within general government regarding the impact of their economic and financial performance on the budget balance. **The Progress Report provides information on the implementation of the maximum allowable net nationally financed primary expenditure (hereinafter – the NNFPE) growth or fiscal trajectory endorsed by the EU Council, as well as the calculation of the balance in the control account (Chapter 5).** The Progress Report for the purpose of the national budgetary procedure also covers the setting of the general government structural budget balance targets for 2027-2030, providing a description of the fiscal rules applied in Latvia and the calculation of potential fiscal space for new policy measures based on the fiscal indicator projections for 2026-2030 (Chapter 7) and taking into account all decisions taken, including those adopted in the context of the 2026-2028 budget framework, until the entry into force of the relevant budget law (Chapter 6). Chapter 8 provides information on the long-term development of the public debt in accordance with Latvia's forecasts. Chapter 9 describes a sensitivity analysis that covers the impact on macroeconomic and fiscal indicators in the event of a negative or positive macroeconomic scenario. Two chapters have been created as complements: Chapter 10, which provides information on "Green Budgeting" and Chapter 11, which provides information on fiscal risks, contingent liabilities. The structural part of the document consists of Chapter 12, which provides information summarized by the MoE on the progress in the implementation of the structural part of the FSP, i.e., on the measures, reforms and investments implemented to comply with the country-specific recommendations of the EU Council and the EU common priorities addressed to Latvia in the period of 2019-2025.

After two years of stagnation, economic growth in 2025 has resumed, with GDP growing by 2.1% year-on-year. The greatest contribution to economic growth in 2025 was made by the strong investment growth, which was driven both by the faster realisation of EU fund projects and the growth of corporate lending, encouraging private investment. Private consumption also showed higher growth, starting to reflect salary increases in recent years and a recovery in purchasing power after a sharp increase in inflation, as well as a gradual improvement in consumer confidence. Public consumption also grew last year. At the same time, the external sector was weaker and the contribution of net exports to GDP growth was negative.

The macroeconomic development scenario for 2026-2030 foresees the acceleration of Latvia's economic growth to 2.6% in 2026, with growth close to this level also stabilising throughout the period until the end of the forecast period. The recovery of economic growth will be ensured by the still strong growth of investments, especially with the acceleration of the acquisition of investments by EU funds, as well as a more significant growth of private

consumption and faster export growth, gradually improving the situation in Latvia's main export markets.

According to the forecasts of the MoF, inflation in 2026 is projected at 2.9% – slightly lower than in 2025, but still at a relatively high level, which will be determined by the dynamics of food prices, upward changes in the prices of energy resources and thermal energy, as well as constantly rising labour costs. In 2027, inflation is projected to drop to 2.6%, after which price increases stabilise at 2.3%, which corresponds to the level of price increases in a converging country.

The general government deficit in 2025 is estimated at EUR 1,019.5 million, or 2.4% of GDP³, increasing compared to 2024, mainly due to increased funding for social assistance and protection, as well as more intensive investments in the implementation of EU funds projects. The MoF has updated the assessment of the general government budget balance for 2026. The general government deficit of 2026 is projected at EUR 1,367.8 million or 3.0% of GDP, which, compared to the law "*On the State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028*" approved in December 2025, is by 0.3 pp lower. The general government budget forecasts a deficit of **4.0% of GDP in 2027, 5.1% of GDP in 2028, 4.2% of GDP in 2029 and 3.4% of GDP in 2030 under no-change policy**. The higher deficit in the medium term is determined by the increase in expenditure primarily for national defence, but also for servicing the public debt and social expenditure, as well as revenue growth, which is lower than the nominal GDP growth. In the expenditure part, an increase is also observed for investments, incl. strengthening defence capabilities. General government budget expenditure on defence according to the classification of the functions of government(COFOG) will be 4.1% of GDP in 2026, 5.4% of GDP in 2027, 6.5% of GDP in 2028, then will decrease to 5.4% of GDP in 2029 and 5.2% of GDP in 2030, respectively. The decrease in revenue with 2028 is influenced by the decrease in foreign financial assistance (hereinafter – FFA) flows, taking into account that the forecasts do not include the new EU multiannual budget flows for 2028-2034.

The projected deficit in the general government budget in all years exceeds the excessive deficit threshold of 3% of GDP, but it should be noted that on 8 July 2025, the Council of the EU, on the recommendation of the EC⁴, approved for Latvia a national escape clause that allows to deviate from the NNFPE approved by the Council of the EU by 1.5% of GDP in the period from 2025 to 2028 if additional expenditure is directed towards strengthening defence capabilities. It should be noted that the deliveries of military equipment after 2028 will also be taken into account if the total limit of the national escape clause is not breached. Accordingly, there is no legal basis to initiate the *Excessive Deficit Procedure* against Latvia if the excess of the general government deficit over 3% of GDP will be attributable to higher defence spending, subject to the conditions of the national escape clause. In order to reduce the cost of servicing the public debt during a period of high uncertainty and to provide financing for defence projects, Latvia submitted a request to the EC accompanied by the European Defence Industry Investment Plan (hereinafter – the SAFE Plan) and on 17 February 2026 the EU Council approved a decision according to which a loan of up to EUR 3,497.9 million is available to Latvia⁵.

Under the current forecasts and in accordance with the defined fiscal rules, the **indicative** fiscal space available for the preparation of the budget framework for 2027-2030 **is assessed**,

³ As part of the government deficit and debt notification, *Eurostat* will publish official data on 22 April 2026.

⁴ The EU Council Decision is available on the EU Council website: <https://www.consilium.europa.eu/lv/press/press-releases/2025/07/08/council-activates-flexibility-in-eu-fiscal-rules-for-15-member-states-to-increase-defence-spending/>

⁵ EU Council Implementing Decision available at: https://eur-lex.europa.eu/TodayOJ/index.html?uri=OJ:L_202600411

which is positive in 2027 at EUR 80.3 million, negative in other years at EUR 153.3 million in 2028, EUR 191.1 million in 2029, and EUR 883.5 million in 2030. The application of fiscal rules and the calculation of the fiscal space forecast take into account the amendments to the FDL, which introduced changes to the minimum allowable structural balance. The relevant amendment will enter into force on 1 January 2028 and will become applicable in 2028, when preparing the draft law on the state budget for 2029 and the budget framework for 2029, 2030, 2031 and 2032, and starting from 2029, the minimum planned structural balance of the general government budget will be not less than 1.5% of GDP, while it will be necessary to take into account the condition that 0.5% of GDP is attributed to the Defence and Internal Security Fund. This framework has been put in place to ensure a gradual transition to a higher level of defence expenditure after the expiration of the national escape clause period. **The negative fiscal space will need to be covered and it will be possible to expand by deciding on discretionary measures (revenue-raising and/or expenditure-reducing measures) in the process of preparing the 2027-2030 budget framework.**

Taking into account the forecasts, including indications on the size of the fiscal space, it can be concluded that the situation in the state public finances in the medium term can develop into a particularly challenging in terms of balancing budget revenues and expenditures, especially taking into account the obligation to ensure a level of defence spending of 5% of GDP and the need to balance it with requests for additional necessary funding, for which decisions of the CoM have already been made without a source of funding. Even assuming that the conflict situation in the Middle East will be resolved in the near future, it will take a certain period of time to resolve the consequences of this crisis situation; accordingly, current forecasts do not give grounds for believing that the situation with the amount of available fiscal space will improve significantly in the autumn phase.

Advice, opinions and access to information

Taking into account the requirements of Regulation 2024/1263, the Progress Report is available on the MoF website⁶.

The social partners (the Free Trade Union Confederation of Latvia, the Employers' Confederation of Latvia, the Latvian Association of Local and Regional Governments and the Latvian Chamber of Commerce and Industry) are informed about the implementation of the FSP reforms and the investment part (Annex "Table 9. Progress in implementing reforms and investments"). An online meeting was held on 27 March this year, where the comments made by the social partners were discussed with the ministries involved.

The independent fiscal institution of Latvia, the FDC, issued an opinion on the Progress Report, incl. on the execution of the fiscal trajectory. The opinion is attached to this Progress Report. The *Saeima* is informed about the Progress Report in the format of the *Saeima's* Committee on European Affairs (the meeting took place on 15 April this year).

⁶ The progress report is available on the MoF website: <https://www.fm.gov.lv/lv/fiskala-politika>

2 SUMMARY

On 21 January 2025, the EU Council endorsed the following maximum NNFPE growth for Latvia:

Table 1. Maximum NNFPE growth approved by the EU Council

year		2025	2026	2027	2028
Growth rate, %	annual	5.9	3.6	3.4	3.3
	cumulative (*)	15.5	19.7	23.8	27.9

(*) The cumulative growth rates have been calculated taking into account the base year 2023.

Based on the February 2026 macroeconomic and March fiscal projections of the MoF, the NNFPE growth is estimated, which is summarized in Table 1a.

Table 1a. Fiscal commitments

		2024	2025	2026
NNFPE growth approved by the EU Council %	annual	9.1	5.9	3.6
	cumulative	9.1	15.5	19.7
Actual NNFPE growth, %	annual	5.2	5.0	5.3
	cumulative	5.2	10.5	16.3

The NNFPE growth in 2024 and 2025 is lower than the increase of the NNFPE endorsed by the EU Council, which can be explained by lower general government budget expenditure, as a result of which the general government deficit in 2024 and 2025 was also lower than planned in the FSP. According to the data of the EU Statistical Office *Eurostat* (hereinafter – *Eurostat*), the **general government deficit in 2024 was EUR 731.9 million, or 1.8% of GDP**, or by 0.8 pp lower than forecast when preparing the FSP in October 2024. In turn, the **general government deficit in 2025, according to the assessment of the MoF, reached EUR 1,019.5 million, or 2.4% of GDP**, which is by 0.6 pp lower than planned for the FSP. Current MoF assessment for 2026 general government deficit is 3.0% of GDP and is by 0.3 pp higher than planned when the FSP was prepared. A higher general government deficit in 2026 is mainly due to additional spending on strengthening defence capabilities. As a result, the projected annual NNFPE growth by 1.6 pp will exceed the NNFPE growth endorsed by the EU Council, taking into account both the higher projected general government deficit in 2026 and the lower level of actual expenditure in 2025. It is important to note that the cumulative NNFPE in 2026 will remain lower than the one approved by the EU Council. It is the cumulative NNFPE that is the indicator on the basis of which the EC assesses compliance with the provisions of Regulation 2024/1263⁷.

Better general government budget execution has resulted in a significant negative balance (*credit*) in the *control account*, which, in accordance with Article 22 of Regulation 2024/1263, accounts for upward and downward deviations from the NNFPE growth endorsed by the EU

⁷ The EC's assessment of the draft general government budget plan of Latvia is available on the EC's website: https://economy-finance.ec.europa.eu/document/download/95c1de7f-e3dd-40d3-aa28-bed9ef3cfa3e_en?filename=C_2025_9063_1_EN_Latvia.pdf

Council. The balance of the control account is shown in Table A. Negative values in the control account indicate a lower NNFPE growth than approved by the EU Council. On 8 July 2025, the EU Council approved a national escape clause that allows to exceed the NNFPE growth endorsed by the EU Council if additional expenditure is directed towards strengthening defence capabilities. In addition, the increase in expenditure for the defence sector is also included in the control account, providing for a separate *augmented control account*, in which the balance is assessed taking into account the increase in general government budget expenditure for defence according to the classification of the functions of government (COFOG) compared to 2021. The concept of the augmented control account was not provided for in Regulation 2024/1263, but was introduced with the introduction of a national escape clause for defence expenditure in order to distinguish deviations that are detected and that meet the conditions of the national escape clause.

Table A. Control account balance

	2024	2025	2026
NNFPE growth approved by the EU Council, %	9.1	5.9	3.6
Actual NNFPE growth, %	5.2	5.0	5.3
Difference, EUR million	-627.0	-148.7	295.1
Cumulative difference, EUR million	-627.0	-775.7	-480.6
Annual control account balance, % of GDP		-0.3	0.6
Cumulative control account cumulative balance, % of GDP		-1.8	-1.1
Growth in defence expenditure (COFOG), compared to 2021, pp		0.5	1.6
Augmented control account balance, % of GDP		-2.3	-2.6

3 ECONOMIC SITUATION

3.1 External economic environment

Global economic growth remained moderate at 3.2% in 2025, close to the rate of 2024, driven by slow growth in Europe and political uncertainty. Slow economic growth in particular can be observed in the *euro* area, where the economy grew by only 1.4% in 2025. The situation in the *euro* area is strongly influenced by the low growth in its three largest economies – Germany, France and Italy, while in Germany and Italy there is even a decrease in production for industrial goods. Due to weak export demand for the EU's largest economy, Germany's goods exports continue to fall for the third successive year. Domestic demand continues to recover with real income growth, but growth rate remains weak.

Projections from the International Monetary Fund (IMF) show that global economic growth will be 3.1% in 2026 and around 3.2% in 2027. While the USA maintains relatively stronger demand, recovery is slow in the *euro* area, with weak industrial growth and high financing costs. The IMF predicts that the global economy will grow at a steady growth rate of around 3.2% by 2030. According to IMF forecasts, the *euro* area will also maintain a stable growth rate, but significantly lower, i.e., 1.1% in 2026, then achieve a slightly faster growth rate of 1.4% in 2027, which will be followed by a gradual slowdown to 1.1% by 2030. Compared to the IMF October forecast, both the *euro* area and the EU forecast for 2026 have been increased by 0.1 pp, but there are no changes for 2027. In the *euro* area and the EU as a whole, the main risks still include geopolitical tensions in Europe, energy supplies and fiscal uncertainty.

The weighted average growth of Latvia's major trading partners – Lithuania, Estonia, Germany, the United Kingdom, Sweden, Russia, Poland, Denmark, the Netherlands and Finland – is projected to be around 2.1% in 2026, which is an improvement against 2025, but compared to the middle of last year, forecasts have dropped by 0.3 pp. At the same time, it is a more significant improvement for Latvia's main trading partners compared to 2025, when, according to preliminary estimates, the economy of these countries had grown by 1.5%.

Indicators of business and consumer confidence remain weak at the beginning of 2026, still with a tendency to improve slightly since the beginning of 2025; however, in February 2026 both the *euro* area and the EU showed a slight drop of 0.1 pp. Thus, the economic sentiment index (ESI) currently developed by the EC is at the level of 98.3 points, indicating a cautious development during 2026. As a result, these overwhelming indicators of business and consumer confidence about the resumption of strong economic growth in Europe do not signal yet. *The euro* area Purchasing Managers' Index (PMI) shows improvements at the beginning of 2026: from 51.3 in January to 51.9 in February, driven by a recovery in the manufacturing sector and steady growth in the services sector.

Global inflation projections, according to the IMF, show that global inflation tends to fall from 4.1% in 2025 to 3.8% in 2026 and to 3.4% in 2027. The easing of inflation in the *euro* area to 1.9% in 2026, according to the forecasts of the European Central Bank (ECB) at the beginning of 2026, provides an opportunity to gradually reduce interest rates, which in turn could stabilise the economic environment in the second half of the year. The EC's autumn 2025 forecasts also point to a slight drop in inflation in the *euro* area to 1.9% in 2026 in comparison with 2.1% in 2025. Overall, inflation in the *euro* area, although slightly up in February 2026 against 1.7% in January, has been on a moderate downward trend since the beginning of 2024.

3.2 Macroeconomic indicators for 2025 and projections for 2026

Gross domestic product: After two years of stagnation, economic growth in 2025 has resumed, with GDP growing by 2.1% year-on-year. In the fourth quarter, GDP growth in annual terms has already reached 2.9%, but compared to the previous quarter, GDP has grown by 0.6% according to seasonally and calendar-adjusted data.

From the expenditure side, the largest contribution to economic growth in 2025 was made by the strong investment growth – by 9.8%, which was facilitated both by faster implementation of EU fund projects and by the growth of corporate lending, encouraging private investment. Private consumption also showed higher growth, increasing by 0.8% and starting to reflect the rise in wages and the recovery in purchasing power observed in recent years after the sharp jump in inflation, as well as the gradual improvement in consumer confidence. Public consumption grew by 3.3% last year. At the same time, the external sector was weaker and the net export contribution to GDP growth was negative, with exports of goods and services increasing by only 0.1%, while imports increased by 5.7% due to the rapid growth of domestic demand.

In terms of sectors, the most significant contribution to economic growth last year was provided by the construction, trade and manufacturing industries, which grew by 9.0%, 2.7% and 4.7% respectively. At the same time, unlike in previous years, when growth was based mainly on sectors related to the public sector, strong growth in 2025 was recorded in virtually all business sectors, except for transport (-3.5%), as well as the weather-affected forestry and energy sectors.

Manufacturing: The value added of the industrial sector increased by 2.8% in 2025, but the volumes increased by 4.0% compared to 2024. Including the added value of manufacturing, which accounts for 83% of all industrial sector, increased by 4.7%, but volumes were 5.5% higher. Last year, the manufacturing sector was positively affected by the increase in demand in both the domestic and export markets, so Latvian producers were able to show higher production growth than the EU average. External demand was also driven by a decrease in interest rates for credit payments in 2024 and 2025, which in turn contributed to higher activity in the European construction sector, where the main raw materials are timber, non-metallic minerals and metal products, which account for a large part of Latvian manufacturing exports.

The growth of the total industrial sector in 2025 by 4% was limited by reductions in electricity and gas supply (-2.9%) and in the mining and quarrying industry (-15.3%). Electricity and gas supply accounts for 13.7%, while the mining and quarrying industry accounts for 3.3% of the total industry. Electricity and gas supply volumes dropped significantly in 2022, when energy prices rose sharply. With the implementation of energy efficiency measures in both the public and private sectors, the supply of electricity and gas has remained at a low level for years to come. Consumption in 2025 was also reduced by the warm winter at the beginning of the year.

Manufacturing volumes grew steadily throughout 2025 to reach their highest mark in November since June 2022. Significant growth was demonstrated by all major sub-sectors of manufacturing industry. Among them, the production of food products achieved a significant increase of 9.6%, the volumes of wood industry increased by 6.2%, the production of non-metallic minerals increased by 13.6%, metal products were produced by 4.6% more, while the production of computers and electronics grew by 5%. In contrast, volume reductions were recorded in sectors such as beverage (-4.6%), clothing (-2.5%) and chemicals and by-products (-2.4%).

The share of exports in manufacturing accounts for 65%, thus further development of the sector will largely depend on economic development trends in Latvia's main export partners. An additional contribution to the sector will be the development of military production. Meanwhile, it is becoming increasingly difficult for Latvian manufacturers to compete in the EU with high

production costs, which indicates the need to invest in innovation and production of products with higher added value.

Trade: The added value of the sector has been growing for five successive years. In 2024, the value of the sector increased by 0.8%, but in 2025, an increase of 2.7% was achieved. The growth in sales volumes in 2025 was recorded by both retail and wholesale trade; however, the largest contribution to the overall growth was made by the smallest of the three sub-branches – automobile and motorcycle trade.

Retail sales grew by 1.4% year-on-year in 2025. With the growth of private consumption, volumes began to increase significantly in the second half of 2025, which was provided by retail sales of non-food goods, with a total increase of 4.2% in 2025. Meanwhile, retail sales of food products, mainly due to price increases, continue to decline for the fifth successive year (-1.8% in 2025). In turn, the volume of retail sales of fuel has remained almost unchanged (+0.1%) compared to 2024.

In the wholesale sector, after a significant drop in volumes for three consecutive years, growth of 3.2% resumed in 2025. The dynamics of the sector are influenced by both the development in other sectors of the economy and the geopolitical situation. With the growth of volumes in both retail, processing industry and construction, the increase in demand for goods and their turnover respectively also contributes to the increase in wholesale volumes.

Car/motorcycle sales have grown by 12.9% per year on average over the last five years, but in 2025 the growth reached 16.1%. The sector is positively influenced by the growing purchasing power of the population, state support for the purchase of electric cars, and the desire of the population to move with more environmentally friendly vehicles.

The growth of the trade sector is likely to continue in 2026. The growth of private consumption, together with the development in other sectors of the national economy, will provide a favourable environment for the sale of goods both in wholesale and retail. Risks are usually created by events in the external environment. Hostilities in Iran can affect the movement of ships in the sea straits, which will increase energy prices in Europe and elsewhere, so prices can increase not only for fuel and gas, but for a wide range of goods, as a result of which trade volumes may decrease.

The value added of the **construction** sector decreased by 5.8% in 2024, but increased by 9% in 2025 compared to the previous year. The growth of the sector was facilitated by increasing investment volumes, as well as by the successful acquisition of EU funds, which contributed to an increase in the volume of civil engineering construction. In 2025, the volume of civil engineering construction increased by 25.7%, which was determined by both the increase in the construction of roads and railways and the construction of urban infrastructure facilities. The largest engineering construction objects include *Rail Baltica*, the fourth stage of the Southern Bridge, the reconstruction of the Lorupe ravine viaduct, etc. In turn, specialised construction increased by 2.9% in 2025, but the building construction volumes increased by 1.2%, which was facilitated by the increase in the construction of apartment buildings. In the group of non-residential buildings, volumes have increased for office and commercial buildings, while reductions have been recorded in the construction of industrial and public buildings. Builders in surveys indicate insufficient demand and adverse weather conditions as limiting factors; however, demand has increased significantly during 2025, while the cold winter significantly delayed construction work in the introduction of 2026. The available volumes of EU funds, most of which are sold in the construction sector, will exceed the volumes of the previous year in 2026, which will also ensure further growth of the construction sector. A further increase in construction volumes is also indicated by increases in construction areas in newly applied construction permits, where an

increase of 30% in 2025 was followed by an increase of 11.7% in 2024. However, in the event of rapid development, the sector may start to be constrained by insufficient labour resources.

Transportation: In 2025, the transportation and storage sector experienced a 3.5% drop due to a further drop in freight volumes on the railways and Latvian ports, as well as a stagnation in passenger air transport. However, the decline of the sector was already much more moderate than in the previous two years, when the drop exceeded 10%, and this year the sector has opportunities to restore moderate growth.

Freight turnover in Latvian ports in 2025 decreased by 4.8% and the volume of rail freight transport was 14.5% lower than a year ago. The downturn, as in previous years, was mainly due to a decrease in the transit of Russian energy products. Freight turnover in road transport increased by 1.0% last year, driven by an increase in transport volumes domestically, while export transport experienced a drop.

The number of passengers at Riga Airport last year remained at the level of the previous year, accounting for 7.1 million, but the number of passengers in land transport, including road, rail and city electric transport, increased by 0.6%. There was a significant increase in passenger transport by rail – by 9.7%, driven by the use of new electric trains, while the number of passengers in regular road transport decreased by 3.3%.

In 2026, it is expected that passenger transport in land transport will continue to grow moderately and higher economic activity will ensure an increase in road freight transport as well, while freight transport volumes in transit and ports will have stabilised. Consequently, the sector as a whole may show a slight increase this year after three years of decline. In the following years, the transportation sector is expected to grow at the pace of economic development, based on the growth of domestic demand and transport within the borders of Latvia, as well as a moderate increase in international road transport in Europe.

In 2024, the value added of the **agricultural** sector had increased by 4%, whereas in 2025, the sector contracted by 3.2%. Agriculture was adversely affected by high rainfall in May-July 2025. Despite the rains, cereal yields increased last year, but open-field vegetables and potatoes were harvested at a lower rate than a year earlier. The average yield of potatoes decreased by 9.4% last year, while the yield of open-field vegetables decreased by 29.9%. In 2025, the prices of agricultural produce increased by 8.2%, driven by a 20.1% price increase for livestock production and a 17.1% price increase for milk. In contrast, the prices of crop products dropped by 3.7% in 2025. In 2025, the number of cattle decreased by 0.5% compared to 2024, while the number of pigs on Latvian farms increased by 2.5%, but the number of poultry increased quite significantly – by 17.5%, which is related to the expansion and modernisation of the existing egg producers.

Finance: In 2025, the ECB's refinancing and deposit rates continued to fall. The rates were last reduced on 11 June 2025 and have remained unchanged since then. Thus, after a two-year period in 2023 and 2024, when banks made substantially higher profits related to interest rate rises, in 2025, banks' profits have moderated. According to the unaudited data of the Bank of Latvia (hereinafter – the BoL), the total profit of the banks in 2025 in Latvia was EUR 341.7 million – by about 35% lower than in 2024, and this was the second successive year when the total profit of banks decreased with the reduction of interest rates. At the same time, the sector is well capitalised and maintains high liquidity. Lending in both the residential and corporate segments has also increased significantly, reaching an increase of 22.2% in 2025 for non-financial corporations and 11.6% for households respectively on an annual basis, and at the same time the share of bad loans has not increased significantly with the increase in lending.

Given the conflict in the Middle East and the subsequent rise in global fossil energy prices, it is currently difficult to predict the impact of inflation on the overall economy and subsequent

ECB decisions to raise interest rates, but possible ECB decisions to contain inflation (if any) should not affect the overall future growth of the financial sector.

Domestic consumption: After two years of stagnation, private consumption increased by 0.8% in 2025, driven both by strong salary growth and a gradual improvement in consumer confidence. With income growth remaining, and the attractiveness of deposits diminishing along with lower interest rates, private consumption growth is expected to accelerate in 2026, contributing more significantly to GDP growth. Public consumption increased by 3.3% in 2025, also showing a slightly higher rise than in previous years. In the coming years, the growth of public consumption is expected to be lower, close to 2%, but a significant impact on growth will be ensured by investments and investment projects of EU funds.

Investments: In 2025, investment activity in Latvia had a positive growth and a positive impact on economic development. In 2025, Latvia's GDP increased by 2.1%, which was also determined by an increase in investments at constant prices by 9.8% or up to 7,716.8 million *euro*. The share of investment in GDP increased to 24% in 2025, an improvement from 22.3% in 2024. However, promoting competitiveness and productivity in the long run requires a higher level of investment.

An increase in investment in 2025 was observed in virtually all types of fixed assets, and the overall increase was mainly due to an increase in investment in machinery and technological equipment, weapon systems, and other buildings and structures. Investment in machinery, technological equipment and weapon systems increased by 13.2% or EUR 425 million and in other buildings and structures – by 10% or by EUR 265 million. According to the data of the Road Traffic Safety Directorate (CSDD), in 2025 the number of first registered passenger cars increased by 12.12% and the number of trucks – by 1.7%. Investment in vehicles increased by 7.2% or EUR 77 million, housing 1.3% or EUR 9 million, intellectual property products 1.1% or EUR 7 million and only cultivated biological resources remained at the same level as in 2024 – EUR 40.2 million.

Surveys show that in 2025, manufacturing companies will direct 34.7% of planned investments to replace worn-out equipment, which is less than about 40% by 2022. At the same time, the share of investments dedicated to the rationalisation of production processes is increasing – in 2026 it will reach 26.8% (about 20% in previous years). These trends are positive, but they only reflect the intentions, not the investments actually made. In addition, in order to significantly increase productivity in the long run, the proportion of investments planned for rationalisation should be at a high level for a long time.

In 2025, investments in the construction of buildings (offices, housing, warehouses, etc.) increased by 8.8% or EUR 276 million. In the residential housing segment, the rise reached 1.3%, and in investments in buildings and structures – 10%. In 2025, the EU Structural Funds, the Recovery and Resilience Facility (hereinafter – the RRF) and other FFA funds – a significant source of investment – provisionally amounted to EUR 1,352.6 million by EUR 559.9 million more than in 2024, and by EUR 239.2 million more than in 2023. Since the majority of these funds are invested in construction, their increase contributed to the activity of the industry, especially in the segment of civil engineering. In 2025, the volume of construction production increased by 9%.

Construction activity and investment in both residential and other buildings and structures are expected to increase in 2026, driven by a number of factors. First of all, the stabilised construction costs and such a moderate increase in costs are no longer a serious obstacle to starting new projects. Second, financial conditions are gradually improving. Interest rates are starting to fall (though remain higher than before 2023), which improves lending opportunities and can give impetus to new projects. In addition, banks are more active in attracting new customers (e.g., in the household sector), which also encourages lending activity. Thirdly, a larger inflow of

investments from EU funds is expected. Projections show that in 2026 the investment volume of the EU Structural Funds and RRF will be by more than EUR 250 million higher than in 2025, which will increase public investment and provide additional impetus to private investment as well. At the same time, economic activity will remain good, so a steady increase in investment is expected. According to forecasts, the amount of investment in 2026 will increase by 7.5% in constant prices.

Foreign trade: In 2025, export volumes of goods and services increased by 0.1%, thus contributing 0.05 pp to GDP growth, and already accounting for EUR 26.9 billion in current prices. With an increase of 0.1% in volume, Latvia lags behind both the EU and *euro* area export growth rates, which are 2.3% and 2.1% respectively in volume terms.

Compared to 2024, 2025 has ended with a 5.4% increase in the total turnover of foreign trade goods, which is an increase of EUR 2,198.7 million *in euro*. In terms of export and import flows, growth is 3.7% for exports (+ EUR 698.1 million) and 6.9% for imports (+EUR 1,500.6 million), respectively. Consequently, the full export value of the goods is EUR 19.54 billion, but the total value of imports of goods is EUR 23.19 billion.

A positive background was created by some fluctuating, yet relatively favourable economic sentiment both in Latvia and in the main trading partner economies – Lithuania, Estonia and Germany, as well as in the *euro area* and the EU as a whole. In 2025, the goods trade balance was -3.7 billion EUR, which has worsened against 2024 as imports were fuelled by higher demand and price effects. In turn, Latvia traditionally shows a positive trade balance for services, which, although worsening from EUR 2.4 billion in 2024, but is also positive in 2025 and is equal to EUR 1.9 billion.

The largest groups in goods exports by proportion in 2025 were agricultural goods and food (22.7%), machinery and appliances (15.4%), and wood and wood products (15.3%). In current prices, agricultural goods and food accounted for an increase of 2.2%, machinery and appliances for an increase of 4.7%, while wood and wood products accounted for a decrease of 1.3%.

Exports of services increased by 5.7% in current prices, but excluding inflation, they increased by 1.0% in real terms. Compared to 2025 and 2024, the exports of transportation services in current prices fell by 5.6%, while the exports of the group of trips and other services increased by 9.9% and 11.4% respectively.

Diversification efforts – expanding markets outside the EU and exporting niche products – helped alleviate the weakness of demand in Europe. The MoF projections point to moderate export growth during 2025, with growth of 3.0% planned, but protectionist trends and the dynamics of the US-China conflict, as well as the Russian-induced war in Ukraine, remain uncertain. In these circumstances, it is particularly important to strengthen export competitiveness by making targeted investments in increasing productivity and added value.

Labour market: The previous slowdown in economic growth in 2023 and 2024 had only limited impact on the labour market. In 2025, with the resumption of faster economic growth, the number of the population employed in the economy has increased by 0.6%, reaching 883.1 thousand, while the unemployment rate has remained stable, at 6.9%.

Despite this small increase, the number of employees is still lagging behind the pre-pandemic, 2019 level, which is mainly due to the decline in the working-age population. In 2025, the number of 15-74 year olds in Latvia dropped by 0.2%, but the increasing participation in the labour market has ensured that the number of employed people has been able to increase. In 2025, 948.9 thousand people were involved in the labour market as employees or unemployed, which is 0.7% more than in 2024.

In the fourth quarter of 2025, the unemployment rate after the labour force survey was 6.7%, which is by 0.2 pp less than in the respective quarter a year ago. A similar picture of a decrease in unemployment is also shown by the most recent monthly data of the State Employment Agency – at the end of February 2026, the registered unemployment rate was 5.2% – by 0.5 pp lower than a year ago. Likewise, the acceleration of economic growth and the persistence of strong salary growth throughout the last year show that the demand for employees is still high, the labour market is tight and this year, in general, the unemployment rate will be lower than last year. Unemployment will continue to decline in the medium term, while demographic trends will limit employment growth, so the total number of employees will remain broadly stable in the medium term, with a slight downward trend.

Although at a slightly slower pace than in previous years, the population's income continued to grow strongly in 2025. After an increase of 11.9% in 2023 and 9.7% in 2024, the average monthly gross salary last year increased by 7.7% to EUR 1,815. Slightly faster salary growth in 2025 was in the private sector – by 8.1% to EUR 1,800, while in the public sector the average gross monthly salary increased by 7.0% to EUR 1,863.

Real net salaries, reflecting purchasing power, started to grow again in the following years after falling in 2022 due to high inflation, with the purchasing power of the working population recovering to its pre-inflation level in 2024. In 2025, real wage continued to increase, up by 6.3% year-on-year.

It is expected that in 2026 the average monthly gross salary will continue to increase, but the rate of growth will become slightly slower, which will be affected by salary growth restrictions in the public sector and a more moderate increase in the minimum salary. In 2026, the average monthly gross salary may increase by 6.5%, reaching EUR 1,933, and increasing at a pace close to 6% in the period up to 2030.

Inflation: In 2025, consumer prices in Latvia increased by 3.7%. Consumer price growth fluctuated within a relatively wide range throughout the year, however the overall trend was upward, driven largely by the rise in food prices. This level of inflation was one of the highest in the *euro* area, mainly due to high food inflation. According to *Eurostat's* Harmonized Index of Consumer Prices, the increase in the prices of food and non-alcoholic beverages in Latvia amounted to 6.3%, which was one of the highest indicators not only in the *euro* area but also in the EU as a whole. Even higher price increases in the group of food and soft drinks were recorded in Estonia (+7.0%) and Romania (+6.8%).

There are several objective factors for accelerating the rise in food prices. First of all, since September 2024, the rise in the price of raw food in the world has resumed, which is largely influenced by a weaker supply of dairy products, meat and oil. According to the Food and Agriculture Organisation of the United Nations (hereinafter – FAO), in 2025, the prices of raw food increased by 4.3%, which was mainly affected by the rise in the prices of dairy products, meat and oil. Secondly, statistical data show that Latvian food producers are also increasing their prices (+2.0% for locally marketed products). Thirdly, labour costs are increasing. According to *Eurostat* data, in the three quarters of 2025, labour costs in Latvia were by 7.4% higher than in the respective period a year ago. This is important in the context of comparing average inflation and food price inflation in Latvia and the *euro* area, as labour costs in the *euro* area grew at a significantly slower rate of 3.7% over the period. Fourthly, the poor harvest of vegetables, fruits and cereals in Latvia has also played a role. However, no less important factor is the weak competition in food retailing and the strong dominance of individual food retailers with a large market share. This market situation makes it impossible to absorb the effects of other factors. In 2025, the overall rise in food and soft drink prices provided 1.6 pp of contribution to inflation, accounting for almost half of the total increase in the prices of goods and services.

The rise in food prices in January and February 2026 decreased to 3.9% and 2.4% respectively, compared to the respective month of 2025. This is still higher than average inflation, but it is significantly lower than in the previous year. Food prices will continue to receive increased attention this year, as groceries will remain one of the main reasons for the rise in consumer prices. Raw food prices have been on a declining trend since October 2025. If this trend continues, there are prerequisites for lowering the prices of imported food. In addition, for certain basic food products, from July 2026, the value added tax (hereinafter – VAT) rate will decrease from 21% to 12%. These factors should mitigate the rise in food prices in 2026. However, labour shortages will continue to put pressure on labour costs, including in the retail sector, albeit at a slightly lower level than in 2025. Rising electricity and heat energy prices, as well as the prices of water supply and waste collection services, will also not allow for a significant reduction in food prices.

Gas and oil prices in 2025 followed a downward price trend, mainly due to higher supply and stable demand. *Brent* brand oil prices dropped to 60 US dollars per barrel last December, the lowest level since February 2021. This had a positive impact on fuel prices in Latvia, which were by 2.1% lower overall last year compared to the previous year. Prices fell for both petrol and diesel, despite the increase in excise duty (hereinafter – ED) rates. In turn, the price of gas in Europe at the end of 2025 reached the lowest level in almost two years – EUR 28/MWh, which had a beneficial effect on heat energy tariffs, which were on average 4.4% lower in Latvia last year. Households, in turn, experienced an increase in electricity prices, although the price of electricity on the *Nord Pool* in 2025 was generally equivalent to the previous year. In total, electricity bills for households increased by 9.8% in 2025, largely due to lower state support to cover distribution tariffs for capacity maintenance and an increase in electricity prices in the second half of the year.

Salary growth started to slow in 2025, but the pressure on total business costs has remained high and continues to sustain price increases in the service sector. In service sectors such as catering and accommodation, recreation and culture, healthcare and education, labour costs account for a significant share of total costs. In 2025, price increases in these sectors were higher than average inflation. This trend will continue in 2026.

According to the updated forecasts of the macroeconomic indicators of the MoF, the growth of the consumer price index in 2026 is projected at 2.9%. Inflation will be most significantly affected by food prices, as well as higher utility tariffs, including electricity and heat tariffs. In addition to this, other commercial services will also experience sustained inflation. In 2026, inflation will also be affected by changes in ED rates. Since January 2026, the rate of ED has increased for fuel, natural gas, tobacco products, tobacco substitutes and electronic smoking devices. In turn, from 1 March 2026, the ED rate for alcoholic beverages has increased. At the same time, a reduction in the VAT rate on certain foods will slightly soften the rise in ED rates. According to the assessment of the MoF, changes in tax rates in 2026 will increase average inflation by 0.5 pp.

It is important to note that developments in the Middle East can have a significant impact on consumer price dynamics as of March this year. Although the Persian Gulf States are not among the 20 largest export markets of Latvia (the largest export partner in the region is the United Arab Emirates with an export value of goods of EUR 106 million or 0.54% of the total Latvian goods exports in 2025), the energy market is global and closely interrelated. Therefore, the potential impact on the Latvian economy could be significant both this year and next year. The extent of the negative impact on the economy will largely depend on the duration of the military conflict and its geographical escalation. The longer the conflict continues, the more noticeable its impact on energy prices could be, which in turn will have an impact on consumption and production costs in Latvia and will be directly reflected in the purchasing power of the population. Latvia does not directly import Iranian oil or gas. However, the energy market is not local – it is an interconnected mechanism, where supply risks in one region raise the price level worldwide. Although the Strait

of Hormuz is not officially closed, military activity, increasing insurance risks and restrictions on ship movements caused an immediate price reaction in the energy markets.

3.3 Macroeconomic development scenario for 2026-2030

The medium-term macroeconomic development scenario developed by the MoF in February 2026 based on the GDP data of the first three quarters of 2025, as well as information on short-term macroeconomic indicators available until February. When developing the medium-term macroeconomic development scenario, the MoF has consulted with BoL, MoE, EC and IMF experts. The projections for macroeconomic indicators have been approved by the FDC on 13 February 2026. On 16 March 2026, the FDC approved technical adjustments to the macroeconomic forecasts, taking into account the current GDP indicators published by the CSB. The macroeconomic development scenario for 2026-2030 predicts the acceleration of Latvia's economic growth to 2.6% in 2026, with growth close to this level also stabilising throughout the period until the end of the forecast period.

The recovery of economic growth will be ensured by the still strong growth of investments, particularly due to faster absorption of EU funds, as well as a more significant growth of private consumption and faster export growth, gradually improving the situation in Latvia's main export markets.

Private consumption in 2026 is projected to grow by 2.9%, which will be ensured by an increase in the income of the population and an increase in purchasing power with a decrease in prices, as well as a gradual improvement in confidence and a decrease in deposit interest rates. In the coming years, with the relatively high growth rate of salaries, the growth of private consumption may accelerate further, approaching the level of 3%. The contribution of private consumption to GDP growth in 2026 will be 1.7 pp remaining close to this level in the period up to 2030.

Public consumption, with the pace of salary growth in the public sector decreasing, will grow more moderately in 2026 than in previous years (+1.5%), with growth accelerating slightly in later years and stabilising at around 2% per year in the medium term.

Investment growth in 2026 is projected at 7.5% in constant prices, which will be driven by high construction activity, with more favourable lending conditions and activation of lending, as well as due to the active implementation of investment projects of EU funds. In 2027, gross fixed capital formation could increase slightly slower by 6.0%, after which growth rates stabilise at 4-5% until 2030.

Exports of goods and services, following the stagnation of the previous three years, will restore moderate growth of 3.0% this year, as demand in foreign markets improves. Thereafter, export growth could accelerate slightly further in the medium term.

Inflation in 2026 is projected at 2.9% – slightly lower than in 2025, but still at a relatively high level, driven by food price dynamics, upward changes in energy and heat energy prices, as well as steadily rising labour costs. In the following year, inflation is projected to fall to 2.6%, after which price increases stabilise at 2.3%, which corresponds to the level of price increases in a converging country.

Monthly average **salaries** will grow slightly slower this year after the sharp rise of previous years – by 6.5%, which will be determined by a more moderate price increase and limited salary expenditures in the public sector. The MoF predicts that the average monthly gross salary will reach EUR 1,933 this year, and will continue to increase at an average rate of 6% per year until 2030.

Changes in economic growth so far have not had a significant impact on labour market indicators and unemployment, which is mainly determined by the demographic situation and the decline in the working-age population. After stabilising at 6.9% in the last two years, the **unemployment rate** is projected to fall to 6.6% of the economically active population this year. Unemployment could gradually approach 6% in the coming years due to faster economic growth and demographic situation. The number of people employed in the economy will remain relatively stable, at the level of 880-870 thousand, with a slight downward trend.

Table B. Macroeconomic indicators 2025-2030

	2025	2026	2027	2028	2029	2030
	fact	forecast				
Gross domestic product, EUR million	43,026	45,638	48,263	50,947	53,665	56,542
changes in current prices, %	5.8	6.1	5.8	5.6	5.3	5.4
changes in constant prices, %	2.1	2.6	2.7	2.6	2.5	2.5
deflator (year on year), %	3.6	3.3	3.0	2.9	2.8	2.8
CPI (year on year), %	3.7	2.9	2.6	2.6	2.3	2.3
Average monthly gross salaries of employees, EUR	1,815	1,933	2,049	2,172	2,302	2,429
changes in current prices, %	7.7	6.5	6.0	6.0	6.0	5.5
changes in constant prices, %	3.8	3.5	3.3	3.3	3.6	3.1
Employment, thousand residents (according to the labour force survey)	883	883	881	879	874	870
changes, %	0.6	0.0	-0.2	-0.3	-0.5	-0.5
Unemployment rate (annual average), % of economically active population	6.9	6.6	6.2	6.0	6.0	5.8

3.4 Long-term GDP forecast, potential GDP dynamics

Potential GDP growth in the 2026-2030 period is projected to average 2.2%, slightly lower than the average economic growth over the last fifteen years (2.4%), but slightly higher than previous projections. The low growth is influenced by the negative contribution of the labour component, but the increase is determined by higher capital inflows and the capital component. The reduction in the volume of the labour component limits the growth of the potential GDP, reducing it on average by 0.3 pp per year, which is in line with the demographic trends in Latvia. The drop in the number of employees is partially compensated by an increase in productivity. Consequently, the main drivers of growth will be the accumulation of capital and the increase in total factor productivity, the contribution of which will amount to 1.4 pp and 1.1 pp, respectively, on average over the forecast period.

Table C. Potential GDP dynamics and contribution of factors in 2025-2030

	2025	2026	2027	2028	2029	2030
Potential GDP growth, %	1.8	1.9	2.1	2.2	2.4	2.4
Labour, pp contribution	-0.1	-0.2	-0.3	-0.3	-0.3	-0.5
Capital, pp contribution	0.8	1.1	1.3	1.4	1.6	1.6
Total factor productivity, pp contribution	1.0	1.0	1.1	1.1	1.1	1.2

4 FISCAL SITUATION

4.1 Fiscal performance in 2025 and assessment for 2026

MoF, taking into account the data of the Treasury (hereinafter – TT) on the implementation of the consolidated general budget in 2025, has updated the assessment of the general government budget balance for 2025. According to the methodology of the European System of National and Regional Accounts (hereinafter – ESA), the **general government deficit in 2025 was EUR 1,019.5 million or 2.4% of GDP**. The budget deficit was by 0.5 pp lower than projected last August. This was mainly due to higher advance payments for military assets, the supply of which is expected in the coming years, better economic performance of enterprises classified within general government sector, as well as lower state budget expenditure on social benefits than previously forecast. Official data on the general government deficit and debt of 2025 will be available in the second half of April this year, when the calculations of all transactions in the general government sector will be completed, including the performance of enterprises classified within general government sector, as well as debtors and creditors significantly affected by the increasing funding in the defence sector. At the end of the calculation, the CSB submits a general government deficit and debt notification to *Eurostat*⁸. As part of the government deficit and debt notification, *Eurostat* will publish official data on 22 April 2026.

The general government deficit in 2025 has increased compared to 2024, mainly due to increased funding for social support and defence, as well as more intensive investments in the implementation of EU fund projects. The central government deficit increased by 0.3 pp to 3.1% of GDP in 2025 (see Figure 4.1), while the local government balance deteriorated from 0.2% to -0.3% of GDP. In the Social Security Fund, the budget surplus increased from 0.9% to 1.0% of GDP.

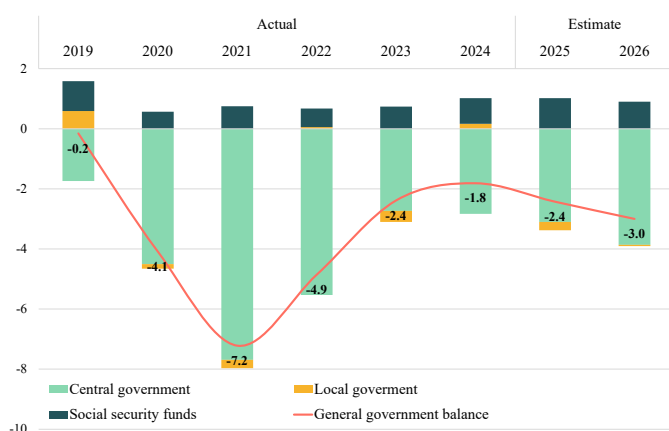


Fig. 4.1. General government budget balance by sub-sector, % of GDP (Data source: Eurostat, MoF)

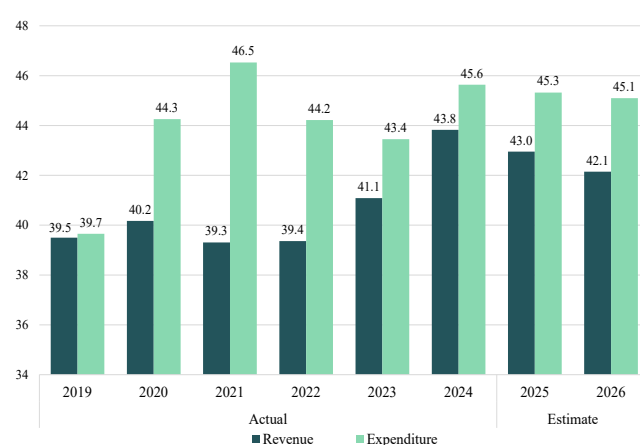


Fig. 4.2. General government revenue and expenditure as % of GDP (Data source: Eurostat, MoF)

In 2025, compared to 2024, general government budget revenue increased by EUR 793.2 million, or 4.5%, to EUR 18.5 billion, accounting for 43.0% of GDP (see Figure 4.2). The increase in budget revenue was driven by an increase in general government tax revenues of EUR 583.4 million or 4.1%, which accounted for the largest share of revenue,

⁸ The notification of the general government deficit and debt in accordance with the requirements of Regulation (EC) No 479/2009 shall be submitted to *Eurostat* twice a year – by 1 April and 1 October. Within three weeks of the above-mentioned deadlines, *Eurostat* is obliged to publish the results of the notification.

or EUR 14.9 billion. The share of tax revenue in GDP reached 34.5%, which is by 0.9 pp less than in 2024.

In 2025, there was a drop in current taxes on income, wealth, etc. (D.5) by EUR 58.6 million or 1.6%. In contrast, net social contributions (D.61) increased by 8.1% or EUR 387.5 million, reflecting the dynamics of remuneration changes in the economy. The fluctuations in income were influenced by the tax reform carried out (both the redistribution of 1 pp of mandatory State social insurance contributions (hereinafter – MSSIC) from the Tier 2 pensions to Tier 1, and the increase of personal income tax (hereinafter – PIT) relief, etc.), which was compensated by the increase in the total payroll fund. According to the State Revenue Service, the total payroll fund increased by 6% in 2025, which was affected by both the raising of the minimum wage and the decisions taken by the government on the increase of remuneration for certain categories in the public sector. In turn, the sharp rise in corporate income tax (hereinafter – CIT) revenue in 2025 is explained by the income of the headline CIT plan in January 2025, which was related to the behaviour of taxpayers, distributing profits at the end of 2024 and paying dividends by companies to individuals, as from 2025 an additional PIT rate of 3% is applied to excess income above EUR 200,000.

In turn, the indicators of taxes on production and imports (D.2) have maintained a stable growth trend of 4.7% or EUR 272.8 million. VAT revenue in 2025 grew significantly faster than the year before. It should be noted that VAT contributions in the second half of 2025 show a steady increase, which indicates a resumption of economic growth. Higher contributions have been made in trade and certain service sectors, including transport and telecommunications and manufacturing. Also, as payments for realised projects increased in the last months of the year, the amount of tax paid by the state administration and the defence industry also increased. There is also an increase in excise tax revenue in 2025. The biggest contribution came from the increase in revenues from petroleum products and tobacco products, which is attributable to the increase in excise tax rates as of 1 January 2025.

General government budget expenditure increased by EUR 1.1 billion or 5.9% in 2025, reaching EUR 19.5 billion or 45.3% of GDP (see Figure 4.2). Expenditure increase in 2025 (by EUR 318.9 million or 6.0%) was observed for the compensation of employees (D.1), which was determined by the increase in the minimum wage in the country from EUR 700 to EUR 740 as of 1 January 2025, as well as an increase in the remuneration of employees of the defence, internal affairs and justice sectors, including employees of the State Police, the State Fire and Rescue Service, the State Border Guard and the Prison Administration, as well as higher salaries of teachers. It should be noted that the growth rate for expenses for remuneration decreased in 2025, compared to 2024, when it reached 11.3%.

In 2025, expenditure on social payments (D.632 and D.62) also grew significantly by EUR 391.9 million or 6.6%. As the average amount of pensions continues to increase, spending on old-age and disability pensions has increased. From 1 October 2025, all pensions granted (old-age, disability, retirement and survivors' pensions and indemnities) were indexed if they did not exceed EUR 1,488 (100% of the average insurance contribution salary of the previous calendar year), while in 2024 pensions not exceeding EUR 683 were reviewed. Data from the State Social Insurance Agency (hereinafter – SSIA) for 2025 shows that the average old-age pension paid to a pensioner (with a bonus) was by 11.9% higher than a year ago, reaching EUR 616, which was also affected by the increase of the non-taxable minimum of pensions from 1 January 2025. The number of recipients of old-age pensions in 2025 exceeded 427 thousand and has increased slightly compared to 2024. In 2025, expenditure on unemployment benefit was higher than a year ago, which can be explained by an increase in the average amount of benefit, while with an increase in economic activity, the number of beneficiaries decreased on average per month in 2025 from 32,766 in January to 28,222 in

December. Spending on sickness benefits in 2025 was higher than a year ago. The average amount of sick pay increased in line with the increase in the average salary, while the number of beneficiaries decreased slightly compared to 2024.

In 2025, payments of a social nature have also increased in the budget of the local government, with a significant increase in the payment for social care at home, as well as in the payment for the services provided by long-term social care and social rehabilitation institutions, with an increase not only in the number of people in need of care, but also in the amount of assistance provided.

Spending on investment or gross fixed capital formation (P.51g) in 2025 has grown by EUR 55.5 million or 2.2%, which is explained by increased spending on investments in the implementation of Cohesion Policy EU funds and RRF projects in both central and local government budgets.

On the basis of budget implementation trends in 2025 and the first two months of 2026, as well as revenue and expenditure forecasts updated in March 2026 in accordance with the updated macroeconomic development scenario, and taking into account the forecasts submitted by enterprises classified within general government - regarding the impact of their economic and financial performance on the balance sheet, the MoF has updated the assessment of the general government budget balance for 2026. The **general government deficit of 2026 is projected at EUR 1,367.8 million, or 3.0% of GDP**, which, compared to the Law on the *State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028* approved in December 2025, is by 0.3 pp lower. Compared to 2025, the deficit is projected to be by 0.6 pp higher overall, with the deficit in the central government basically increasing (by 0.8 pp), where it will reach 3.9% of GDP. The balance of the local government is projected to be balanced, improving by 0.3 pp, while the balance of the social security funds will decrease by 0.1 pp, reaching 0.9% of GDP.

According to forecasts, the share of general government revenue in GDP in 2026 will be lower than in 2025 and will reach 42.1% of GDP. In 2026, the increase in general government tax revenue compared to 2025 is projected at 5.9% or EUR 881.1 million. The share of tax revenue in GDP is expected to remain at 34.5% in 2026.

In 2026, current taxes on income, wealth, etc. (D.5) are projected to be EUR 165 million or by 4.5% higher than in 2025, while net social contributions (D.61) are projected to be by 6.9% or EUR 349 million higher. The tax revenue projections stem from the actual execution in 2025 and the renewed macro scenario, which overall marks a more positive development than planned in the budget.

With the growth of the total payroll fund, the PIT revenue according to the ESA is expected to increase by EUR 186.5 million in 2026. According to the data of the declarations of the State Revenue Service, the total payroll fund in December 2025 and January of this year increased by an average of 4.7%.

The increase in taxes on production and imports (D.2) in 2026 is expected to be moderate – 5.9% or EUR 358.9 million. VAT contributions to cash flow in the two months of 2026 increased by 7.5% compared to the two months of 2025, where the growth in the retail and energy sectors should be highlighted. VAT refunds, on the other hand, have increased at a lower rate than contributions or by 1.9%.

According to forecasts, the share of general government expenditure will increase in 2026 compared to 2025 and will be 45.1% of GDP. Compared to 2025, general government expenditures are projected to increase by EUR 1.1 billion or 5.5%.

According to forecasts, the share of general government expenditure will increase in 2026 compared to 2025 and will be 45.1% of GDP. Compared to 2025, general government expenditures are projected to increase by EUR 1.1 billion or 5.5%.

Expenditure on compensation of employees (D.1) in the general government budget has grown significantly in recent years and will also be EUR 174.3 million or by 3.1% more in 2026 than in 2025. The rise is driven both by an increase in the minimum wage in the country from EUR 740 to EUR 780 as of 1 January 2026, as well as an increase in remuneration for those working in the interior affairs sector. The increase in expenses for remuneration in the local government budget is largely due to higher expenditures for teachers' salaries. When forecasting expenses for remuneration, changes in average salary forecasts were taken into account, as well as expenditure execution trends in the two months of this year.

Interest expenditure (D.41) in 2026 is projected to be EUR 100.1 million or by 19.8% higher compared to 2025. The size of the nominal deficit increases the need for borrowing.

In 2026, expenditure on social payments (D.632 and D.62) is projected to increase by EUR 657.7 million, or 10.3%, mainly for higher spending on old-age pensions, as well as for the payment of sickness and unemployment benefits. Compared to 2025, expenditure on old-age pensions is projected at EUR 219.3 million or 6.5% higher. Two-month spending on old-age pensions in 2026 also shows a slight increase. According to the forecasts of the Ministry of Welfare (hereinafter – MoW), expenditure on sickness benefits will increase by EUR 47.7 million or 12.2%. Similarly, expenditure on unemployment benefits in 2026 is projected to be EUR 7.6 million or by 4% higher than the year before, where the increase is influenced by the increase in the average amount of benefit paid. In February 2026, the number of recipients of unemployment benefit fell by 7.8%, while the average amount of benefit granted grew by 9.4%.

Gross fixed capital formation (P.51g) in 2026 is projected to be EUR 354.0 million or by 13.5% higher than in 2025. The changes are mainly due to increased investment in the defence sector to strengthen overall capabilities. Higher expenditures are also planned in the budget of the local government (municipalities), taking into account the actual implementation of 2025. Already in the two months of 2026, an increase of 35.6% has been observed in the municipal budget for the formation of fixed capital expenditures, compared to two months a year ago, where the increase is observed in expenditures for the implementation of EU fund projects – significantly more than in the two months of 2025 spent on transport structures, as well as construction, overhaul and reconstruction projects. It should be noted that the total increase is affected by certain adjustments to the ESA, which reduce the amount of P.51g, including military assistance to Ukraine and advance payments for asset deliveries planned for the following periods.

4.2 Fiscal projections under no-change policy for 2027-2030

General government budget forecasts for the medium term under no-change policy were prepared on the basis of budget implementation trends in 2025 and the first two months of 2026, as well as revenue and expenditure forecasts updated in March 2026 in accordance with the updated macroeconomic development scenario, as well as taking into account forecasts submitted by economic operators classified in the general government sector regarding the impact of their economic and financial performance on the balance sheet.

The forecasts were made in conditions of high uncertainty, which is additionally affected by the conflict in the Middle East, which has led to a sharp rise in energy prices. The external environment puts additional pressure on Latvia's weak economic growth, but the

impact of the conflict in Iran on the economy and tax revenues is not directly embedded in the projections. The general government budget forecasts take into account the amendments to the State Defence Financing Law adopted by the *Saeima* on 26 March 2026 at its final reading, providing for 5% of GDP to be allocated to defence from 2027 instead of the previous 3%.

Under **no-change policy, the general government budget projects a deficit of 4.0% of GDP in 2027, 5.1% of GDP in 2028, 4.2% of GDP in 2029 and 3.4% of GDP in 2030** (see Table D). Compared to the law “On the State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028” approved in December 2025, the general government deficit in 2027 is projected to be by 0.1 pp higher, while in 2028 the deficit is projected to be by 1.6 pp higher. A higher deficit is basically determined by an increase in spending on national defence.

Table D. General government budget indicators under no-change policy

	Code (ESA)	2025	2026	2027	2028	2029	2030
		% of GDP					
Net lending (+) or borrowing (-) (B.9) by sub-sector							
General government	S.13	-2.4	-3.0	-4.0	-5.1	-4.2	-3.4
Central government	S.1311	-3.1	-3.9	-4.5	-5.7	-4.4	-3.4
incl. reclassified enterprises		-0.1	-0.1	-0.1	-0.1	-0.1	0.0
Local government	S.1313	-0.3	0.0	0.0	0.0	0.1	0.2
incl. reclassified enterprises		0.0	0.0	0.0	0.0	0.0	0.0
Social security funds	S.1314	1.0	0.9	0.6	0.5	0.1	-0.2
General government (S.13)							
Total revenue	TR	43.0	42.1	41.5	40.3	38.5	37.8
incl. tax revenue		34.5	34.5	34.2	33.6	33.1	32.8
Total expenditure	TE	45.3	45.1	45.4	45.4	42.7	41.2
incl. interest expenditure	D.41	1.2	1.3	1.4	1.4	1.6	1.6

According to forecasts, the share of general government **revenue** in GDP in 2027 will be lower than in 2026 and will reach 41.5% of GDP⁹ (see Figure 4.3). In the following years, under no-change policy, it will continue to decrease – to 40.3% in 2028, 38.5% in 2029 and 37.8% of GDP in 2030, respectively. The decrease in revenue from 2028 is influenced by the decrease in the flows of the FFA, given that the forecasts do not include flows within the 2028-2034 EU's multi-annual financial framework. .

The growth of tax revenues in projections under no-change policy foresees lower growth than the nominal GDP growth rate, so the proportion to GDP will decrease year on year, from 34.5% of GDP in 2026 to 32.8% of GDP in 2030. In 2027, the general government tax revenue

Actual data on ⁹ revenue and expenditure according to the October 2025 notification of the General Government Deficit and Debt (GGD)

is projected to increase by 5.0% compared to 2026. At the end of 2025, the approved budget projected a 4.5% increase, while the updated macroeconomic development scenario predicts slightly faster economic growth, higher inflation and faster growth in the wage bill than previously projected. In the coming years, tax revenue growth in a no-change policy scenario will slow down.

In 2027, current taxes on income, wealth, etc. (D.5) are planned with a 4.9% increase compared to 2026, but social contributions (D.61) at a 5.4% higher level. The lower growth rate of current taxes on income, wealth, etc. (D.5) is determined by a moderate increase in income from corporate income tax and vehicle operation tax (hereinafter – VOT) in 2027. Until 2027, income from solidarity contributions made by banks is projected in the current taxes on income, wealth, etc. (D.5), which the banks make for a limited period of time from 2025 to 2027. The increase in current taxes on income, wealth, etc. (D.5) is projected at 1.9% in 2028, 5.2% in 2029 and 5.1% in 2030. Social contributions (D.61) are projected to increase by 5.5% in 2028, 1.9% in 2029 and 4.8% in 2030. From 2029, the norm that determines the lower amount of taxes to be transferred to the 2nd Pillar pensions will expire, and the rate of social contributions to the funded pension scheme will return to 6%, while the temporary norm in 2025-2028 provides for 5%. Termination of the corresponding norm will worsen the balance of social security funds, with a significant reduction of the surplus in 2029 and the formation of a deficit in 2030.

The increase in taxes on production and imports (D.2) in the budget under no-change policy is expected to be moderate – 4.6% in 2027, 3.4% in 2028, 4.1% in 2029 and 3.7% in 2030, mainly due to low excise revenue growth, while VAT revenue growth is projected to be close to nominal GDP change. In general, revenue growth is expected to be slightly below the forecasted growth rates of the Latvian economy, as the nominal level of the real estate tax and the level of individual non-tax revenue in the medium term under no-change policy are also projected without a significant increase.

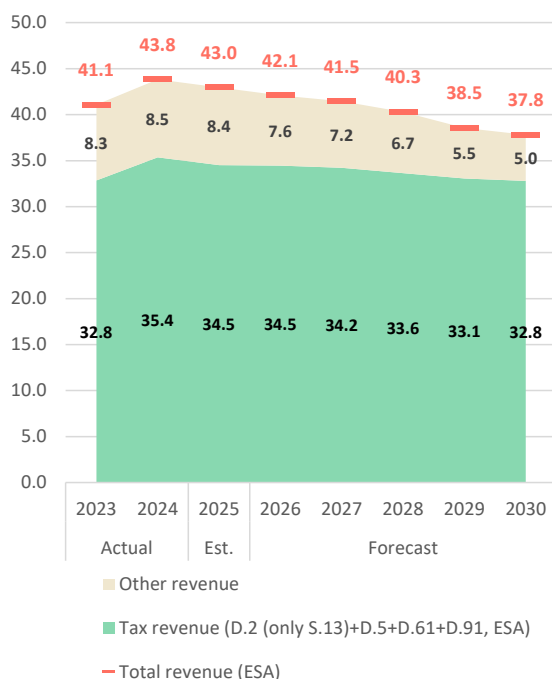


Fig. 4.3. General government revenue by economic classification, % of GDP (Data source: Eurostat, MoF)

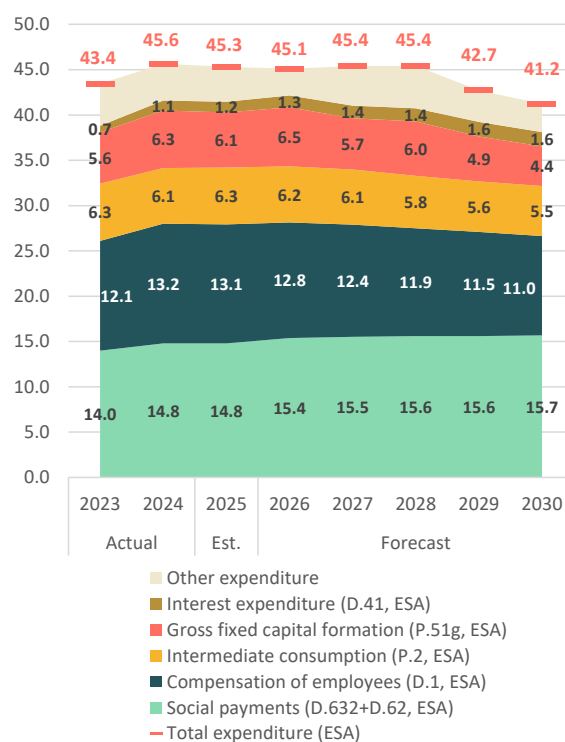


Fig. 4.4. General government expenditure by economic classification, % of GDP (Data source: Eurostat, MoF)

According to the forecasts, the share of general government **expenditure** in GDP under no-change policy will grow to 45.4% of GDP in 2027 compared to 2026, will remain at 45.4% of GDP in 2028, but will decrease in 2029 and 2030 to 42.7% and 41.2% of GDP, respectively (see Figure 4.4). A high level of expenditure until 2028 is determined by the increase in defence expenditure under the ESA in the central government budget, taking into account expected deliveries of fixed assets and equipment, including advances made in previous years. In turn, the decision of the *Saeima* to raise spending on defence to 5% of GDP determines that in the no-change policy scenario, a high level of spending and, accordingly, the deficit remains throughout the forecast period.

Spending on compensation of employees (D.1) related to GDP increased by 2 pp since 2019 to 13.2% of GDP in 2024. Starting in 2025, the government implemented measures to discourage further increases in remuneration in the general government budget, so in 2026 the D.1 expenditure will be 12.8% of GDP, and in 2027 12.4% of GDP in the no-change policy scenario. General government expenditure on compensation of employees (D.1) will be by 2.5% higher in 2027 than in 2026, but will increase by 1.7% in 2028 in the no-change policy scenario. It should be noted that the minimum wage in Latvia is gradually being increased, and in 2026 it has been increased from EUR 500 to EUR 780, or by 56%, compared to 2021. Forecasts assume that it will increase to EUR 820 in 2028, or by 5.1% more. A high level of compensation expenditure is also due to the redirection of additional funding to those employed in the home affairs sector, as well as those employed in the defence department, health and education sectors. With no-change policy in the medium term, the remuneration-to-GDP ratio will decrease to 11.0% of GDP in 2030, due to the absence of decisions on further increases in the central government budget.

Intermediate consumption expenditure (P.2) is projected at 6.1% of GDP in 2027, close to the level observed in previous years, but will decrease annually in proportion to GDP to 5.5% of GDP in the no-change policy scenario in the following years. It is also influenced by the non-inclusion of the new 2028-2034 EU multiannual budget funding in the forecasts.

The share of interest expenditure (D.41) in GDP has been rising since 2024, which was 0.9% of GDP, and this trend will continue in the medium term. Higher interest rates and the size of the headline deficit increase the need for borrowing, so that the share of interest expenditure will gradually increase to 1.6% of GDP in 2030.

Social payments (D.632 and D.62) has increased in relation to GDP in recent years, which is largely due to the indexation of pensions and benefits, which was faster than economic growth. If in 2019 they accounted for 12.4% of GDP, then in 2026 the projected share will reach 15.4% already. The upward trend will continue in the coming years and in 2030 social payment expenditure will already account for 15.7% of GDP under no-change policy. This increase is mainly due to higher spending on old-age and disability pensions, and the proportion of sickness benefits to GDP is also growing. Expenditure on old-age pensions continues to increase, taking into account the annual indexation. If, as a result of raising the retirement age up to 65 years, the number of recipients decreased, then at the end of the reform, starting from 2026, according to demographic forecasts, the number of recipients of old-age pensions will increase compared to the previous year – in 2027 by 4.5 thousand persons or 1.1%, in 2028 – by 3.4 thousand or 0.8%, in 2029 – by 2.3 thousand or 0.5%, and in 2030 – by 2.1 thousand or 0.5% more than in the previous year. The projected number of recipients of old-age pensions will increase from 432.1 thousand to 444.4 thousand persons in the period from 2026 to 2030.

The increase in gross fixed capital formation (P.51g) is driven both by the implementation of FFA projects, including RRF funds available until 2026, as well as increasing spending on strengthening defence capabilities. Similarly, funding for the implementation of the Rail Baltica project is planned at a significantly higher level in 2026 - 2028, while its amount in the following years is planned to the extent for which the decisions of the Cabinet of Ministers (hereinafter – the CoM) have been adopted. In 2026, P.51g expenditures are projected at 6.5% of GDP, in 2027, P.51g expenditures will be lower compared to 2026 by 8.1% and will account for 5.7% of GDP, still at a high level. The decrease in expenditures is mainly explained by the decrease in the investment expenditures of the FFA. In the following years, under no-change policy, P.51g expenditures are projected at 6.0% of GDP in 2028, 4.9% of GDP in 2029 and 4.4% of GDP in 2030, which will mainly be determined by defence investments, as well as the implementation of FFA projects at the level of central and local government. Defence expenditures are increasing year on year, while arms supply forecasts are being adjusted, thus, in accordance with the COFOG and ESA methodology, defence expenditures will be 4.1% of GDP in 2026, 5.4% of GDP in 2027, 6.5% of GDP in 2028, then will decrease to 5.4% of GDP in 2029 and 5.2% of GDP in 2030, respectively (see Figures 4.5 and 4.6).

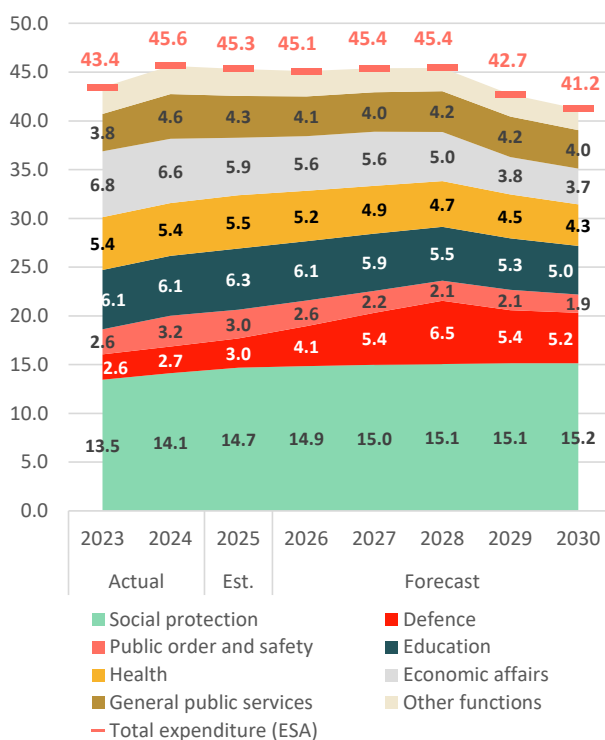


Fig. 4.5. General government expenditure by COFOG classification, % of GDP
(Data source: CSB, MoF)

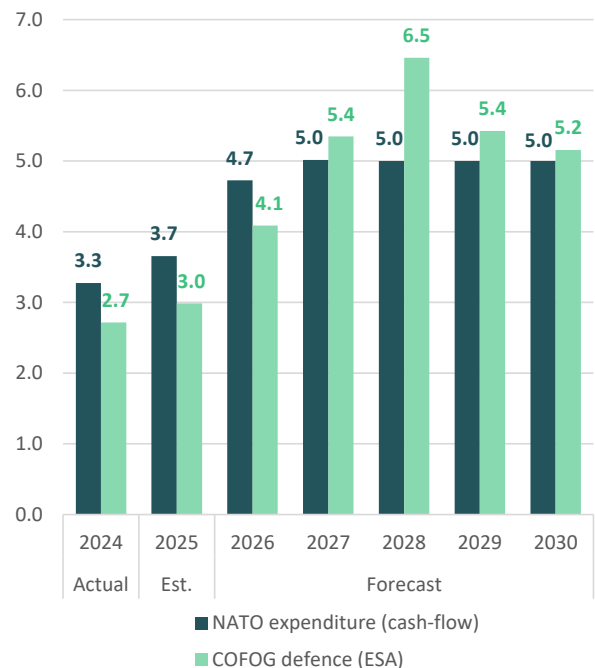


Fig. 4.6. Defence expenditures by NATO and COFOG, % of GDP
(Data source: CSB, MoF)

4.3 Tax revenue projections for 2027-2030

Forecasts of tax revenue in the general government budget are prepared under unchanged tax policy scenario, based on forecasts of macroeconomic indicators, as well as taking into account the actual tax execution and previously adopted changes in laws and regulations. Tax revenue projections do not take into account the impact of the Middle East conflict, which has caused global energy supply disruptions and may have a negative impact on both macroeconomic indicator and tax revenue projections.

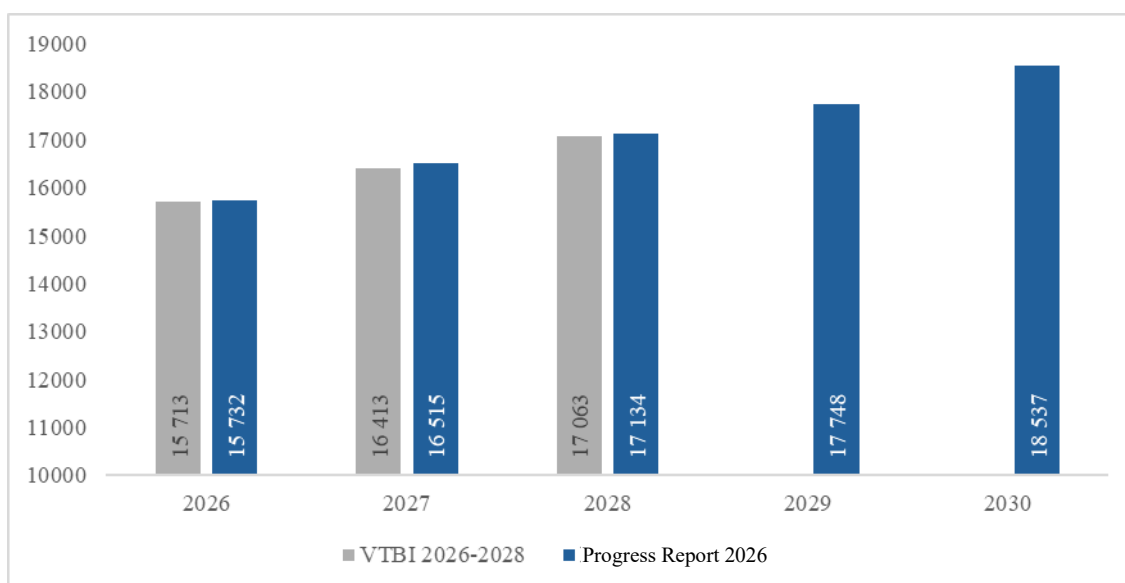


Fig. 4.7. General government tax revenue forecasts compared to the law “On the State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028” EUR million

Compared to 2026, in 2027, the general government tax revenue is projected to increase by 5.0%, which is by 0.5 pp higher than in the approved law “On the State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028”. In the coming years, the dynamics of tax revenue will become more moderate – anticipating a 3.7% increase in 2028, 3.6% in 2029 and 4.4% in 2030, maintaining a faster growth rate than that planned in the law “On the State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028” (3.9% in 2028 and 2.6% in 2029). For the most part, in all the years considered, the dynamics of the general government tax revenue remains more favourable than provided for in the law “On the State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028”, since the main indicators of economic development as a salary payment fund and growth in consumption, which directly affect the main tax groups – labour taxes and consumption taxes, have a higher growth than previously projected.

Table E. Tax revenue in the general government budget, EUR million

	Code (ESA)	2026	2027	2028	2029	2030
1 Taxes on production and imports	D.2	6,482.1	6,782.5	7,012.7	7,297.1	7,567.5
2 Current taxes on income, wealth, etc.	D.5	3,839.6	4,028.3	4,105.6	4,320.6	4,542.9
3 Capital taxes	D.91	14.1	14.1	14.1	14.8	14.8
4 Social contributions	D.61	5,396.4	5,690.2	6,001.4	6,115.2	6,411.5
<i>Of which actual social contributions</i>	<i>D.611 and D.613</i>	<i>5,159.5</i>	<i>5,453.3</i>	<i>5,764.5</i>	<i>5,878.2</i>	<i>6,174.6</i>

Table F. Tax revenue in the general government budget, compared to the law “On the State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028”, EUR million

	Code (ESA)	2026	2027	2028	2029
1 Taxes on production and imports	D.2	+9.4	+42.8	-25.0	+48.3
2 Current taxes on income, wealth, etc.	D.5	+8.6	+40.5	+32.0	+73.4
3 Capital taxes	D.91	-0.3	-0.3	-0.3	+0.4
4 Social contributions	D.61	+1.9	+16.5	+63.6	+110.4
<i>Of which actual social contributions</i>	<i>D.611 and D.613</i>	+12.7	+27.3	+74.5	+121.2

In 2027, taxes on production and imports (D.2) revenue are projected to increase by 4.6% compared to 2026, 3.4% in 2028, 4.1% in 2029 and 3.7% in 2030. In 2027, the largest increase is projected for VAT revenue in the amount of EUR 262.2 million or 6.0%, which also accounts for the most significant part of production and import tax revenues, reaching a share of 69%. It should be noted that the pilot project, which will enter into force on 1 July 2026, will end in mid-2027 with the application of a reduced VAT rate of 12% (as a general rule, the standard rate of 21%) for the supply of primary food products – bread, fresh, sterilised or pasteurised milk, fresh poultry eggs (in shell) and fresh chilled poultry meat. Taking into account the economic development trends, especially the dynamics of domestic demand and private consumption, the increase in VAT revenue in 2028 will be 5.6%, 4.9% in 2029 and 4.7% in 2030. A significant share of the revenue from taxes on production and imports in 2027 is also accounted for by revenues from ED at 21%, for which the projected growth in 2027 is projected at 3.5% and in subsequent years a moderate growth of 1.7% in 2028, 1.9% in 2029 and 1.3% in 2030. ED revenue forecasts are affected by changes in laws and regulations – the increase of ED rates for alcoholic beverages, beer, tobacco products, soft drinks and diesel fuel used in free ports and special economic zones; therefore, the dynamics of consumption of ED products are also affected. Other taxes, such as real estate tax, natural resources tax (hereinafter referred to as NRT) and non-taxation, have no significant changes in revenue, except for the revenue from the security reserve service fee, which is projected to be EUR 61.6 million or 67.8% reduction in 2028, as from 2028 only maintenance and management fees will be charged, no longer creating additional reserves.

The increase in current taxes on income, wealth, etc. (D.5) is projected at 4.9% in 2027, 1.9% in 2028, 5.2% in 2029 and 5.1% in 2030. The growth rate of tax revenues in 2028 will slow down, as from this year there will be no more receipt of solidarity contributions, which banks temporarily make in the period from 2025 to 2027. In 2027, the largest increase is projected for PIT revenues of EUR 147.8 million or 5.1%, which also accounts for the largest share of current income and property tax revenues (76%). In the following years, the projected growth of PIT revenues is 5.9% in 2028, 5.4% in 2029 and 5.3% in 2030, the revenue forecasts basically take into account the projections of the wage bill growth, as well as changes in laws and regulations, as the most significant of them is the gradual increase of the monthly tax-free minimum, reaching 570 EUR per month in 2027. The second largest share of current income and property tax revenue is represented by CIT income (18%), revenue growth in 2027 is projected at 2.3%, 3.2% in 2028, 5.1% in 2029 and 4.6% in 2030. CIT forecasts are based not

only on profit forecasts of banks and state-owned companies, but also on the reaction of merchants to legislative changes and individual decisions on profit distribution. Other taxes and non-tax revenue (other current taxes (D.59)), which in 2027 accounts for 2% of total current income and property tax revenue, the change is not with a significant increase.

In 2027, the increase in net social contributions (D.61) is projected at 5.4%, in 2028 at 5.5%, in 2029 at 1.9% and in 2030 at 4.8%, the increase in contributions is projected taking into account the wage bill trends. In 2029, the increase in contributions is decreasing, as from 1 January 2029 the contribution rate to the funded pension scheme will return to the average of 6% from the object of contributions, currently laws and regulations stipulate that from 2025 to 2028 the contribution rate is 5%.

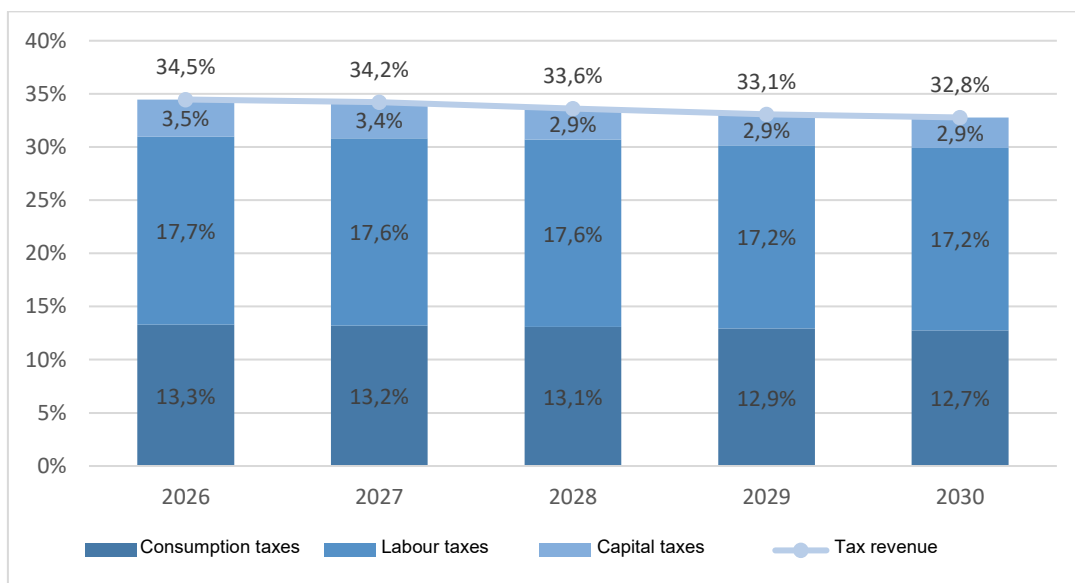


Fig. 4.8. General government tax revenue according to economic functions, % of GDP

Total general government tax revenues remain flat relative to GDP at over 34% until 2028. In turn, in 2028, the share of GDP is decreasing, which is determined by two important factors, firstly, a lower security reserve service fee is projected and secondly, banks will no longer make solidarity contributions from 2028, which has provided significant additional revenue so far. In 2029, the share of total tax revenue to GDP will continue to decrease slightly, as from 1 January 2029, 6% of the object of social insurance contributions will be transferred to the funded pension scheme, thereby reducing the total tax revenue of the state budget.

5 FISCAL TRAJECTORY – EXECUTION

On 21 January 2025, the EU Council¹⁰ approved the fiscal trajectory, or maximum allowable NNFPE growth. The fiscal trajectory endorsed by the EU Council, in accordance with Regulation 2024/1263, was set in such a way as to comply with a number of different conditions. For Latvia, which belongs to the group of countries with a debt below 60% of GDP and a deficit below 3% of GDP, the main condition is to ensure that in 2028 the structural primary balance is at the level that in the case of future no-change policy ensures that in any of the following years starting from 2029 and ending with 2038, the general government deficit does not exceed 3% of GDP and debt – 60% of GDP.

Table 1. Maximum NNFPE growth approved by the EU Council

year		2025	2026	2027	2028
Growth rate, %	annual	5.9	3.6	3.4	3.3
	cumulative (*)	15.5	19.7	23.8	27.9

(*) The cumulative growth rates have been calculated taking into account the base year 2023.

Based on the February 2026 macroeconomic and March fiscal projections of the MoF, the NNFPE growth is estimated, which is summarized in Table 1a.

Table 1a. Fiscal commitments

		2024	2025	2026
NNFPE growth approved by the EU Council %	annual	9.1	5.9	3.6
	cumulative	9.1	15.5	19.7
Actual NNFPE growth, %	annual	5.2	5.0	5.3
	cumulative	5.2	10.5	16.3

The growth of the NNFPE in 2024 is significantly lower than the increase in the NNFPE approved by the EU Council. According to *Eurostat*, the general government deficit in 2024 was EUR 731.9 million, or 1.8% of GDP. The budget deficit was by 0.8 pp lower than forecast when preparing the FSP in October 2024 and by 1 pp lower than when preparing the draft law “On the State Budget for 2024 and the Budget Framework for 2024, 2025 and 2026”. The lower-than-expected deficit was mainly determined by higher CIT in January 2025, distributing profits at the end of 2024 and paying dividends from companies to natural persons that are attributable to 2024 according to the ESA methodology, and lower actual expenditures – for both EU fund projects and basic functions of the State. Exactly lower spending on basic functions of the State ensured that the growth of the NNFPE in 2024 is significantly lower than planned when developing the FSP. A number of core function projects show delay in implementation, as a result of which they have not increased general government budget expenditure in 2024. The growth of the NNFPE in 2025 is also lower than the NNFPE approved by the EU Council, despite a lower expenditure base in 2024. In 2025, according to the

Recommendation of the Council of the ¹⁰ European Union approving the medium-term FSP of Latvia available at: https://eur-lex.europa.eu/legal-content/LV/TXT/HTML/?uri=OJ:C_202500652

assessment of the MoF, the general government deficit reached EUR 1,019.5 million or 2.4% of GDP, which is by 0.6 pp lower than planned when preparing the FSP and by 0.5 pp lower than when preparing the draft law "On the State Budget for 2025 and the Budget Framework for 2025, 2026 and 2027". A lower general government budget deficit compared to the law "On the State Budget for 2025 and the Budget Framework for 2025, 2026 and 2027" was determined by higher advance payments for military assets, which, according to the ESA methodology, are accounted in the general government budget balance at the time when the ownership of the assets passes to the contracting authority, better economic performance enterprises classified within general government sector, as well as lower state budget expenditure on social benefits. In turn, according to the MoF assessment, the general government deficit will reach EUR 1,367.8 million in 2026 or 3.0% of GDP, which is by 0.3 pp higher than planned when preparing the FSP, but 0.3 pp lower than planned when preparing the draft law "On the State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028". As a result, the projected NNFPE growth will exceed the NNFPE endorsed by the EU Council by 1.6 pp in 2026, taking into account both the higher projected general government deficit in 2026 and the lower level of actual expenditure in 2025. It is important to note that the cumulative NNFPE in 2026 will remain lower than the one endorsed by the EU Council. It is the cumulative NNFPE that is the indicator on the basis of which the EC assesses compliance with the provisions of Regulation 2024/1263. This EC approach is justified because it excludes the possibility that an excess on the NNFPE due to lower general government budget expenditure in the previous year leads to a breach of fiscal rules.

Better general government budget execution has resulted in a significant negative balance (credit) in the *control account*, which, in accordance with Article 22 of Regulation 2024/1263, accounts for upward and downward deviations from the NNFPE endorsed by the EU Council. The balance of the control account is shown in Table G. Negative values in the control account indicate a lower NNFPE growth than endorsed by the EU Council. The control account balance is one of the relevant factors to be taken into account if the actual increase in the NNFPE exceeds the NNFPE endorsed by the EU Council. On 8 July 2025, the EU Council endorsed a national escape clause that allows to exceed the NNFPE endorsed by the EU Council if additional expenditure is directed towards strengthening defence capabilities. In addition, the increase in expenditure for the defence sector is also included in the control account, providing for a separate *augmented control account*, in which the balance is assessed taking into account the increase in general government budget expenditure for defence according to the classification of the functions of (COFOG) compared to 2021. The concept of the augmented control account was not provided for in Regulation 2024/1263, but was introduced with the introduction of a national escape clause for defence expenditure in order to distinguish deviations that are detected and that meet the conditions of the national escape clause.

According to the CSB data, the general government budget expenditure on defence amounted to 2.5% of GDP in 2021, while the MoF estimates defence expenditure at 3.0% of GDP in 2025, while in 2026 4.1% of GDP, thus ensuring an increase of 0.5 pp and 1.6 pp respectively. The conditions of the national escape clause provide that the increase in defence expenditure may exceed the NNFPE by only 1.5 pp of GDP per year, thus the increase in defence expenditure by 1.6 pp only partially (in the amount of 1.5 pp) can be attributed to the national escape clause, while 0.1 pp must be ensured in compliance with EU and national fiscal rules. The balance of the augmented control account increases significantly, taking into account the increase in defence expenditure.

Table G. Control account balance

	2024	2025	2026
NNFPE growth endorsed by the EU Council, %	9.1	5.9	3.6
Actual NNFPE growth, %	5.2	5.2	5.0
Difference, EUR million	-627.0	-148.7	295.1
Cumulative difference, EUR million	-627.0	-775.7	-480.6
Annual control account balance, % of GDP		-0.3	0.6
Cumulative control account balance, % of GDP		-1.8	-1.1
Growth in defence expenditure (COFOG), compared to 2021, pp		0.5	1.6
Augmented control account balance, % of GDP		-2.3	-2.6

In preparing the FSP, the MoF used a “hybrid approach” – macroeconomic and fiscal forecasts for 2024 were determined according to the assumptions of the MoF, while macroeconomic and fiscal forecasts from 2025 to 2038 were determined using the EC common methodology. Such an approach is not required for the preparation of the Progress Report, which assesses progress and uses actual data or estimates from previous years, which is compared with the maximum NNFPE growth endorsed by the EU Council. This Progress Report uses the actual data for 2023, which serves as the base year, the actual data for 2024 and the MoF estimate for 2025 and 2026. Shortly after the review of the Progress Report by the CoM, *Eurostat* will publish official 2025 general government budget data, which will be used by the EC to assess the compliance of the actual fiscal trajectory with the EU Council endorsement, but these data are not yet available at the time of preparation of the Progress Report. In the event that, after the publication of the general government deficit and debt notification by the *Eurostat*, the MoF detects significant deviations in the assessment of the MoF from the actual data published by *Eurostat*, then this Progress Report will be supplemented with an annex containing the most important indicators of the Progress Report, including the NNFPE.

Table 1b. Main variables

		2023	2024	2025	2026
		% of GDP	% of GDP	% of GDP	% of GDP
1	Net lending/borrowing	-2.4	-1.8	-2.4	-3.0
2	Structural balance	-2.2	-1.0	-1.7	-2.6
3	Structural primary balance	-1.5	0.05	-0.6	-1.3
4	Gross debt	44.4	46.2	47.0	47.9
5	Change in gross debt	-0.01	1.8	0.8	0.9

Table 2. Macroeconomic scenario

			2023	2023	2024	2025	2026
	GDP	ESA code	GG EUR billion	growth rate	growth rate	growth rate	growth rate
1	Real GDP	B1*g		-0.9	-0.04	2.1	2.6
2	GDP deflator			10.7	2.8	3.6	3.3
3	Nominal GDP	B1*g	39.6	9.6	2.8	5.8	6.1
	Real GDP component	ESA code	GG EUR billion	growth rate	growth rate	growth rate	growth rate
4	Private consumption expenditure	P.3		-0.9	0.1	0.8	2.9
5	Government consumption expenditure	P.3		2.5	-0.4	3.3	1.5
6	Gross fixed capital formation	P.51		5.0	7.0	9.8	7.5
7	Changes in inventories and net acquisition of valuables (% of GDP)	P.52 + P.53					
8	Exports of goods and services	P.6		-7.0	0.1	0.1	3.0
9	Imports of goods and services	P.7		-5.0	-1.8	5.7	4.8
	Contribution to real GDP growth						
10	Final domestic demand			1.1	-1.7	3.3	3.8
11	Changes in inventories and net acquisition of value (% of GDP)	P.52 + P.53		-0.7	0.4	2.6	0.3
12	External balance of goods and services	B.11		-1.3	1.3	-3.8	-1.4
	Deflators and HICP			growth rate	growth rate	growth rate	growth rate
13	Private consumption deflator			7.8	3.4	3.6	2.9

			2023	2023	2024	2025	2026
	GDP	ESA code	GG EUR billion	growth rate	growth rate	growth rate	growth rate
14	p.m. HICP			9.1	1.3	3.6	2.9
15	Government consumption deflator			8.5	6.7	4.3	1.8
16	Investment deflator			7.7	2.3	1.7	3.4
17	Export price deflator (goods and services)			0.4	0.9	2.0	3.5
18	Import price deflator (goods and services)			-2.4	-0.2	1.2	2.0
	Labour market	ESA code	level	growth rate	growth rate	growth rate	growth rate
19	Domestic employment (1000 persons, national accounts)		884.2	-0.2	-0.8	0.6	0.0
20	Average annual hours worked per person employed		1832.8	-1.7	1.4	-2.0	0.0
21	Real GDP per person employed			-0.7	0.7	1.5	2.6
22	Real GDP per hour worked			1.0	-0.7	3.5	2.6
23	Compensation of employees (GG billion)	D.1	16.0	9.6	7.9	6.5	8.4
24	Compensation per employee (= 23/19)		18,090.6	9.8	8.7	5.9	8.4
				%	%	%	
25	Unemployment rate (%)			6.5	6.9	6.9	6.6
	Potential GDP and components			growth rate	growth rate	growth rate	growth rate
26	Potential GDP			1.7	1.6	1.8	1.9
	Contribution to potential growth						
27	Labour			-0.1	0.1	-0.1	-0.2

			2023	2023	2024	2025	2026
	GDP	ESA code	GG EUR billion	growth rate	growth rate	growth rate	growth rate
28	Capital			0.7	0.5	0.8	1.1
29	Total factor productivity			1.0	1.0	1.0	1.0
				% of pot. GDP	% of pot. GDP	% of pot. GDP	% of pot. GDP
30	Output gap			-0.4	-2.0	-1.7	-1.0

Table 3. External assumptions

			2023	2024	2025	2026
1	Short-term interest rate	%, annual average	3.4	3.6	2.2	1.9
2	Long-term interest rate	%, annual average	2.4	2.3	2.6	2.7
3	USD/EUR exchange rate	annual average	1.08	1.08	1.13	1.16
4	NAC/EUR exchange rate (for non-euro area Member States only)	annual average				
5	World real GDP (excluding EU)	growth rate	3.9	3.7	3.4	3.4
6	EU real GDP	growth rate	0.4	1.1	1.4	1.4
7	World import volume (excluding EU)	growth rate	2.8	4.3	3.0	2.0
8	Oil prices	Brent, USD/barrel	82.49	80.52	69.14	68.00

Table 4. Budgetary projections

		ESA code	2023	2023	2024	2025	2026
	Revenue		GG EUR billion	% of GDP	% of GDP	% of GDP	% of GDP
1	Taxes on production and imports	D.2	5.6	14.1	14.4	14.2	14.2
2	Current taxes on income, wealth, etc.	D.5	3.1	7.9	9.2	8.5	8.4
3	Social contributions	D.61	4.3	10.8	11.5	11.7	11.8
4	Other current revenue	(P.11+P.12+P.13)	2.9	7.4	7.5	7.0	6.1
5	Capital taxes	D.91	0.0	0.0	0.0	0.0	0.0
6	Other capital revenue	D.92+D.99	0.3	0.9	0.9	1.4	1.5

		ESA code	2023	2023	2024	2025	2026
7	Total revenue (=1+2+3+4+5+6)	TR	16.3	41.1	43.5	43.0	42.1
8	Of which: Transfers from the EU (accrued revenue, not cash)	D.7EU+D.9 EU	0.7	1.9	1.9	1.9	2.0
9	Total revenue other than transfers from the EU (= 7-8)		15.5	39.2	41.6	41.1	40.1
10	p.m. Revenue measures (increments, excluding EU funded measures)		-0.1	-0.2	0.6	0.1	-0.2
10 b	p.m. Revenue reductions funded by transfers from the EU (levels)		0.0	0.0	0.0	0.0	0.0
11	p.m. One-off revenue included in the projections (levels, excluding EU funded measures)		0.0	0.0	0.0	0.0	0.0
	Expenditure		GG EUR billion	% of GDP	% of GDP	% of GDP	% of GDP
12	Compensation of employees	D.1	4.8	12.1	13.1	13.1	12.8
13	Intermediate consumption	P.2	2.5	6.3	6.1	6.3	6.2
14	Interest expenditure	D.41	0.3	0.7	1.1	1.2	1.3
15	Social benefits other than social transfers in kind	D.62	4.7	11.9	12.5	12.8	13.2
16	Social transfers in kind via market producers	D632	0.8	2.1	2.1	2.0	2.2
17	Subsidies	D.3	0.6	1.6	0.9	0.8	0.8
18	Other current expenditure	D.29+(D.4-D.41)+D.5+D.7+D.8	1.1	2.7	2.4	2.7	1.6
19	Gross fixed capital formation	P.51	2.2	5.6	6.3	6.1	6.5
20	Of which: Nationally financed public investment		1.9	4.8	5.5	4.9	5.3
21	Capital transfers	D.9	0.1	0.2	0.3	0.3	0.2
22	Other capital expenditure	P.52+P.53+NP	0.1	0.1	0.4	0.0	0.3
23	Total expenditure (=12+13+14+15+16+17+18+19+21+22)	TE	17.2	43.4	45.3	45.3	45.1
24	Of which: Expenditure funded by transfers from the EU (=8)	D.7EU+D.9 EU	0.7	1.9	1.9	1.9	2.0

		ESA code	2023	2023	2024	2025	2026
25	Nationally financed expenditure (23-24)		16.5	41.6	43.4	43.4	43.1
26	p.m. National co-financing of programmes funded by the Union		0.2	0.4	0.3	0.5	0.5
27	p.m. Cyclical component of unemployment benefits		-0.01	-0.02	0.02	0.03	0.02
28	p.m. One-off expenditure included in the projections (levels, excluding EU funded measures)		0.0	0.0	0.0	0.0	0.0
29	Net nationally financed primary expenditure (before revenue measures) (= 25-26-27-28-14)		16.0	40.5	42.0	41.8	41.3
	Net nationally financed primary expenditure				% of GDP	% of GDP	% of GDP
30	Net nationally financed primary expenditure growth	Table 1a			5.2	5.0	5.3
	Balances		GG EUR billion	% of GDP	% of GDP	% of GDP	% of GDP
31	Net lending/borrowing (= 7-23)	B.9	-0.9	-2.4	-1.8	-2.4	-3.0
32	Primary balance (= 31-14)	B.9-D.41p	-0.6	-1.6	-0.7	-1.2	-1.7
	Cyclical adjustment			% of GDP	% of GDP	% of GDP	% of GDP
33	Structural balance			-2.2	-1.0	-1.7	-2.6
34	Structural primary balance			-1.5	0.05	-0.6	-1.3
	Debt		GG EUR billion	% of GDP	% of GDP	% of GDP	% of GDP
35	Gross debt		17.6	44.4	46.2	47.0	47.9
36	Change in gross debt		1.5	-0.01	1.8	0.8	0.9
37	Contribution to gross debt change						
38	Primary balance (= minus 32)			1.6	0.7	1.2	1.7
39	"Snowball effect"			-3.2	-0.1	-1.4	-1.4
40	Interest expenditure (= 14)			0.7	1.1	1.2	1.3
41	Growth			0.4	0.0	-0.9	-1.2
42	Inflation			-4.3	-1.2	-1.6	-1.5

		ESA code	2023	2023	2024	2025	2026
43	Stock-flow adjustment (=36-38+39)			1.5	1.2	1.0	0.6
				%	%	%	%
44	p.m.: Implicit interest rate on debt (=14/DEBT(t-1))			1.8	2.5	2.7	3.0
	Defence expenditure		GG EUR billion	growth rate	growth rate	growth rate	growth rate
45	Total defence expenditure – nationally financed	COFOG 2	1.0	18.6	7.7	16.4	45.1
46	Defence investments – nationally financed	COFOG 2, P.51g	0.3	91.1	36.2	34.0	59.0

Table 6. RRF grants

		2020	2021	2022	2023	2024	2025	2026
	Revenue from RRF grants	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP
1	RRF grants included in the revenue projections			0.02	0.4	0.9	1.7	1.5
2	Cash disbursements of RRF grant from EU		0.7	0.6	0.0	0.9	0.7	1.9
	Expenditure financed by RRF grants							
3	Total current expenditure			0.0	0.1	0.3	0.5	0.6
4	Gross fixed capital formation			0.02	0.3	0.6	1.2	0.9
5	Other capital expenditure							
6	Total capital expenditure (4+5)			0.02	0.3	0.6	1.2	0.9
	Other costs financed by RRF grants							
7	Reduction in tax revenue							
8	Other costs with impact on revenue							
9	Financial transactions							

6 POLICY MEASURES

In the context of the Progress Report, policy measures are all revenue and expenditure measures in accordance with the adopted decisions until the submission of the draft law "On the State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028" to the *Saeima*, as well as those measures that were approved during the review of this draft law in the *Saeima*. It should be noted that the new EU economic governance framework foresees that the fiscal trajectory determines the maximum level of growth of the NNFPE as it would be in the case of constant revenue policies. If, for example, a tax rate or taxable base is increased and it generates additional revenue in the general government budget, then expenditure can be increased by this amount, and vice versa – if the tax rates or taxable bases reduce revenue, then expenditure must be reduced by the same amount. Such changes to the Revenue Policy are referred to as discretionary revenue measures (hereinafter – DRM). DRM play a key role in the new EU economic governance framework, enabling government priorities to be realised and general government spending to be increased or reduced. Therefore, their accounting is essential to ensure that the fiscal trajectory endorsed by the EU Council is respected.

This chapter provides separate information on revenue and expenditure measures, divided into three groups: (1) DRM adopted before and during the preparation of the 2025 State Budget and included in the FSP, as well as those DRM approved in the process of preparation of the 2026 State Budget; (2) new DRM approved in the final reading of the 2026 State Budget by the *Saeima* and those DRM approved after the approval of the 2026 Budget pending the drafting of this Progress Report; (3) expenditure measures approved in the final reading of the 2026 State Budget by the *Saeima*. The new expenditure measures are included for information purposes and are incorporated into the general government budget expenditure. All DRM have been *ex-post* assessed, i.e., the impact of the measure was compared before the measure entered into force with empirical observations.

6.1 *Ex-post* assessment of discretionary revenue measures included in the FSP

The DRM that were included in the FSP and subsequent budget laws are included in Table 5. It should be noted that the *ex-post* assessment identified one measure for which the fiscal impact was reassessed – the payment of bank solidarity by banks on a time-limited basis from 2025 to 2027. The fiscal impact of the solidarity payment has been refined on the basis of actual performance data.

It should be noted that methodological changes have also occurred – when submitting the Draft Budgetary Plan of the Republic of Latvia 2026 to the EC, the increase in dividends of state owned companies was accounted as DRM, which was explained by the decision of the government to increase the profit share payable in dividends of state owned companies from 70% to 90%. Based on the methodological materials at the disposal of the MoF¹¹, the MoF concluded that the part of dividends related to the discretionary decision to increase the share of profits to be paid should be considered as DRM, but the EC¹² indicated in its assessment of

¹¹ EC Report on Public Finances in Economic and Monetary Union 2024, available on the EC website: https://economy-finance.ec.europa.eu/document/download/0f07e7a4-1355-46c6-998d-eab45b855a70_en?filename=ip325_en.pdf

The EC's assessment of the draft budget plan of the General Government of Latvia is available on the EC's website https://economy-finance.ec.europa.eu/document/download/95c1de7f-e3dd-40d3-aa28-bed9ef3cfa3e_en?filename=C_2025_9063_1_EN_Latvia.pdf

the Draft Budgetary Plan of the Republic of Latvia 2026 that the dividend revenue from changes in the share of profits to be paid out in dividends should not be considered as DRM. To the MoF's call for clarification, the EC pointed to a new interpretation that dividend payments by the state owned companies are considered DRM only in rare cases – in the case of Latvia, the share of profits to be paid in dividends has not been stable enough and has been changed frequently. Accordingly, in the EC's opinion, this is a sufficient basis for not accounting the dividend revenue as DRM. MoF does not agree with this interpretation, but at this point in time it is not appropriate for MoF to include measures in the DRM that the EC does not recognize as DRM. This may lead to the misconception that the growth of the NNFPE is lower than the EC will assess. In order to avoid such a situation and to provide the most objective possible assessment of the performance of the NNFPE, the dividend revenue is removed from the DRM list and the calculation of the NNFPE is clarified.

Table 5. Impact of DRMs

		One-off	Expenditure/ Revenue	ESA code	2023	2024	2025	2026
	Title/Description of the measure				% of GDP	% of GDP	% of GDP	% of GDP
1	Revenue from large-scale sales of CO ₂ emissions in 2018 (in 2018, Latvia sold emission permits, which were granted retroactively following the decision of the Court. In addition, the market price in 2018 was more than 3 times higher than before).	No	Revenue	D.7	-0.025	0.000	0.000	0.000
2	Raising ED rates for all tobacco products and liquids used in e-cigarettes	No	Revenue	D.21	0.009	0.000	0.000	0.000
3	Increase in NRT rates for waste removal, air pollution and category C polluting activities and abolition of the CO ₂ emissions exemption for the use of peat in stationary technological installations	No	Revenue	D.29	0.005	0.000	0.000	0.000
4	Increasing the intensity of tax relief for donors up to 85% of the amount donated, but not exceeding 30% of the calculated CIT amount for the calculated dividends.	No	Revenue	D.5	0.013	0.000	0.000	0.000
5	Increase of non-taxable minimum income for employees and pensioners up to EUR 350/month from 01.01.2022 and up to EUR 500/month from 01.07.2022.	No	Revenue	D.5	-0.169	0.000	0.000	0.000
6	Exclusion of interest payments from the CIT taxable base in 2021 and 2022	No	Revenue	D.5	0.000	0.014	0.000	0.000
7	Suspension of the Green Electricity Component (GEC) for end-users from 1 September 2022 to 31 December 2025	No	Revenue	D.7	-0.007	0.000	0.000	0.000
8	Cancellation of advance payments for self-employed PIT from 2024	No	Revenue	D.5	0.000	-0.074	0.000	0.000

		One-off	Expenditure/ Revenue	ESA code	2023	2024	2025	2026
	Title/Description of the measure				% of GDP	% of GDP	% of GDP	% of GDP
9	Changes in tax relief for donors – it is allowed to reduce the CIT by 85% from 75% of the amount donated, but not more than 30% (from 20%) of the calculated CIT for the calculated dividends.	No	Revenue	D.5	-0.008	0.000	0.000	0.000
10	Credit institutions and consumer credit providers are obliged to make an annual corporate income tax payment of 20% of the profit earned in a given year	No	Revenue	D.5	0.000	0.344	-0.163	-0.088
11	Increase in rates of excise products (increase in rates for tobacco products, e-liquids, tobacco substitutes, alcoholic beverages and diesel and kerosene used in SEZ and free ports)	No	Revenue	D.21	0.000	0.049	0.078	0.074
12	Gambling tax rate raises	No	Revenue	D.21	0.000	0.020	-0.006	0.001
13	Review of PIT relief and application of non-taxable relief	No	Revenue	D.5	0.000	-0.010	-0.001	0.000
14	Increase of the VAT registration threshold by EUR 50,000, transaction value threshold for lost debts by EUR 1,000, application of the exemption for sports activities	No	Revenue	D.21	0.000	-0.012	0.000	0.000
15	NRT (rate changes, new objects, annulment of tax relief)	No	Revenue	D.29	0.000	0.016	0.028	0.021
16	Annul PIT relief for amounts received as national or EU support for agriculture and rural development	No	Revenue	D.5	0.000	0.000	0.051	0.000
17	Prohibition to import certain agricultural and feed products from the Russian Federation and the Republic of Belarus (also from other third countries, if the products originate in the Russian Federation or the Republic of Belarus).	No	Revenue	D.21	0.000	-0.015	0.007	0.000
18	Changes to ED	No	Revenue	D.21	0.000	0.025	0.000	-0.001
19	Changes in VAT on fresh fruit and vegetables – rate reduced to 12%, reduced VAT rate in 2024 (for one year), standard rate applicable from 2025	No	Revenue	D.21	0.000	-0.039	0.037	0.000
20	Mortgage borrower protection fee due to interest rate increase	No	Revenue	D.7	0.000	0.238	-0.225	0.000
21	MSSIC ceiling increase	No	Revenue	D.61	0.000	0.000	0.037	0.000
22	Solidarity contribution (banks)	No	Revenue	D.5			0.212	0.000

		One-off	Expenditure/ Revenue	ESA code	2023	2024	2025	2026
	Title/Description of the measure				% of GDP	% of GDP	% of GDP	% of GDP
23	Increase in NRT rate for coal, coke and lignite (brown coal)	No	Revenue	D.29			0.001	0.000
24	Increase in VOT rates and changes in payment terms	No	Revenue	D.29			0.026	0.001
25	Increasing the lottery tax rate	No	Revenue	D.21			0.006	0.000
26	Progressive increase in ED rates for fuels, natural gas and petroleum gases used as fuels	No	Revenue	D.21			0.012	0.009
27	Annulment of ED exemption for petroleum products used in electricity generation and cogeneration	No	Revenue	D.21			0.001	0.000
28	Raising ED for soft drinks with a sugar content of up to 8 g per 100 ml	No	Revenue	D.21			0.008	0.001
29	Progressive increase of ED rates for fuel including CO2 component in excise duty	No	Revenue	D.21			0.077	0.065
30	The application of a VAT rate of 12% on fresh fruits, berries and vegetables specific to Latvia will continue until the next assessment period	No	Revenue	D.21			-0.040	-0.004
31	Expansion of the PIT facilitation for collective agreements	No	Revenue	D.61			-0.020	0.000
32	Increase of the amount exempt from PIT for funeral allowance and childbirth allowance paid by the employer	No	Revenue	D.61			-0.003	0.000
33	Expansion of the PIT facilitation for collective agreements	No	Revenue	D.5			-0.013	0.000
34	Increase of the amount exempt from PIT for funeral allowance and childbirth allowance paid by the employer	No	Revenue	D.5			-0.002	0.000
35	1% transfer from the funded pension scheme to the first pillar	No	Revenue	D.61			0.363	0.019
36	Increase of the non-taxable minimum	No	Revenue	D.5			-1.046	-0.260
37	Changes in PIT rates and income thresholds	No	Revenue	D.5			0.820	0.124
38	Increase of the pensioner's non-taxable minimum	No	Revenue	D.5			-0.277	-0.021
39	Moving to a 25.5% base rate aligns the PIT rates on other income, which currently has a 20%	No	Revenue	D.5			0.039	0.010

		One-off	Expenditure/ Revenue	ESA code	2023	2024	2025	2026
	Title/Description of the measure				% of GDP	% of GDP	% of GDP	% of GDP
40	PIT 3% rate on income over EUR 200,000	No	Revenue	D.5				0.028
41	Non-taxation by PIT of the received aid	No	Revenue	D.5				-0.051
42	PIT relief for education and health (application of 25.5% rate)	No	Revenue	D.5				-0.018
43	Increasing VAT on press and books not published in the official languages of the EU and OECD Member States and Candidate States	No	Revenue	D.21				0.002
44	Reduction of VAT on food (bread, milk, eggs and fresh poultry meat) – pilot project from 1 July 2026 30 June 2027	No	Revenue	D.21				-0.033
45	Raising ED for tobacco products and similar products by purpose	No	Revenue	D.21				0.010
46	Raising ED for soft drinks with a sugar content of up to 8 g per 100 ml	No	Revenue	D.21			-0.004	-0.003
47	Raising ED for alcoholic beverages and beers	No	Revenue	D.21			0.004	0.006
48	Gambling tax increase from 2026 (one year earlier)	No	Revenue	D.21				0.020
49	Raising the NRT rate: sand	No	Revenue	D.29				0.001
50	Reviewing miscellaneous fees	No	Revenue	P.11, P.12, P.13			0.019	0.001
51	Road user duty	No	Revenue	P.11, P.12, P.14			0.060	-0.001
	TOTAL				-0.182	0.557	0.089	-0.083

6.2 The new discretionary measures, their assessment

The new measures include DRM and expenditure measures that were approved at the *Saeima* during the final reading of the 2026 State budget and medium-term budget framework, as well as those DRM that were approved after the approval of the 2026 State budget and medium-term budget framework. It should be noted that in the final reading of the 2026 State budget and medium-term budget framework, only one revenue measure was approved by the *Saeima*, which is considered to be DRM – additional relief for regarding the application of the CIT to interest payments, but this measure affects CIT only from 2027, respectively, it is not included in Table 5a.

At the end of 2025, Latvia submitted the SAFE plan to the EC, which was approved by the EU Council Implementing Decision (hereinafter – CID) of 17 February 2026. According to the Implementing Decision, a loan of up to EUR 3,497.9 million within the framework of the Council Regulation (EU) 2025/1106 of 27 May 2025 establishing the Security Action for Europe (SAFE) through the Reinforcement of the European Defence Industry Instrument (hereinafter – SAFE Regulation) is available for Latvia. Article 20 of the SAFE Regulation provides that supplies of defence products or other products used for defence purposes resulting from procurement supported by the SAFE instrument shall be exempt from VAT. Thus, those deliveries resulting from the SAFE plan will not be subject to VAT. This VAT forgone revenue is considered DRM and is included in Table 5a. In addition, it should be noted that the deliveries of the SAFE plan are financed through a national escape clause i.e., by increasing the general government deficit. In the event that the VAT exemption was not applied, then the VAT revenue should be significantly increased in the general government budget balance forecasts.

At the end of February 2026, the USA and Israel launched military strikes in Iran. Iran responded by severely restricting shipping traffic in the Strait of Hormuz, which has resulted in increased oil prices, including in Latvia. In order to limit the increase in the price of oil products, on 26 March 2026, the “Law on Limiting the Increase in the Price of Oil Products” was approved, which provides for a reduction in the rate of ED for diesel fuel by 15.2% (from EUR 467 to EUR 396 per 1,000 liters) in the period from 1 April to 30 June 2026. The solution proposed by the law is fiscally neutral – VAT revenues will increase from rising diesel prices, and this windfall revenue is used as a compensatory mechanism to reduce the ED rate. This solution has no impact on the general government budget balance, but the reduction in the ED rates is considered DRM and is included in Table 5a. It is estimated that the reduction in ED rates will reduce ED revenue by EUR 6.7 million per month.

Table 5a. Impact of the new discretionary revenue measures

		One-off	Expenditure/ Revenue	ESA code	2023	2024	2025	2026
	Title/Description of the measure				% of GDP	% of GDP	% of GDP	% of GDP
1	VAT exemption within the SAFE Regulation	No	Revenue	D.21				-0.029
2	Reduction in ED rates for diesel	No	Revenue	D.21				-0.044
	TOTAL				0.000	0.000	0.000	-0.073

The total impact of DRM measures is EUR -72 million (-0.18% of GDP) in 2023, EUR 226.4 million (0.56% of GDP) in 2024, EUR 38.3 million (0.09% of GDP) in 2025 and EUR 71.5 million (-0.16% of GDP) in 2026. The following DRM values are used in section 7.1.3 to assess the growth of the NNFPE.

Table 5b. Impact of the new expenditure measures

		One-off	Expenditure/ Revenue	ESA code	2023	2024	2025	2026
	Title/Description of the measure				% of GDP	% of GDP	% of GDP	% of GDP
1	Interest expenditure	No	Expenditure	D.41				-0.022
2	Funding to strengthen Latvia's representation in the USA and the infrastructure capacity of the Embassy	No	Expenditure	P.2				0.002
3	Funding for the redesign of the main track of the Rail Baltica project	No	Expenditure	P.2				0.018
4	Measures for the development of the electricity market	No	Expenditure	D.3				0.009
5	Supplementary payments to general practitioner	No	Expenditure	D.7				0.011
6	Other measures	No	Expenditure	P.2, D.7				0.016
	TOTAL				0.000	0.000	0.000	0.033

7 FISCAL POLICY STRATEGY, FISCAL RULES AND INDICATIVE FISCAL SPACE

Latvia's fiscal policy regarding the content and scope of the new measures for 2027-2030 is determined by 3 main factors:

- (1) the **budgetary situation under no-change policy**, which, in accordance with the national fiscal framework, means a set of revenue and expenditure in accordance with the decisions taken, but not including potential new decisions, regardless of the probability of their adoption. Fiscal indicators under no-change policy are presented in Chapter 4.
- (2) **fiscal rules** that limit the fiscal scope of the new policy measures. As described in section 7.1 below, 4 fiscal rules apply: The FDL structural balance rule, the EU structural primary balance rule, the EU expenditure growth rule and additionally a limit of 3% of GDP for the nominal balance.
- (3) the **new policy measures** or medium-term budgetary priorities.

It should be noted that the Progress Report does not include policy measures for 2027-2030. The aim of the Progress Report, fulfilling the requirements of Regulation 2024/1263, is to inform about the fulfilment of the fiscal commitments assumed by the FSP and progress in the fulfilment of the structural part, while providing the most up-to-date assessment of macroeconomic and fiscal development scenarios and additional funding potentially available for the preparation of the draft budget law, serving as the basis for decisions on possible priority development directions of the State budget. The compliance of the Progress Report with Regulation 2024/1263 is reflected in Chapter 5, while progress in the implementation of reforms and investments is reflected in Chapter 12.

7.1 Fiscal rules and fiscal space

The FSP has determined that Latvia's fiscal policy is determined by three fiscal rules: (1) FDL structural balance rule, (2) EU structural primary balance rule and (3) EU expenditure growth rule. However, when preparing the assessment of the fiscal space for 2026, the need for another fiscal rule was identified – the nominal balance rule (4). Accordingly, the Progress Report uses all four fiscal rules. In order to calculate the fiscal space indicatively available for the preparation of the 2027-2030 budget framework under the current forecasts, a structural balance is established for all rules in order to ensure mutual comparability.

7.1.1 FDL structural balance fiscal rule

According to Regulation 2024/1263, a Member State may use other fiscal rules in its national legislation. According to the FDL, Latvia must observe that the structural deficit of the general government budget does not exceed 1.0% of GDP. It should be noted that as of 2013, a lower permissible structural deficit of 0.5% of GDP was in force, but with the new EU economic governance framework, this rule was eased in order to approximate the requirements of the EU and Latvian fiscal rules. This was also because the EU's economic governance framework gives countries with debt below 60% of GDP more leeway in balancing investment needs and fiscal discipline considerations.

In addition, it should be noted that the calculation of the FDL structural balance rule takes into account the FDL amendments, which introduced changes to the minimum allowable structural balance. The relevant amendments will enter into force on 1 January 2028 and will become applicable in 2028, when preparing the draft law on the state budget for 2029 and the budget framework for 2029, 2030, 2031 and 2032, and starting from 2029, the minimum planned structural balance of the general government budget will be not less than 1.5% of GDP,

while it will be necessary to take into account the condition that 0.5 per cent of GDP is attributed to the Defence and Internal Security Fund. This framework has been put in place to ensure a gradual transition to a higher level of defence expenditure after the expiration of the national escape clause period.

It should be noted that on 8 July 2025, the EU Council adopted a decision to activate the national escape clause for Latvia, while on 19 August 2025, the CoM adopted a decision to activate the derogation provided for in Article 12 of the FDL from the structural balance of the general government budget specified in Article 10 of the FDL. Paragraph 5 of the Minutes (Meeting Minutes No. 32, 48 §) established "Based on the recommendation of the EU Council of 8 July 2025 allowing Latvia to deviate from the maximum growth rates of net expenditure established by the Council in accordance with Regulation (EU) 2024/1263 (activation of the national escape clause), to activate the derogation from the structural balance rule provided for in Article 12 of the FDL and to use this derogation in accordance with the conditions of the said Council recommendation". Consequently, the minimum permissible general government structural balance for a given year is reduced by an amount corresponding to the use of the national escape clause for that year. The national escape clause is also taken into account when setting the structural balance target in line with the other fiscal rules.

The calculation of the structural balance of the FDL takes into account the fiscal impact of one-off and other temporary measures, which are excluded from the objective of the structural balance. Both the Law "On the State Budget for 2025 and the Budget Framework for 2025, 2026 and 2027" and the Law "On the State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028" **do not provide for new (in addition to the already approved¹³) measures, which should be recognised as one-off.** Accordingly, the scope of one-off measures established in the Law "On the State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028" was narrowed down to those measures applicable to approved and multi-year investment projects, as well as the provision is maintained that in the event of an increase in the basic expenditure of the State defence against the previous year, an increase of 100% is excluded from the structural deficit target indicator in the year of increase. In the first year after an increase of 80%, in the second year after an increase of 60%, in the third year after an increase of 40% and in the fourth year after an increase of 20%. The fiscal impact of one-off measures in Table H was taken into account in the preparation of this Progress Report.

Table H. Fiscal impact of one-off measures

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
GDP, EUR million	29,224	32,284	36,089	39,564	40,652	43,026	45,638	48,263	50,947	53,665	56,542
	fact/assessment							forecast			
One-off and other temporary measures, EUR million, including	-1,015.5	-2,054.7	-1,878.6	-820.7	-601.9	-581.4	-818.7	-837.1	-925.7	-583.0	-232.1
COVID-19 pandemic mitigation measures	-960.8	-2,102.8	-796.4	-65.3	-8.9	-4.3	-5.3				
measures to mitigate energy price increases		-1.9	-1,001.2	-399.3							
defence and internal security expenditure (gradual amortisation of the				-219.8	-247.7	-357.5	-573.6	-591.3	-518.6	-365.0	-212.1

Within the framework of Article 5 of the ¹³ Law "On the State Budget for 2023 and the Budget Framework for 2023, 2024 and 2025" and "On the State Budget for 2024 and the Budget Framework for 2024, 2025 and 2026".

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Ministry of Defence base expenditure increase against the previous year)												
support for refugees from Ukraine			-81.0	-67.9	-53.0							
other/one-off expenses for national defence and internal security (one-off investment for national defence and internal security from 18.pr + % payments on loan to Ukraine)	-54.7	49.9		-68.5	-292.4	-219.6	-239.8	-245.8	-407.1	-218.1	-20.0	
	fact/assessment							forecast				
One-off and other temporary measures, % of GDP, including	-3.5	-6.4	-5.2	-2.1	-1.5	-1.4	-1.8	-1.7	-1.8	-1.1	-0.4	
COVID-19 pandemic mitigation measures	-3.3	-6.5	-2.2	-0.2	-0.02	-0.01	-0.01					
measures to mitigate energy price increases		0.0	-2.8	-1.0								
defence and internal security expenditure (gradual amortisation of the Ministry of Defence base expenditure increase against the previous year)				-0.6	-0.6	-0.8	-1.3	-1.2	-1.0	-0.7	-0.4	
support for refugees from Ukraine			-0.2	-0.2	-0.1							
other/one-off expenses for national defence and internal security (one-off investment for national defence and internal security from 18.pr + % payments on loan to Ukraine)	-0.2	0.2		-0.2	-0.7	-0.5	-0.5	-0.5	-0.8	-0.4	-0.04	

According to the updated general government budget balance projections under no-change policy, the general government deficit is estimated at 2.4% of GDP in 2025. Taking into account output gap and the magnitude of one-off measures, the structural deficit of the general government in 2025 is estimated at 0.39% of GDP according to the national methodology. Consequently, it is lower than the medium-term objective set in Article 10 of the FDL, which is 1.0% of GDP, and the structural balance objective defined in Section 4 of the Law “On the State Budget for 2025 and the Budget Framework for 2025, 2026 and 2027” of -0.82% of GDP, which is explained by the lower nominal deficit of the general government budget. The value of the structural balance is also affected by changes in the value of the cyclical component of the budget.

According to the updated general government budget balance projections under no-change policy, the general government deficit is estimated at 3.0% of GDP in 2026. Considering the output gap and the magnitude of the one-off measures, the structural deficit of the general

government in 2026 is projected at 0.84% of GDP. Consequently, it is lower than the structural balance target of -1.48% of GDP defined in Section 4 of the Law “On the State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028” and if the fiscal impact of the national escape clause is taken into account, also than the medium-term objective set in Article 10 of the FDL, which is 1.0% of GDP.

Table I: Execution of general government budget structural balance target

		2025	2026
General government structural budget balance target set in the Budget Law, % of GDP	(1)	-0.82 ¹⁴	-1.48 ¹⁵
Nominal balance of the general government budget, % of GDP	(2)	-2.4	-3.0
Cyclical component of the balance, % of GDP	(3)	-0.6	-0.4
One-off measures, % of GDP	(4)	-1.4	-1.8
Fiscal impact of the national escape clause, % of GDP	(5)	0.03	0.34
Structural balance of the general government budget, % of GDP	(6)=(2)-(3)-(4)	-0.39	-0.84
Structural balance of the general government budget, taking into account the fiscal impact of the national escape clause, % of GDP	(7)=(6)+(5)	-0.36	-0.49

Table J sets out the structural balance targets for the general government budget based on the structural balance rule in line with the FDL requirements, taking into account the amendments to the FDL and the national escape clause.

Table J. General government budget structural balance targets based on the structural balance rule of the FDL

		2027	2028	2029	2030
Condition of Article 10 FDL, % of GDP	(1)	-1.0	-1.0	-1.5	-1.5
Fiscal impact of the national escape clause, % of GDP	(2)	1.4	2.2	1.3	0.1
General government budget structural balance target, % of GDP	(3)=(1)-(2)	-2.4	-3.2	-2.8	-1.6

¹⁴ Section 4 of the Law “On the State Budget for 2025 and the Budget Framework for 2025, 2026 and 2027”; <https://likumi.lv/ta/id/357450-par-valsts-budzetu-2025-nbsp-gadam-un-budzeta-ietvaru-2025-2026-un-2027-nbsp-gadam>

¹⁵ Section 4 of the Law “On the State Budget for 2026 and the Budget Framework for 2026, 2027 and 2028”, <https://likumi.lv/ta/id/365272-par-valsts-budzetu-2026-gadam-un-budzeta-ietvaru-2026-2027-un-2028-gadam>

7.1.2 EU structural primary balance rule

The EU structural primary balance rule is a fiscal rule stemming from the new EU economic governance framework. This serves as an intermediate result expressing the necessary amount of fiscal expansion or consolidation to ensure that the deficit does not exceed 3% of GDP by 2038. This is based on the assumption used in the EU methodology that, in the case of no-change policy, the structural primary balance does not change over time. If the structural primary deficit in 2024 is higher than it should be in 2028, it needs to be gradually reduced through consolidation measures. In turn, if in 2024 it is less than it could afford to be in 2028, the State may pursue an expansionary fiscal policy, but no more than reaching the maximum permissible level in 2028. The structural primary balance rule is defined as a fiscal rule, since Latvia, as a country with a deficit below 3% of GDP and a debt below 60% of GDP, received technical information from the EC in 2024¹⁶, which determined the level of the structural primary budget balance to be ensured in 2028.

Given that the EU Council endorsed binding fiscal trajectory on 21 January 2025, the compliance with the structural primary balance rule is assessed by comparing the actual structural primary balance with the structural primary balance rule arising from the fiscal trajectory endorsed by the EU Council. For 2029 and 2030, the structural primary balance target is set at the level of 2028, as provided for by the EC common methodology and the NNFPE growth, when assessing the EU expenditure growth rule, is derived from the structural primary balance target. The 2029 and 2030 NNFPE are not endorsed by the EU Council, but both the structural primary balance target and the increase in NNFPE are set for 2029 and 2030 in order to ensure the succession of the fiscal rules.

Table K. General government budget structural balance targets based on the EU structural primary balance rule

		2027	2028	2029	2030
Structural primary balance target, % of GDP	(1)	-1.302	-1.257	-1.257	-1.257
Interest expenditure, % of GDP	(2)	1.4	1.4	1.6	1.6
One-off measures, % of GDP	(3)	-1.7	-1.8	-1.1	-0.4
Fiscal impact of the national escape clause, % of GDP	(4)	1.4	2.2	1.3	0.1
General government budget structural balance target, % of GDP	(5)=(1)-(2)-(3)-(4)	-2.3	-3.1	-3.1	-2.5

7.1.3 Net expenditure growth rule

Table L sets out the structural balance targets for the general government budget in a transparent manner, based on the EU expenditure growth rule. It should be noted that the NNFPE growth endorsed by the EU Council is expressed both in the annual growth rate and in the cumulative growth rate, calculated against the level of the 2023 NNFPE and adjusted by the DRM. The EU expenditure growth rule is determined using the cumulative growth rate, as it determines a more adequate policy in cases where in previous years the expenditure is lower than predicted by the FSP. By acting differently, in year $t+1$, additional expenditure reductions should be made only because in year t the State has made savings in expenditure.

¹⁶ Technical information available on the MoF website: <https://www.fm.gov.lv/lv/fsp-2025-2028-gadam>

Table L. General government budget structural balance targets based on the EU expenditure growth rule

		2023	2024	2025	2026	2027	2028	2029	2030
NNFPE growth, %, endorsed by the EU Council, for 2029 and 2030 calculated by the MoF	(1)		9.096	5.902	3.645	3.363	3.326	3.533	3.612
NNFPE level in 2023, EUR million; NNFPE level according to the cumulative growth of NNFPE endorsed by the EU Council for the coming years, EUR million	$(2)=(4,-1)*(1+(1,-1)/100)$	16,017	17,474	18,745	19,468	20,049	20,655	21,262	21,947
DRM, EUR million	(3)	-72	226	38	-71	-59	-118	-80	14
Level of the NNFPE according to the NNFPE growth endorsed by the EU Council plus DRM, EUR million	$(4)=(2)+(3)$		17,701	18,784	19,397	19,990	20,536	21,182	21,961
Interest expenditure, EUR million	(5)					682	732	864	901
Cyclical unemployment expenditure, EUR million	(6)					1	-1	4	-1
Expenditure of EU funds, EUR million	(7)					744	592	538	356
National co-financing of EU funds expenditure, EUR million	(8)					179	133	109	51
Permissible general government expenditure, EUR million	$(9)=(3)-(5)-(6)-(7)-(8)$					21,596	21,992	22,696	23,268
General government budget revenue, EUR million	(10)					20,005	20,532	20,688	21,387
Permissible general government budget balance, EUR million	$(11)=(10)-(9)$					-1,591	-1,460	-2,008	-1,882
Permissible general government budget balance, % of GDP	(12)					-3.3	-2.9	-3.7	-3.3
Cyclical component of the balance, % of GDP	(13)					-0.2	0.0	0.0	0.1
One-off measures, % of GDP	(14)					-1.7	-1.8	-1.1	-0.4
Fiscal impact of the national escape clause, % of GDP	(15)					1.4	2.2	1.3	0.1
General government budget structural balance target, % of GDP	$(16)=(12)-(13)-(14)-(15)$					-2.8	-3.2	-4.0	-3.0

7.1.4 Nominal balance rule

Exceeding the 3% of GDP deficit reference value obliges the EC to prepare a report in accordance with Article 126(3) of the Treaty on the Functioning of the EU (hereinafter – TFEU), in which the EC concludes that the general government deficit and debt exceed the reference values specified in Protocol No. 12 of the TFEU and recommends or does not

recommend that the EU Council initiate an *Excessive Deficit Procedure* against the country. Therefore, in order to ensure that the deficit reference value is respected, a nominal balance rule is also used, taking into account the fiscal values of the national escape clause.

Table M. General government structural balance targets based on the nominal balance rule

		2027	2028	2029	2030
Nominal balance allowed by the TFEU, % of GDP	(1)	-3.0	-3.0	-3.0	-3.0
Fiscal impact of the national escape clause, % of GDP	(2)	1.4	2.2	1.3	0.1
Cyclical component of the balance, % of GDP	(3)	-0.2	0.0	0.0	0.1
One-off measures, % of GDP	(4)	-1.7	-1.8	-1.1	-0.4
General government budget structural balance target, % of GDP	(5)=(1)-(2)-(3)-(4)	-2.5	-3.4	-3.3	-2.7

7.2 Decisive fiscal rule and fiscal space

Latvia's fiscal policy is designed to meet all four fiscal rules. In order to determine the fiscal space, the objectives of the general government budget structural balance are established annually (the prevailing, namely, the stricter, permissible structural balance is identified). In this way, by determining the fiscal space available for the budgetary procedure using the lowest structural balance, all fiscal rules are met.

Table N. Decisive fiscal rule and general government budget structural balance targets under all fiscal rules

		2027	2028	2029	2030
General government budget structural balance target based on FDL structural balance rule, % of GDP	(1)	-2.4	-3.2	-2.8	-1.6
General government budget structural balance target based on EU structural primary balance rule, % of GDP	(2)	-2.3	-3.1	-3.1	-2.5
General government budget structural balance target based on EU expenditure increase rule, % of GDP	(3)	-2.8	-3.2	-4.0	-3.0
General government budget structural balance target based on nominal balance rule, % of GDP	(4)	-2.5	-3.4	-3.3	-2.7
General government budget structural balance target under all fiscal rules, % of GDP	(5)=max((1);(2);(3);(4))	-2.3	-3.1	-2.8	-1.6

According to the calculations in Table O, the structural balance of the general government budget under no-change policy is determined.

Table O. Structural balance of the general government budget under no-change policy

		2027	2028	2029	2030
GDP at current prices, EUR million	(1)	48,263	50,947	53,665	56,542
General government budget revenue, EUR million	(2)	20,005	20,532	20,688	21,387
General government budget expenditure, EUR million	(3)	21,917	23,143	22,932	23,306
Nominal balance of the general government budget, EUR million	(4)=(2)-(3)	-1,912	-2,611	-2,245	-1,919
Nominal balance of the general government budget, % of GDP	(5)=(4)/(1)*100	-4.0	-5.1	-4.2	-3.4
Cyclical component of the balance, % of GDP	(6)	-0.2	0.0	0.0	0.1
One-off measures, % of GDP	(7)	-1.7	-1.8	-1.1	-0.4
Structural balance of the general government budget, % of GDP	(8)=(5)-(6)-(7)	-2.1	-3.3	-3.1	-3.0

Taking into account the previously defined fiscal rules and the above-mentioned structural balance targets, the fiscal space for 2027, 2028, 2029 and 2030 has been determined.

Table P. Fiscal space

		2026	2027	2028	2029
General government structural budget balance forecast in no-change policy scenario, % of GDP	(1)	-2.1	-3.3	-3.1	-3.0
General government budget structural balance target under all fiscal rules, % of GDP	(2)	-2.3	-3.1	-2.8	-1.6
Fiscal security reserve, % of GDP	(3)	0.1	0.1	0.1	0.1
GDP at current prices, EUR million	(4)	48,263	50,947	53,665	56,542
Fiscal space, % of GDP	(5)=(1)-(2)-(3)	0.2	-0.3	-0.4	-1.6
Fiscal space, EUR million	(6)=(5)*(4)	80.3	-153.3	-191.1	-883.5

In 2027, the amount of fiscal space is a positive EUR 80.3 million, but a negative EUR 153.3 million in 2028, EUR 191.1 million in 2029 and EUR 883.5 million in 2030 (see Table P).

8 GOVERNMENT DEBT DEVELOPMENT TRENDS AND LONG-TERM PROJECTIONS

8.1 Government debt development trends

The basic principles and tasks of the Central government debt management for the medium term are determined by the Central government Debt and Cash Management Strategy, which is approved by the Minister for Finance. According to the strategy, the goal of the Central government debt and cash management is to ensure timely availability of financial resources to cover financing needs with the lowest possible cost of servicing public debt, limiting financial risks and at the same time contributing to the development of the domestic financial market. A strategic approach to ensuring the government borrowing and debt management process is used to meet government debt and budget liabilities, while maintaining as much flexibility as possible in the choice of the borrowing conditions (borrowing time, instrument, amount, maturity) to be carried out in the financial markets. It allows to limit financial risks in the medium term, as well as provide resources to cover the total financing requirement on favourable terms.

By flexibly adapting to the current financial market situation, which in 2025, as in previous years, was characterised by marked volatility and uncertainty, which was influenced by various factors – geopolitical tensions and warfare in various regions of the world, political events and other factors, in 2025, borrowing instruments were diversified, providing resources to cover the total financing requirement (financing of government deficit, repayment of government debt, state loans) in a timely manner and with optimal costs of servicing the public debt. The raising of resources to the required extent has been carried out both by issuing bonds in the international financial markets, through auctions of additional issues of outstanding bonds via Primary Dealers, and by means of savings bonds from Latvian residents.

In 2025, borrowing in the *euro* market was organised in the first and second half of the year: in May, issuing five-year bonds in the amount of EUR 1.0 billion and in September – 10-year bonds in the amount of EUR 1.25 billion. As bond maturities met the interest of investors at the time, demand for bonds was higher than supply. The chosen bond issue time and high investor demand in transactions allowed borrowing on favourable financial terms.

In 2025, regular auctions were conducted through Primary Dealers, offering investors additional tranches of outstanding Eurobonds, which were originally issued in international financial markets, with a maturity date from 2028 to 2033. In these auctions, the amount of resources raised through Primary Dealers in 2025 reached EUR 950 million, similar to the amount of funding raised at auctions in 2024. Different maturity securities were offered at auctions – this approach improves the liquidity of the securities, as well as facilitates trading on the secondary market. The interest of international investors in Latvian government securities has increased, allowing the resources to be raised at favourable interest rates.

At the end of 2025, the amount of savings bonds owned by Latvian residents reached EUR 370 million, increasing by about EUR 48 million over the year. In 2025, the volume of issuance of savings bonds amounted to EUR 323 million, significantly exceeding the volume of redeemed savings bonds (EUR 274 million) and approaching 7,900 investors at the end of the year. In 2025, the demand for savings bonds was stable, showing investor confidence in the instrument – more than 60% of the amount of redeemed savings bonds was reinvested, often increasing the amount of investment and choosing different terms.

In 2025, the government debt obligations were met in line with the debt repayment schedule, including the redemption of Eurobonds issued in 2015 in the amount of EUR 1,110.0 million.

As a result, at the end of 2025, the general government debt according to the ESA methodology was EUR 20.2 billion or 47.0% of GDP (the operational assessment as of 25.02.2026.). As already noted in section 4.1, official data on the 2025 general government deficit and debt will be available in the second half of April this year.

The amount of borrowing and the level of government debt in the medium term are influenced by the total financing requirement, which mainly consists of the State budget deficit, repayment of government debt, the issuance of State loans (to local governments, State and municipal capital companies, ports and universities), as well as the maintenance of a cash reserve in TT accounts to manage various risks under conditions of increased uncertainty.

Taking into account the central government debt liabilities outstanding as of 31 March 2026, according to the central government debt repayment schedule for April 2026 – December 2030, the central government debt liabilities of EUR 10.2 billion must be refinanced (see Figure 8.1). Most of the debt to be refinanced during that period consists of Eurobonds issued on the international financial markets, the maturity of which will become due.

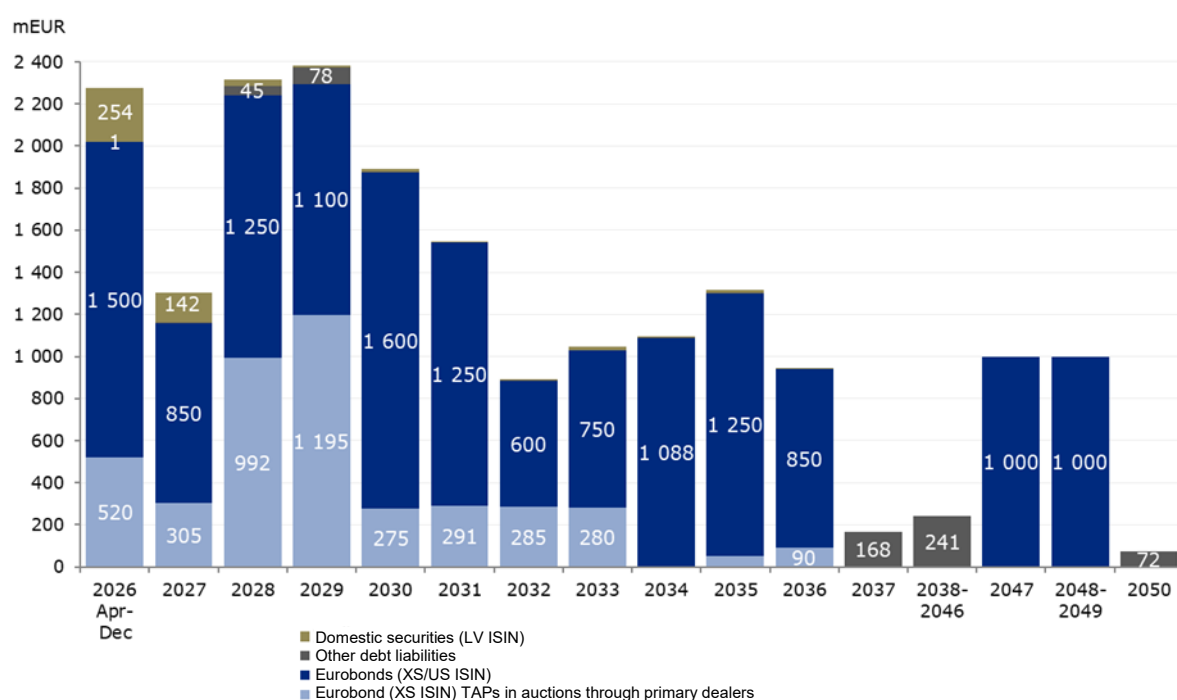


Fig. 8.1. Repayment schedule of Central government debt

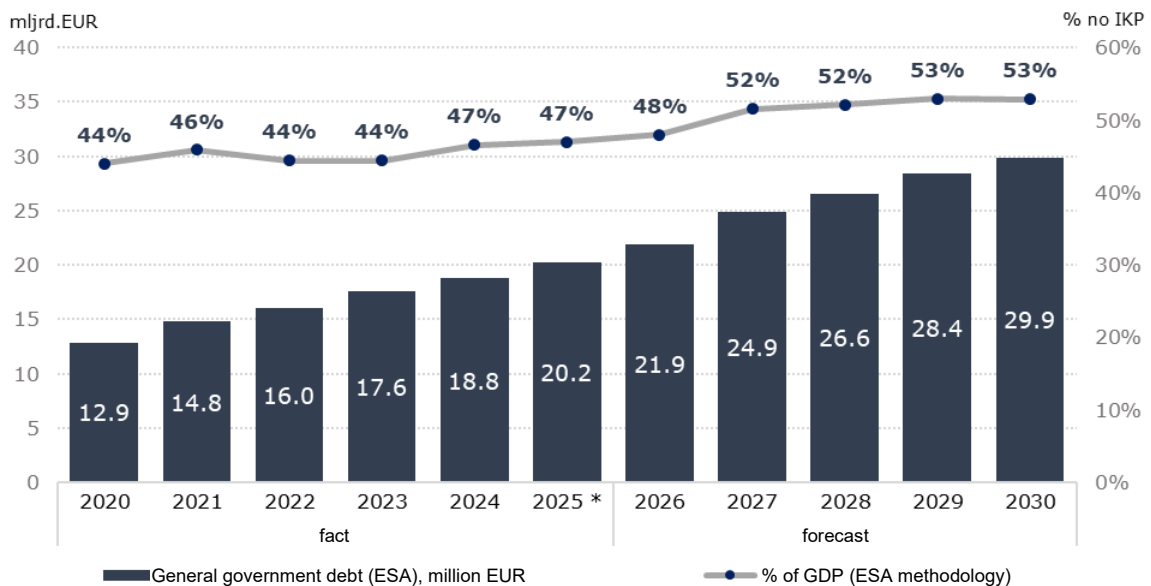
(liabilities outstanding as of 31 March 2026, in nominal value, EUR million)

In 2026-2030, the resources available in the TT accounts and borrowing measures in the financial markets will be used to cover the total financing requirement, allowing the use of other borrowing instruments depending on the situation in the financial markets and interest rate trends. Borrowing in the financial markets is planned to be ensured mainly by public benchmark Eurobond issues, maintaining as flexible a choice of borrowing instruments as possible, as well as by auctioning additional issues of outstanding Eurobonds through Primary Dealers. In order to ensure a safe investment and savings instrument for Latvian residents, the offer of savings bonds of different maturities will also be maintained.

At the end of 2025, Latvia submitted a request to the EC, accompanied by a SAFE plan, and on 17 February 2026, the EU Council approved a decision according to which a loan of up

to EUR 3,497.9 million is available to Latvia until 2030¹⁷. For the commencement of procurement and promotion of defence industry capacity already in 2026, pre-financing of EUR 524 million will be available to Latvia. These funds will be used in accordance with the provisions of the SAFE Regulation.

The general government debt trends in the medium term are influenced by the current forecast of the government budget balance, including the increase in expenditure for strengthening the national defence capacity and projects co-financed by EU funds, as well as updated macroeconomic indicator forecasts for 2026-2030. The amount of general government debt in 2027, 2028 and 2029, in addition to the above factors, will be determined by the need to provide resources in a timely manner for the repayment of the government debt scheduled for the beginning of 2028, 2029 and 2030.



**operational assessment*

*** In 2020-2024, the general government debt according to the results of the notification of the general government deficit and debt of October 2025, using for the calculation 27.02.2026. GDP data published by the Central Statistical Bureau*

Fig. 8.2. General trends in government debt development

According to current forecasts, the general government debt level is expected to reach 48% of GDP in 2026 and will gradually increase, stabilizing at 53% of GDP as of 2029 (see Figure 8.2). The government has agreed to make the increase in defence funding so that the general government debt does not exceed 55% of GDP. Projections show that the public debt will continue to be kept at a moderate, sustainable level, ensuring the refinancing of debt liabilities on optimal terms, in line with the debt condition prescribed by the FDL (60% of GDP) in the medium term.

8.2. Long-term general government debt projections

The NNFPE growth endorsed by the EU Council stipulates that the general government deficit shall not exceed 3% of GDP and the general government debt shall not exceed 60% of

¹⁷EU Council Implementing Decision available at: https://eur-lex.europa.eu/TodayOJ/index.html?uri=OJ:L_202600411

GDP until 2038. In order to assess whether the long-term direction of the debt is in line with the fiscal trajectory, a long-term stochastic analysis of the debt is performed in this section.

The analysis of long-term debt is based on the equation of debt dynamics:

$$\Delta b_t = \left(\frac{r - g}{1 + g} \right) b_{t-1} + p b_t + s f a_t$$

According to the debt dynamics equation, the change in the general government debt, % of GDP, (Δb_t) depends on the effective interest rate (r), which is determined as the current year's interest expenditure against the general government debt of the previous year; GDP growth rate at current prices (g); general government debt, % of GDP, at the end of the previous period (b_{t-1}); primary budget balances, % of GDP, ($p b_t$); stock-flow adjustments, % of GDP, ($s f a_t$). The stock-flow adjustment consists of transactions that do not affect the general government deficit, but affect the general government debt¹⁸.

The debt dynamics equation is used as the basis for stochastic debt forecasts. Stochastic debt forecasts do not provide information on one possible trajectory of debt dynamics, but on an infinite number of trajectories of debt dynamics, which are formed through the impact of a large number of shocks on the variables. It is assumed that the shocks correspond to the normal distribution. The methodology of debt sustainability analysis is described in the EC Debt Sustainability Monitor¹⁹.

The assessment of the general government debt for 2025 and the projections for 2026-2030 were determined in accordance with Section 8.1. In turn, for the remaining 8 years, the general government debt projections were determined according to the debt dynamics equation using the methodology described in the Debt Sustainability Monitor, adapting it to the projected values of the variables and the projection period of the MoF.

The general government stochastic debt projections are presented in Figure 8.3. The highest projected value of the general government debt will be reached in 2029, when it will reach 53% of GDP. In the long term, the debt volume will gradually decline and stabilise at 50% of GDP in 2038 with a 50% probability. According to the results of the stochastic debt analysis, the debt amount in 2038 will be below 56% of GDP with a 70% probability. Favourable debt dynamics are driven by a higher growth rate compared to the effective interest rate. The so-called snowball effect is formed²⁰, but given that the average effective interest rate on debt servicing has increased, the positive snowball effect will be limited, but higher than in 2024, when high interest rates led to a significant increase in the effective interest rate, while there was a stagnation in the economy.

¹⁸ Eurostat, 2025. Stock-flow adjustment for the Member States, the euro area and the EU, for the period 2021-2024, available at: <https://ec.europa.eu/eurostat/documents/1015035/22372625/EDP+Notif+-+2025+Oct+-+SFA.pdf/fb109a25-0e1f-7333-106e-73bce067c769?t=1760967346926>

¹⁹ Debt Sustainability Monitor 2025, available at: https://economy-finance.ec.europa.eu/publications/debt-sustainability-monitor-2025_en

²⁰ The snowball effect of public debt is formed if there is a difference between the effective interest rate and the growth rate of the economy, i.e., if the effective interest rate is higher (lower) than the growth rate of the economy, then at a constant primary budget balance, the public debt automatically increases (decreases).

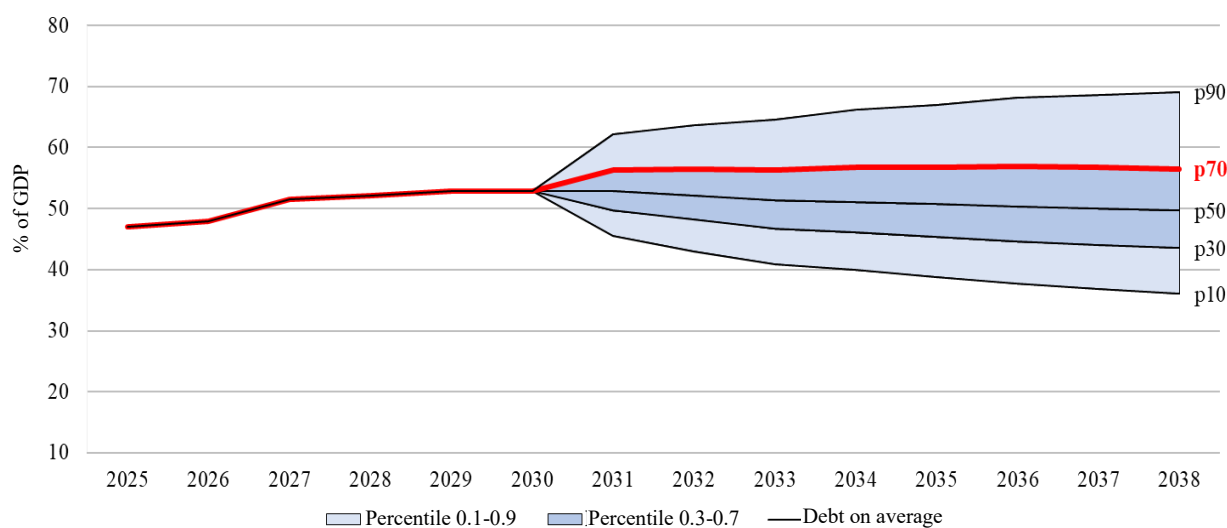


Fig. 8.3. Stochastic projections of general government debt until 2038
 Source: MoF calculations.

In its Debt Sustainability Monitor, the EC points out that Latvia has a medium risk of debt sustainability in the medium-term and a medium risk of debt sustainability in the long-term. In the medium-term, according to EC estimates, Latvia's debt will reach 74% of GDP in 2036 in the baseline scenario. However, it should be noted that the EC, when preparing its debt forecasts, sets the structural primary balance at a constant level until 2036, capturing it at the level of -2.1% of GDP in 2026. In turn, MoF calculations show that the structural primary balance in 2026 will be -1.3% of GDP (without one-off measures), which is by 0.8 pp lower. It should be noted that the methodology of the Debt Sustainability Monitor is not changed in spite of external circumstances, for example, the structural primary balance for 2026 also includes that part of the increase in defence expenditures financed via the national escape clause, i.e., at the expense of the general government deficit. The national escape clause is limited in time and active only until 2028. Whereas the EC calculations assume that if the 2026 structural primary balance includes defence spending, which is financed at the expense of the general government deficit, then it is maintained until 2036. Such an assumption in the case of Latvia may lead to a violation of the EU fiscal rules and the *Excessive Deficit Procedure*, within which countries should take consolidation measures, otherwise access to EU structural funds may be denied, fines imposed and a negative reaction in the financial markets is expected. In the Debt Sustainability Monitor, Latvia's general government deficit in the period from 2025 to 2036 is projected to exceed 3% of GDP and is approaching 5% of GDP in 2036. In the opinion of MoF, such a scenario is not possible. It should be noted that the Debt Sustainability Monitor also includes a scenario in which countries will follow the NNFPE growth set in the FSP. In such a scenario, Latvia's general government debt remains below 60% of GDP in 2036. In the long-term projections on the debt of the MoF, the assumption is that the strictest fiscal rule – the structural balance of the FDL (see Section 7.2) is followed in the long-term, thus the general government debt is below the Debt Sustainability Monitor indicated in the FSP scenario.

8.3. Long-term development scenario for public finances

Every three years, the EC, in cooperation with the Member States, prepares up long-term projections of age-related budgetary expenditure within the framework of the Economic Policy Committee’s Ageing Working Group (EPC AWG). The most up-to-date long-term budget expenditure projections developed by the Working Group in the second half of 2023 were published in the *Ageing Report 2024*.

When preparing public expenditure projections until 2070, the demographic projections EUROPOP2023 prepared by *Eurostat*, as well as the long-term forecasts of macroeconomic indicators prepared by the EC, were taken into account. The forecasting methodology, which is common to all Member States, has been discussed and endorsed by the AWG and published in *Ageing Report 2024: Underlying Assumptions and Projection Methodologies*²¹.

In EUROPOP2023 projections, the baseline year is 2022, and in Latvia, at the beginning of 2022, the population was 1.88 million people, which is by 245 thousand less than, for example, 2010. According to *Eurostat* demographic projections, the population of Latvia will continue to decrease, and by 2070 it will be by a third less than in the baseline year (see Figure 8.4).

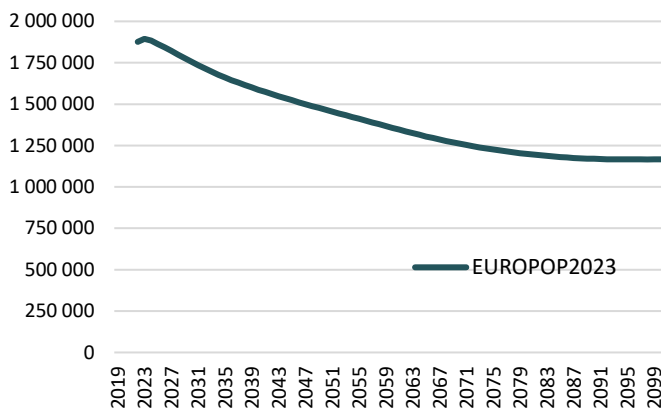


Figure 8.4. Population
(Data source: Eurostat)

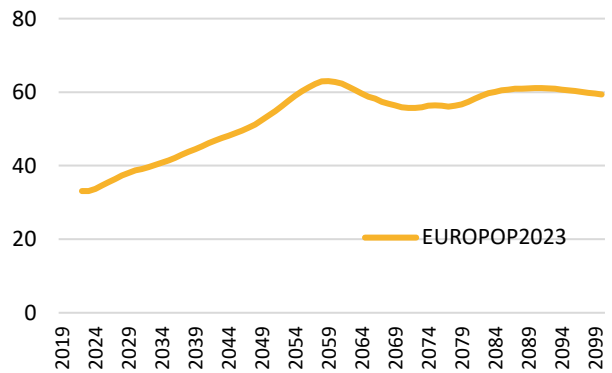


Figure 8.5. 65+ population ratio to 15-64 population, %
(Data source: Eurostat)

When preparing demographic projections for Latvia, it was assumed that:

- the total fertility rate will increase from 1.53 in 2022 to 1.72 in 2100;
- natural increase in Latvia will remain negative for a long time – until 2100. Current statistics show that the number of births in Latvia continues to decrease, for example, 12,887 children were born in 2024, which is by 11.1% or 1,603 fewer newborns than in 2023. In 2024, the number of deaths was 2.1 times, or by 13,774 people more than the number of births;

²¹ The report is available at: https://economy-finance.ec.europa.eu/publications/2024-ageing-report-underlying-assumptions-and-projection-methodologies_en

- Increase in the ratio of population aged 65+ to the working-age population (15-64) (*old-age dependency ratio*), with the highest proportion – 63% of the working-age population reaching in 2059 (see Figure 8.5). In the long term, the increase in the proportion of the elderly population will be influenced by an increase in life expectancy, which, according to *Eurostat* projections, will increase for men in Latvia from an average of 71.4 years in 2022 to 87.5 years in 2100, while for women will increase from an average of 80.6 years in 2022 to 92 years in 2100. Similarly, the increase in the ratio of 65+ to 15-64 population in the long run will be affected by the decrease in the number of working-age population, according to *Eurostat* forecasts.

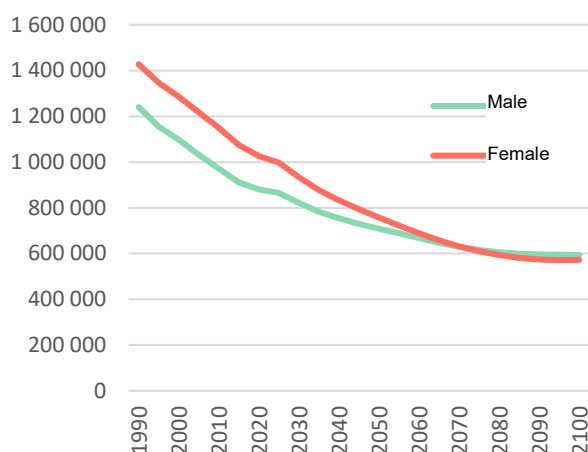


Figure 8.6. Population by gender
(Data source: Eurostat, EUROPOP2023)

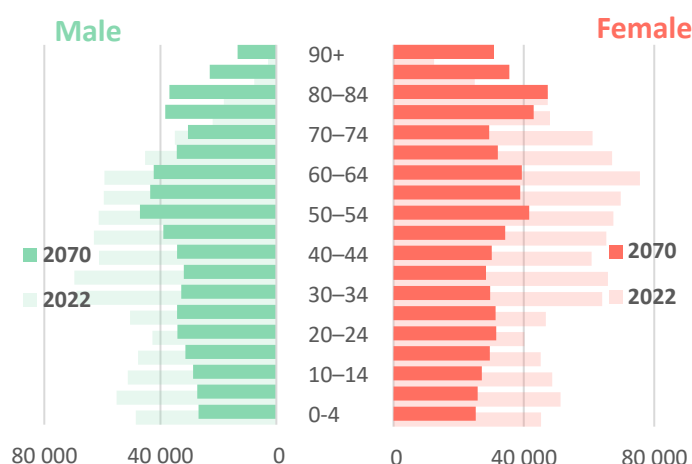


Figure 8.7. Population age pyramid in 2022 and 2070
(Data source: Eurostat, EUROPOP2023)

According to *Eurostat* projections, the number of men in Latvia, which was historically lower than the number of women, will decrease more slowly than the number of women in the long term (see Figure 8.6). This will be determined by the fact that boys have been born more than girls in at least the last 15 years, and with the male mortality rate decreasing faster than that of women, the life expectancy of men will grow faster, for example, in 2100 compared to 2022, the life expectancy of men will increase by 16.1 years or 22.5%, while that of women will increase by 11.4 years or 14.1%.

Along with the decrease in the total population, changes in the age structure of the population are projected (see Figure 8.7), where the number of elderly people, especially women 80+, will increase between 2022 and 2070.

By preparing macroeconomic projections for the long term and using the assumptions approved by the AWG, the EC forecasts that Latvia's real GDP growth will decrease from 2.8% in 2022 to 0.9% in 2070. The economy is projected to reduce the total number of hours worked by an average of 1.0% per year in the period from 2022 to 2070, with a faster decline in the population of working age. The EC predicts that the employment rate in Latvia will decrease from 71.4% to 70% in the period from 2022 to 2034, but will then gradually increase to 71.9% in 2070. Despite the increase in the employment rate, the number of employed persons in general is projected to decrease in the long run with the population of working age.

The demographic and economic situation, especially the labour market, will have a long-term impact on the sustainability of public finances, with an impact on both tax revenues and budget expenditure. The amount of taxes collected will largely depend on long-term trends in the number of employees, as well as the increase in budget expenditure in the long term will be influenced by the previously assumed liabilities for the payment of pensions and benefits, debt servicing expenditure, as well as the increase in age-related expenditure.

The EPC AWG, taking into account updated long-term demographic and macroeconomic projections, has updated the population ageing expenditure projections until 2070. They are published in the Second Part of the 2024 Ageing Report, *Ageing Report 2024: Economic & Budgetary Projections for the EU Member States (2022-2070)*²².

Under the baseline scenario, ageing-related public expenditure will decrease by 1.8 pp in 2070 compared to 2022 and will be 15.4% of GDP (see Figure 8.8). In Latvia, the trend of budget expenditure in the long run remains similar to previous projections and is mainly determined by Eurostat's conservative demographic projections. It should be noted that the projections are prepared under a no-change policy scenario, i.e., taking into account the legislative changes that have been adopted by October 2023.

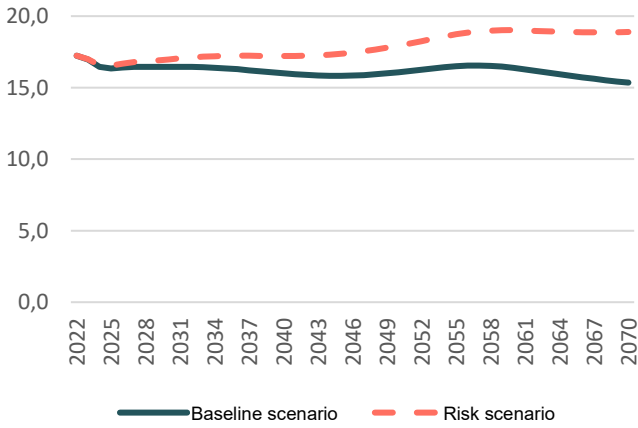


Figure 8.8. Age-related public expenditure in baseline and risk scenarios, % of GDP
(Data source: Ageing Report 2024)

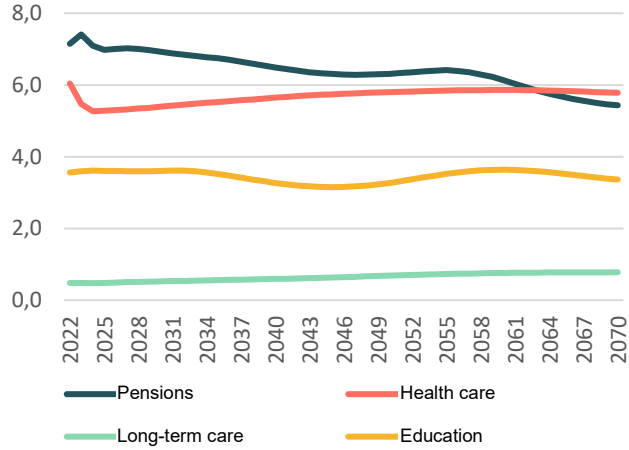


Figure 8.9. Age-related public expenditure by item, % of GDP
(Data source: Ageing Report 2024)

The projections for public 1st Pillar pension expenditure (see Figure 8.9) are based on the projections prepared by the MoW, which foresee a decrease in the share of pension expenditure in GDP from 7.2% of GDP in 2022 to 5.4% of GDP in 2070. The decline in the share of expenditure in GDP, especially until 2025, was driven by the pension reform, raising the retirement age to 65 years, which resulted in a decrease in the number of pension beneficiaries people close to retirement remaining being longer in the labour market. However, future pension expenditure projections will mainly be determined by the change in the number of pensioners according to demographic projections. The share of pension expenditure in GDP will shrink the fastest starting from about 2055-2060, with a significant decrease in the number of new pension recipients (births in the 1990s). Pension expenditure projections have been prepared under a no-change policy scenario, taking into account the legislative changes that have been adopted by October 2023.

Health care expenditure is projected to fall from 6.0% of GDP in 2022 to 5.8% of GDP in 2070. However, it should be noted that as early as 2022, COVID-19 support measures were included in the expenditure; therefore compared to 2024 (5.3% of GDP), the expenditure will increase in the long term. This will be driven by increased demand for health services as life expectancy increases and the population ages. Long-term care expenditure is also expected to grow

²² The report is available at: https://economy-finance.ec.europa.eu/publications/2024-ageing-report-economic-and-budgetary-projections-eu-member-states-2022-2070_en

from 0.5% of GDP in 2022 to 0.8% of GDP in 2070, taking into account the growing need for long-term care services.

In addition to the baseline scenario, several sensitivity tests and alternative scenarios were developed under different assumptions. The risk scenario predicts that public expenditure related to population ageing could increase by 1.4 pp compared to 2022 and reach 18.9% of GDP in 2070. In the risk scenario, mainly expenditure on health care and long-term care would increase, taking into account both the possible increase in costs due to technological progress and the convergence of costs per beneficiary with the EU average indicators.

9 SENSITIVITY ANALYSIS AND MACROECONOMIC SCENARIO RISKS

When developing forecasts of macroeconomic indicators, MoF uses prudent assumptions and assesses both external and internal risks, indicating that forecasts are still made under conditions of high uncertainty. The most significant negative risks are related to the high uncertainty in foreign markets, including trade tariff wars and political conflicts, which may reduce economic growth in Latvia's main trading partners, as well as the geopolitical situation in the region and the war in Ukraine caused by Russia. Similarly, economic growth may be adversely affected by a deterioration in consumer confidence, by limiting spending in conditions of rapid price and energy cost growth, as well as by a deterioration in Latvia's external competitiveness due to an excessively rapid increase in production costs, including a high rate of increase in labour costs.

In turn, positive risks can contribute to faster growth, including avoiding broader trade tariffs and political conflicts would stimulate economic growth and boost investment activity. Similarly, a successful end to hostilities in Ukraine could improve the security and investment climate in the region. Faster use of EU funds and implementation of major projects such as *Rail Baltica* can also provide additional incentives.

Considering the potential risks to economic growth, the MoF has prepared two alternative economic development scenarios for the period from 2026 to 2030, respectively anticipating the realisation of the impact of negative and positive risks. These scenarios model the impact of the realisation of these risks on various macroeconomic indicators and budget revenues.

9.1 Pessimistic scenario

Latvia's economic growth prospects are still characterised by high uncertainty, and downside risks prevail over the optimistic scenario. Geopolitical conflicts, constant changes in trade policy, and US rhetoric about introducing or revising customs tariffs can weaken economic sentiment in the EU and increase volatility in global financial markets. An additional source of uncertainty is the competition of Chinese goods in the EU market and the uncertain future trading conditions between the EU and China. In general, this can have a negative impact on companies' decisions to make new investments. Investment activity in the medium term could also be adversely affected by the disruption of EU funds funding between the 2021-2027 and 2028-2035 programming periods. Latvia's competitiveness in foreign markets could be undermined by a faster rise in labour costs, as well as a further strengthening of the *euro* exchange rate.

The pessimistic scenario is based on the assumption that high energy consumption in Europe in the 2025-2026 heating season and low gas residual levels in storage could contribute to the increase in gas and electricity prices in the 2026-2027 heating season. In addition, food price increases remain sustained and do not slow down compared to the baseline scenario.

According to the pessimistic scenario, GDP growth in constant prices could be 0.7% in 2026, and 0.8% in 2027, which would be by 1.9 pp lower than in the baseline scenario. A more sustainable economic growth would only resume in 2028. The slowdown in economic growth would also be reflected in the labour market, where the drop in the number of employees would be slightly faster, but the unemployment rate would be slightly higher than in the baseline scenario. The increase in salaries in the next three years would also be by 0.2 pp slower. Inflation, on the other hand, would reach 3.2% in 2026 and 2.8% in 2027, which would be by 0.3 pp and 0.2 pp higher respectively than in the baseline scenario.

Table R. Pessimistic macroeconomic indicator development scenario

	2025	2026	2027	2028	2029	2030
	fact	forecast				
Gross domestic product (EUR million)	43,026	44,830	46,745	49,332	51,954	54,727
increase in current prices (%)	5.8	4.2	4.3	5.5	5.3	5.3
increase in constant prices (%)	2.1	0.7	0.8	2.3	2.5	2.5
GDP deflator (year on year, %)	3.6	3.5	3.4	3.2	2.8	2.8
CPI (year on year, %)	3.7	3.2	2.8	2.8	2.4	2.4
Average monthly gross salary of population employed in economics (EUR)	1,815	1,929	2,041	2,160	2,278	2,404
increase in current prices (%)	7.7	6.3	5.8	5.8	5.5	5.5
increase in constant prices (%)	3.8	3.3	3.1	3.1	3.1	3.1
Employment (thousands of population according to labour force surveys)	883	881	879	874	870	866
increase (%)	0.6	-0.2	-0.3	-0.5	-0.5	-0.5
Unemployment rate (annual average, % of economically active population)	6.9	6.8	6.5	6.5	6.5	6.2

The implementation of the pessimistic scenario would lead to a decrease in tax and non-tax revenues, which would affect the general government budget balance, as well as an increase in public debt service expenditures. Compared to the baseline scenario, in the pessimistic scenario, the general government deficit would increase by EUR 126.5 million in 2026 or by 0.3 pp of GDP and would reach 3.3% of GDP. In 2027, the general government balance would deteriorate more significantly, by 0.7 pp of GDP, but in 2028-2030 by 0.9 pp of GDP annually compared to the baseline scenario. The general government deficit in the pessimistic scenario would increase to 4.7% of GDP in 2027, to 6.0% of GDP in 2028, to 5.1% of GDP in 2029, and to 4.3% of GDP in 2030.

Table S. Impact of pessimistic scenario on the general government budget and debt, EUR million

	The pessimistic scenario					Deviation from baseline scenario				
	2026	2027	2028	2029	2030	2026	2027	2028	2029	2030
General government budget balance, % of GDP	-3.3	-4.7	-6.0	-5.1	-4.3	-0.3	-0.7	-0.9	-0.9	-0.9
General government budget balance	-1,494.2	-2,200.5	-2,958.5	-2,660.6	-2,371.4	-126.5	-288.4	-347.9	-416.0	-452.3
Tax revenue	15,101.2	15,761.2	16,437.8	17,023.3	17,729.3	-120.2	-270.0	-318.3	-373.1	-393.9
Non-tax revenue	1,062.7	1,046.7	1,065.3	1,027.7	1,049.4	-6.3	-10.7	-10.3	-8.1	-8.1
Interest expenditure (D.41)	606.4	689.9	751.8	898.6	951.5	0.0	7.8	19.4	34.9	50.4

	The pessimistic scenario					Deviation from baseline scenario				
	2026	2027	2028	2029	2030	2026	2027	2028	2029	2030
General government debt, % of GDP	49.1	54.1	55.4	57.0	57.7	1.2	2.6	3.3	4.0	4.8

With the implementation of the most pessimistic scenario of economic development, the reduction of tax revenue would lead to an increase in the State budget deficit, as a result of which the total need for financing and, accordingly, the amount of borrowing would increase over a certain period of time compared to the baseline scenario. In addition, the borrowing and deterioration of fiscal position could lead to an increase in interest rates and interest expenses. In the pessimistic scenario, interest expenditure would increase faster than in the baseline scenario, and by 2030 it would be by EUR 50.4 million higher than in the baseline scenario. A negative economic development scenario will also increase the amount of general government debt faster, which would reach 57.7% of GDP in 2030, significantly approaching the debt threshold of 60% of GDP.

9.2 Optimistic scenario

The scenario foresees a faster growth of economic activity, which will be facilitated by the main components of GDP spending. Latvia's exports will be positively affected by higher external demand, which will be determined by the acceleration of EU economic growth. A faster rise in salaries compared to the baseline scenario will contribute to an increase in private consumption. Meanwhile, a higher inflow of investments from EU funds in the medium term, as well as a faster pace of lending, will stimulate investment activity. As a result, higher consumption and salary cost pressures will accelerate consumer price increases.

According to the optimistic scenario, GDP at constant prices could grow by 3.1% in 2026 and 3.3% in 2027, which would be by 0.5 pp and 0.6 pp more respectively than in the baseline scenario. Inflation in 2026 and 2027 would be slightly higher, accounting for 3.2% and 2.8%, respectively, which would be by 0.3 pp and 0.2 pp higher than in the baseline scenario. The average monthly salary in this scenario would grow by 0.5 pp faster in the next two years than in the baseline scenario, and the unemployment rate would also decrease slightly faster.

Table T. Optimistic macroeconomic indicators development scenario

	2025	2026	2027	2028	2029	2030
	fact	forecast				
Gross domestic product (EUR million)	43,026	45,878	48,935	51,980	54,761	57,701
increase in current prices (%)	5.8	6.6	6.7	6.2	5.3	5.4
increase in constant prices (%)	2.1	3.1	3.3	2.9	2.5	2.5
GDP deflator (year on year, %)	3.6	3.4	3.3	3.2	2.8	2.8
CPI (year on year, %)	3.7	3.2	2.8	2.8	2.4	2.4
Average monthly gross salary of population employed in economics (EUR)	1,815	1,942	2,068	2,199	2,331	2,459
increase in current prices (%)	7.7	7.0	6.5	6.3	6.0	5.5
increase in constant prices (%)	3.8	4.0	3.8	3.6	3.6	3.1

Employment (thousands of population according to labour force surveys)	883	884	883	881	878	873
increase (%)	0.6	0.1	-0.1	-0.2	-0.4	-0.5
Unemployment rate (annual average, % of economically active population)	6.9	6.5	6.2	5.8	5.7	5.5

The general government budget balance would improve if the optimistic scenario, in which tax and non-tax revenues increase but interest expenditure for financing the public debt decreases, were to materialise. Compared to the baseline scenario, in the optimistic scenario, the general government deficit would decrease by EUR 81.7 million in 2026 or by 0.2 pp of GDP. In turn, in 2027, the general government balance would improve by 0.5 pp of GDP, but in 2028, 2029 and 2030 by 0.7 pp annually compared to the baseline scenario.

Table U. Impact of the optimistic scenario on the general government budget and debt, EUR million

	The optimistic scenario					Deviation from baseline scenario				
	2026	2027	2028	2029	2030	2026	2027	2028	2029	2030
General government budget balance, % of GDP	-2.8	-3.5	-4.5	-3.5	-2.7	0.2	0.5	0.7	0.7	0.7
General government budget balance	-1,286.0	-1,717.7	-2,317.2	-1,919.6	-1,570.0	81.7	194.5	293.4	325.0	349.1
Tax revenue	15,301.2	16,217.7	17,033.8	17,698.0	18,438.8	79.8	186.6	277.8	301.6	315.6
Non-tax revenue	1,070.9	1,062.1	1,082.1	1,040.9	1,062.6	1.9	4.7	6.5	5.1	5.1
Interest expenditure (D.41)	606.4	679.0	723.3	845.6	872.8	0.0	-3.2	-9.1	-18.2	-28.4
General government debt, % of GDP	47.5	50.3	50.0	50.2	49.6	-0.4	-1.3	-2.2	-2.7	-3.3

By implementing the optimistic scenario of economic development, the increase in tax revenues would lead to an improvement in the financial balance of the State budget, as a result of which the total need for financing and, accordingly, the amount of borrowing in the relevant period would decrease compared to the baseline scenario. Lower borrowing would lead to savings in interest expenditure. In the optimistic scenario, interest expenditure would decrease, and by 2030 it would be by EUR 28.4 million less than in the baseline scenario. In turn, the amount of general government debt in the optimistic scenario would be close to 50% of GDP, with the proportion declining in 2030.

10 GREEN BUDGETING

In line with the guidance to Member States on information requirements for medium-term FSP and annual progress reports²³, the Progress Report also provides information on progress in the implementation of green budgeting.

“Green budget” means the use of budgetary management tools to align expenditure and revenue planning with climate and environmental objectives by systematically examining existing and potential fiscal measures and policies, integrating a climate-neutral and environmental-oriented approach into the national budgetary planning and fiscal framework²⁴.

The OECD 2022 survey identifies twelve tools used by OECD Member States to build a 'green budget':

- 1 Environmental impact assessment;
- 2 Green budget tagging;
- 3 Review of harmful tax expenditure;
- 4 Environmental cost-benefit analysis;
- 5 Carbon assessment of budget measures;
- 6 Shadow price of carbon;
- 7 Green approach in multi-annual budgets;
- 8 Green perspective in pending review;
- 9 Metrics to be applied consistently across departments;
- 10 Carbon budgets;
- 11 Green approach in macro-fiscal projections;
- 12 Green approach to risk analysis²⁵.

“Green budget” *tagging* is one of the most popular “green budget” tools; however, there is currently no unified framework for this task, with each country developing a tailor-made approach and solution. Differences are mainly observed because there may be: (a) different budget schemes under which “green budget” planning is carried out; (b) different definitions of what is “green”, different national “green” programmes and commitments, which may be the basis for a country-specific definition of “green”; (c) different administrative capacity and political support²⁶. Therefore, any approach should be based on the existing public financial management system of the country, harmonising it with the strengths and limitations of the existing budgeting process.

OECD believes that the introduction of “green budget” tagging is likely to be a reform that will require several budget cycles. The early years of “green budget” tagging can be particularly challenging. Moreover, it is in these early years that the effectiveness of the approach is still being tested and improved²⁷. While making “green budget” tagging in itself does not change

²³ Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C_202403975

²⁴ Paris Collaborative on Green Budgeting: OECD Green Budgeting Framework. Highlights. Available: [OECD-Green-Budgeting-Framework-Highlights.pdf](https://www.oecd.org/en/publications/green-budgeting-in-oecd-countries-2024_9aea61f0-en.html)

²⁵ https://www.oecd.org/en/publications/green-budgeting-in-oecd-countries-2024_9aea61f0-en.html

²⁶ <https://www.oecd-ilibrary.org/sites/fe7bfcc4-en/1/3/3/index.html?itemId=/content/publication/fe7bfcc4-en&csp=86aae55f0a15c5dd2b4bf74263c82b90&itemIGO=oecd&itemContentType=book>

²⁷ <https://www.oecd-ilibrary.org/sites/fe7bfcc4-en/1/3/3/index.html?itemId=/content/publication/fe7bfcc4-en&csp=86aae55f0a15c5dd2b4bf74263c82b90&itemIGO=oecd&itemContentType=book>

existing policies, it does provide decision makers with a clearer understanding of the overall environmental and climate impact of budget spending.

In Latvia, "green budget" tagging is being introduced gradually. In 2024, the basic principles of the methodology were developed and a tagging assessment was carried out for the 2023 expenditures of the MoF, which was included in the Fiscal Risks Declaration (hereinafter – FRD)²⁸. In 2025, the methodology was improved and entire 2023 basic budget expenditures were tagged, which was also included in the FRD²⁹. At the end of 2025, the Climate Resilience and Economic Sustainability Law also entered into force³⁰. Article 19 provides for the MoF, in cooperation with the Ministry of Climate and Energy (hereinafter – MoCE), to carry out an assessment of the state budget expenditures and taxes by including it in the Climate Declaration (from 2027), which will be added to the next year's law on the state budget and the medium-term budget framework. In turn, the CoM must approve the assessment methodology by 30 June 2026.

The basic principles of the methodology state that the “green budget” tagging is based on the Taxonomy Regulation³¹, which describes actions that significantly contribute to or harm one of the six environmental objectives listed in this Regulation: a) climate change mitigation; b) climate change adaptation; c) the sustainable use and protection of water and marine resources; d) the transition to a circular economy; e) pollution prevention and control; f) the protection and restoration of biodiversity and ecosystems, and in an adapted version will be applied to the classification of Latvia's basic budget and tax expenditure as well as basic budget revenue. Basic budget expenditures are mainly tagged at the level of financing plans (with certain exceptions, which provide for a more detailed level of detail for quality improvement), in addition to obtaining clarifying information from budget implementation documents and in communication with the authorities. After compiling the information, the expenditures are classified according to five categories “favourable”, “unfavourable”, “mixed”, “neutral”, “ambiguous”.

Currently, the methodology is being supplemented by expanding it with tax expenditure, as well as tagging the 2024 and 2025 state basic budget expenditure and 2023 and 2024 tax expenditures.

In 2025, with the development of the FRD³², its Section 5 has been expanded with the analysis of the impact of climate change on key fiscal indicators. The long-term impact of climate change on the general government budget primary balance (% of GDP) and general government debt (% of GDP) by 2099 under six different climate scenarios (excluding the baseline scenario) is analysed with the³³ help of the Quantitative Climate Risk Assessment Fiscal Tool. In the further development and application of the model, the MoF a recommendation from MoCE to assess in the future the possibility of using climate scenarios modelled by LVGMC specific to Latvia, which could improve the accuracy of forecasts.

²⁸ Informative Report "Fiscal Risks Declaration". Available: <https://www.fm.gov.lv/lv/media/19989/download?attachment>

²⁹ Informative Report "Fiscal Risks Declaration". Available: <https://www.fm.gov.lv/lv/media/19989/download?attachment>

³⁰ <https://likumi.lv/ta/id/364967>

³¹ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework for promoting sustainable investments.

³² Informative Report "Fiscal Risks Declaration". Available: <https://www.fm.gov.lv/lv/media/19989/download?attachment>

³³ <https://www.imf.org/en/Topics/fiscal-policies/Fiscal-Risks/Fiscal-Risks-Toolkit/Fiscal-Risks-Toolkit-Q-Craft>

11 FISCAL RISKS (STATE GUARANTEES, CONTINGENT LIABILITIES)

Data on contingent liabilities of the government are collected in accordance with Council Directive 2011/85 on requirements for budgetary frameworks of the Member States, as amended by the new Council Directive 2024/1265, which requires Member States to publish relevant information on contingent liabilities with potentially large impact on public budget, including government guarantees, non-performing loans and liabilities stemming from the operation of public corporations, including the extent thereof. These liabilities are called 'contingent' in the sense that, by their very nature, they are only potential rather than actual commitments, and they can only materialise as actual commitments of the State if certain conditions exist.

According to the requirements of that Directive, information on contingent liabilities is available on the MoF website³⁴. Some sources of contingent liabilities of the government are analysed in the FRD.

State and general government guarantees

The range of potential beneficiaries of the **State guarantee** and objectives, as well as the conditions under which the State guarantee is not provided are laid down in the LBFM. The procedures for the provision and monitoring of State guarantees are laid down in the Cabinet Regulation No. 391 of 8 July 2014 “*Procedures by which the Requests for the Guarantees to be Issued on Behalf of the State shall be Included in the Draft Annual State Budget Law, and the Procedures for the Issuance and Supervision of Guarantees*” (hereinafter – Cabinet Regulation No. 391), which prescribes the following:

- the criteria for determining the increased loan repayment risk in cases where the State guarantee is not provided;
- responsibilities for TT, the sectoral ministry and the beneficiary of the guarantee in the process of monitoring State guaranteed liabilities;
- action in the event of financial deterioration or decrease in the collateral value of the beneficiary of the guarantee (i.e., the possibility to revise the risk interest rate, to request a sworn auditor’s opinion on the financial situation, as well as the right to access information of the beneficiary of the guarantee relating to its economic activity and the use of the State-guaranteed loan) in order to ensure the protection of national interests.

According to the provisions of Paragraph 40 of Cabinet Regulation No. 391, the Minister for Finance shall, once a year by 1 June, submit to the CoM a report on the quality of the State guarantee portfolio (based on the data from the previous year’s report).

As part of the process of monitoring the State-guaranteed loan portfolio, a report is prepared twice a year for the Minister for Finance on the beneficiaries of the guarantees whose creditworthiness is assessed as “weak” or “poor” according to the internal regulations of TT, with proposals for necessary actions for the protection of national interests. Given that the guarantee monitoring process did not identify beneficiaries of State guarantees whose creditworthiness was assessed as “weak” or “poor”, no proposals were made to the Minister for Finance during the reporting period on the necessary action for the protection of national interests.

The balance of loans guaranteed by the State as at **31 December 2025** totalled EUR 325.4 million, which has decreased by EUR 29.7 million as compared to 31 December 2024.

The Law “On the State Budget for 2026 and the Budgetary Framework for 2026, 2027, and 2028” does not foresee new guarantees to be provided on behalf of the State, but stipulates that

³⁴ Information in Latvian available at: <https://www.fm.gov.lv/lv/fiskalie-dati> and information in English is available at: <https://www.fm.gov.lv/en/fiscal-data-0>

the State would be liable for guarantees issued by Altum in the amount of EUR 290.0 million in accordance with the Law on Agriculture and Rural Development and the Law on Development Finance Institution.

The lenders, the amount of the guarantee and its ratio against the total State guarantee portfolio are depicted in Table V.

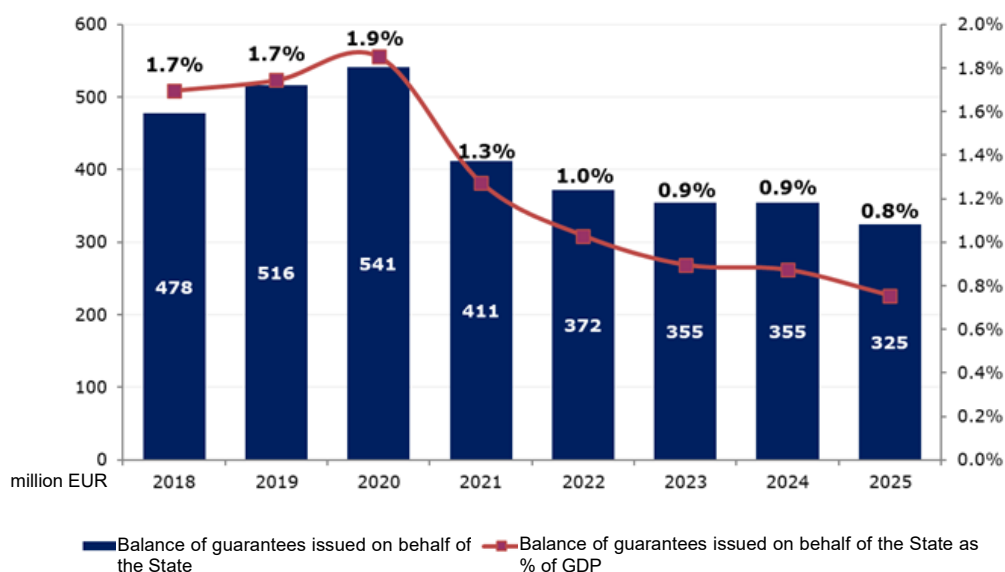


Fig. 11.1. Balance of guarantees issued on behalf of the State at the end of the year (EUR million)

Table V. State guarantee amounts as at 31 December 2025

Target (Lender)	Guarantee amount, EUR	Guarantee volume against total State guarantee portfolio, %
Agricultural and rural development credit guarantees (various credit institutions)	225,243,004	69.2
European temporary Support to mitigate Unemployment Risks in an Emergency (SURE) following the COVID-19 outbreak for EU Member States 3 (EC)	57,070,750	17.5
Crediting of studies and students (various credit institutions)	22,842,858	7.0
Public Expenditures for Administrative Capacity Endurance in Ukraine (World Bank (IBRD))	10,000,000	3.1
Emergency macro-financial assistance to Ukraine (EC)	8,095,766	2.5
Guarantee for EIB supported projects (EIB)	1,571,157	0.5
Latvian Olympic Committee (JSC "Swedbank")	607,092	0.2

The guarantees for the International Bank for Reconstruction and Development (within the World Bank Group) and EC support to Ukraine were issued by the RoL in 2022.

The State guarantee agreement with the International Bank for Reconstruction and Development (within the framework of the World Bank Group) for a loan to Ukraine of EUR 10.0

million plus under the “Public Expenditure for Administrative Capacity Endurance in Ukraine” project was signed by the RoL on 11 July 2022 in accordance with Section 8.² of the Law on Assistance to Ukrainian Civilians. The loan has a final maturity date of 15 August 2040.

On 1 December 2022, the RoL signed a guarantee agreement with the EC, based on the decision on emergency macro-financial assistance to Ukraine, which provides for the guarantee of the principal amount of the loan by the RoL until 31 December 2058 in the total amount of EUR 8.1 million.

International rating agencies “Fitch”, “R&I”, “Moody's Investors Service” have graded Ukraine’s credit rating at a level that indicates still ongoing future default risks. At the same time, it should be noted that on 22 January 2026 the international rating agency “S&P Global Ratings” graded Ukraine’s credit rating as CCC+ with *a stable forecast*, on 22 December 2025 the international rating agency “Fitch Ratings” graded Ukraine’s credit rating as CCC- with *a stable forecast* and on 30 May 2025 the international rating agency “Moody's” graded Ukraine’s credit rating at Ca level. Ukraine's ability to meet its financial liabilities is hampered due to the ongoing war and depends on favourable financial and economic conditions, therefore this risk is reassessed every year with a strict view to events in the coming years. **Provisions have been set aside for State guarantees in support of Ukraine.**

State guarantees are also analysed within the scope of the **general management of fiscal risks** mechanism which includes a set of procedures providing for annual fiscal risks identification, probability of setting in thereof and fiscal impact assessment, as well as development of measures necessary for the fiscal risk rectification or reduction.

State guarantees are contingent liabilities arising from legislation or contracts, according to the classification of fiscal risk sources. The fiscal risk of State guarantees is the impact of uncertainty on the ability of the beneficiaries of loans guaranteed by the State to settle their liabilities on time and in full amount, which may result in the State being obliged to settle the liabilities towards the relevant lender instead of the beneficiary of the guarantee.

Accordance to Cabinet Regulation No. 229 of 29 April 2014 “Regulations Regarding the General Management of Fiscal Risks and Methodology for Determining the Amount of Fiscal Security Reserve” (hereinafter – Cabinet Regulation No. 229), the fiscal impact of the guarantee risk is calculated each year as the total amount of payments planned for each State-guaranteed loan to institutions classified outside the general government sector in the relevant year according to the loan agreement schedule.

The Fiscal Security Reserve is the quantitative result of the general management of fiscal risks and, for State guarantees, the Fiscal Security Reserve is calculated by multiplying the fiscal impact values of the guarantee risks by the probabilities of occurrence of the guarantee risks.

According to TT assessment, the calculated fiscal impact of the guarantee risk was EUR 0.55 million in 2026, EUR 0.79 million in 2027, EUR 0.78 million in 2028, and EUR 0.76 million in 2029. Taking into account the methodology for calculating the Fiscal Security Reserve laid down in Cabinet Regulation No. 229, the **Fiscal Security Reserve for State guarantees** is calculated at 0.0012% in 2026, 0.0016% in 2027, 0.0015% in 2028 and 0.0014% in 2029 of GDP, and it forms part of the Fiscal Security Reserve for 2026, 2027 and 2028 **specified** in Section 10 of the law “On the State Budget for 2026 and the Budgetary Framework for 2026, 2027 and 2028” – 0.1% of GDP.

Another form of State support to public and private commercial companies to mitigate the effects of crises in Latvia, Europe and globally is through financial instruments, including general government sector guarantees granted to entities classified outside the general government sector. The impact on public finances in this case may arise if the beneficiary of the guarantee is unable to settle its credit liabilities and they must be taken over by the general government sector. An

additional risk may also arise if the originally estimated losses on guarantees accounted for as general government expenditure materialise to a greater extent.

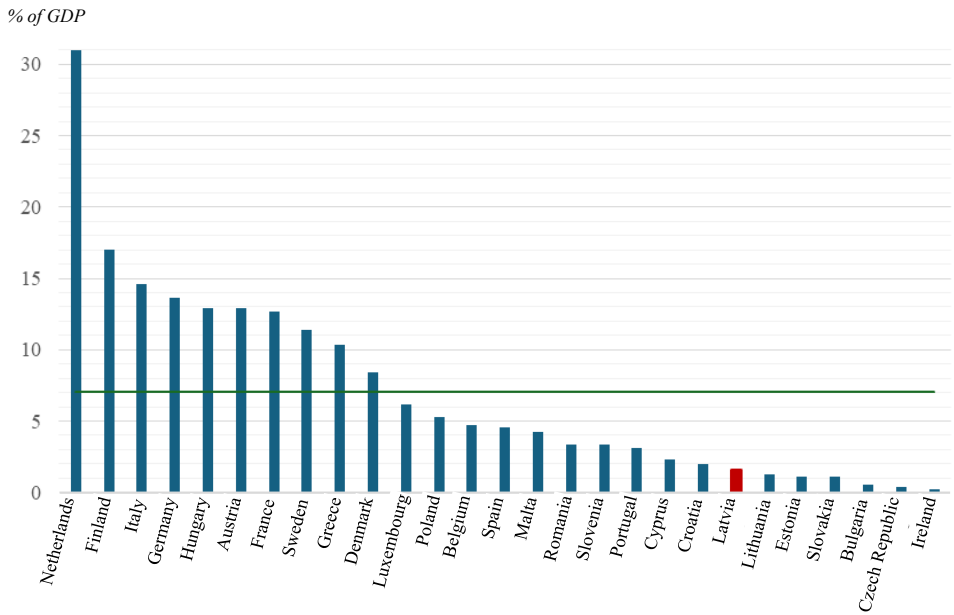


Fig. 11.2. Amount of the general government sector guarantees in 2024, % of GDP (provided to institutions classified outside the general government sector and excludes those already recognised as general government debt according to the ESA methodology). Source: Eurostat

The amount of general government guarantees in 2024 expressed as a % of GDP in the EU Member States is shown in Figure 11.2 and the average guarantee amount was 7.0% of GDP. It can be clearly concluded from Eurostat data, among EU Member States, the amount of guarantees issued by the Latvian general government sector is low – 1.6% of GDP in 2024.

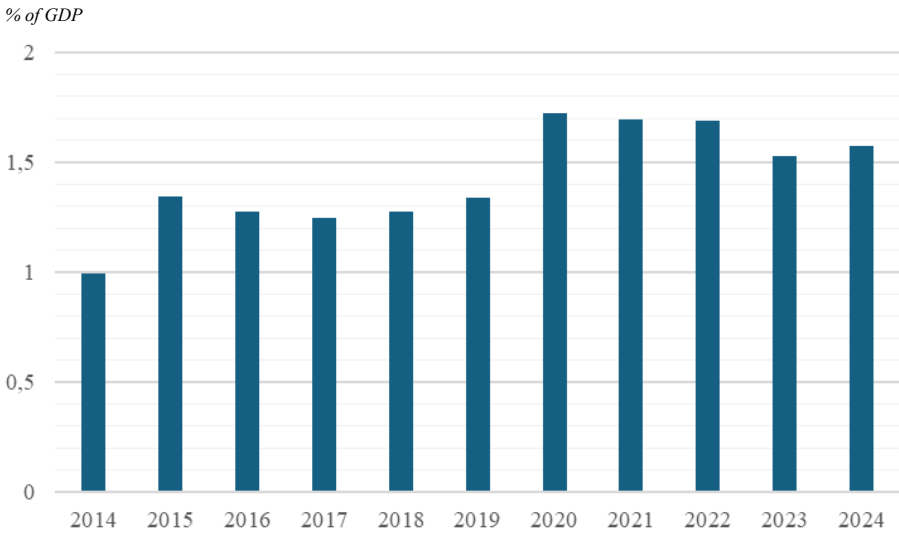


Fig. 11.3. Amount of the general government sector guarantees from 2014 to 2024, % of GDP (provided to institutions classified outside the general government sector and excludes those already recognised as general government debt according to the ESA methodology). Source: Eurostat

In Latvia the amount of general government guarantees, provided to entities classified outside the general government sector, is relatively low, despite the support provided to mitigate the impact of COVID-19 from 2020, and this trend has been observed over a long period of time, as shown in Figure 11.3, in the period from 2014 to 2024 averaged 1.4% of GDP.

Other contingent liabilities

Public corporations not classified within general government sector

The MoF collects data on contingent liabilities in accordance with Council Directive 2011/85/EU, including on the participation of the general government in the capital of public corporations in respect of economically significant amounts (above 0.01 % of GDP).

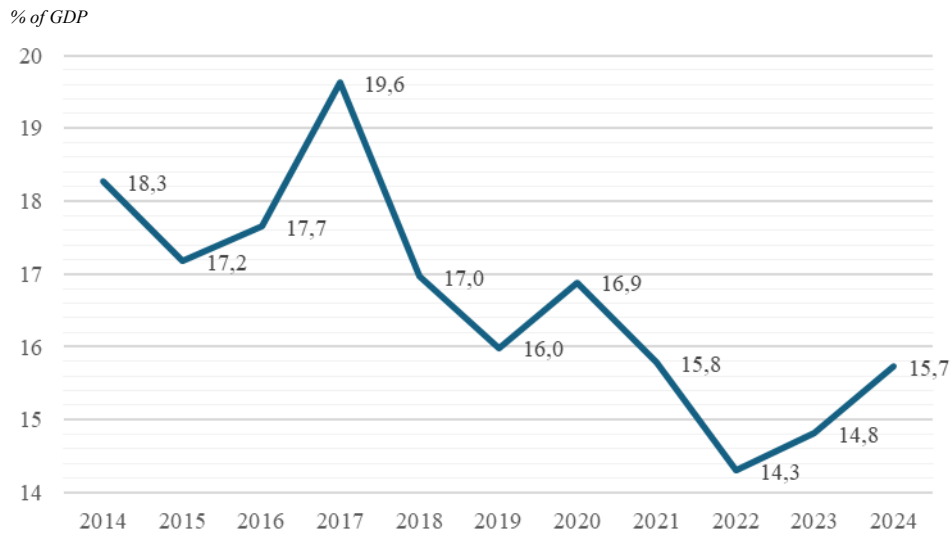


Fig. 11.4. Value of general government sector participation in the capital of public corporations from 2014 to 2024, % of GDP. Source: TT

It may be concluded from the gathered data that the general government sector participation in public sector corporations shows a somewhat fluctuating trend over time, but with a downward trend, with the participation rate average 16.7% of GDP in the period from 2014 to 2024 (Figure 11.4). The amplitude of the fluctuations remains relatively stable and does not indicate a significant increase in risk and there are no grounds to consider that it would increase significantly in the medium term.

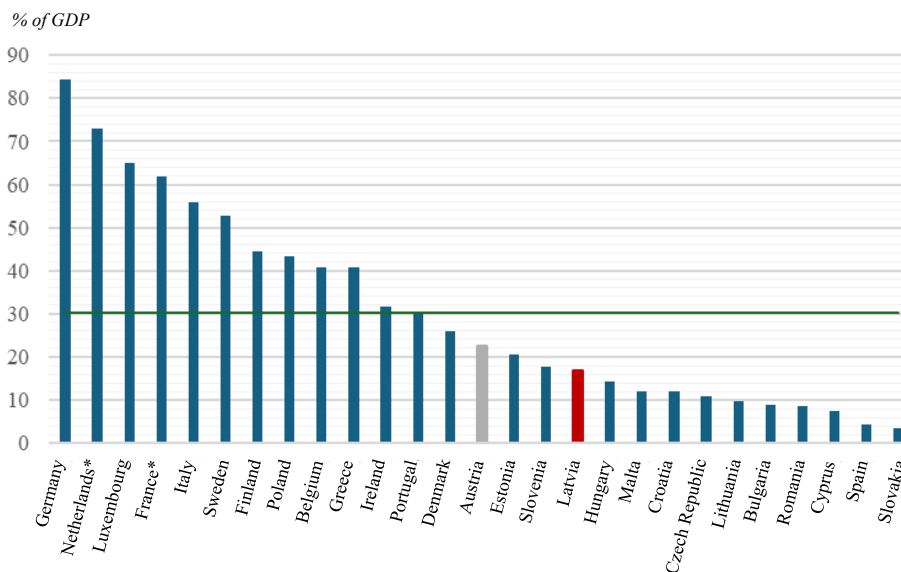


Fig. 11.5. Total liabilities of public corporations controlled by the general government (outside the general government sector) in 2024 (* - 2023), % of GDP. Source: Eurostat

Eurostat data on the total liabilities of public corporations controlled by the general government (outside the general government sector) are used for cross-country comparison, which provides a more comprehensive picture of the potential extent of impact in cases where the government would have to take over the discharge of liabilities of public corporations.

As shown in Figure 11.5, the amount of liabilities of public corporations controlled by the general government (classified outside the general government sector) of Latvia is below the median of the EU Member States (in Figure 11.5, a grey column corresponding to the Austria) and also below the EU average, which reached 30.3% of GDP in 2024. At the same time, it should be noted that the total amount of liabilities of general government controlled public corporations (classified outside the general government sector) have been relatively stable for Latvia over a long period of time, as shown in Figure 11.6, with an average of 19.8% of GDP over a ten-year period.

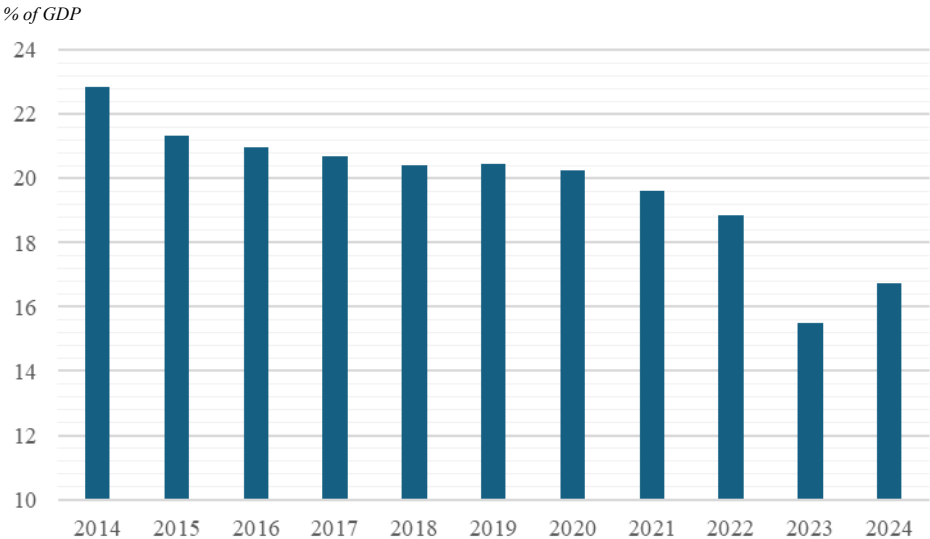


Fig. 11.6. Total liabilities of public corporations controlled by the general government (outside the general government sector) from 2014 to 2024, % of GDP.
Source: *Eurostat*

12 REFORMS AND INVESTMENTS

The Progress Report's Table 9. Progress in the Implementation of Reforms and Investments summarizes information on the progress in the implementation of the structural part of the FSP, i.e., on the measures, reforms and investments being implemented to comply with the country-specific recommendations of the EU Council and common EU priorities addressed to Latvia in the period 2019-2025. The table shows the details of all measures, reforms and investments, as well as their relation, where relevant, with the EU multiannual budget for 2021-2027, the Latvian RRF plan, the European Pillar of Social Rights and the UN Sustainable Development Goals (SDGs).

The information is also submitted to the CESAR and FENIX platforms within the deadlines set by the EC, but the summary reports retrieved from those platforms, for reasons of expediency, are not attached to the Progress Report in order not to duplicate the information contained in the Annex. Progress reports on RFF submitted to the FENIX platform are publicly available on the website:

- <https://www.esfondi.lv/profesionaliem/ieviesana/zinojumi/progres-a-zinojumi-par-atveselosanas-fondu>.

TABLE 9. PROGRESS IN IMPLEMENTING REFORMS AND INVESTMENTS

<i>Policy Area - Tax Policy</i>	
Title of the measure (incl. reforms/investments)	Improving tax payment and compliance (Development of digital services enhancing cross-border tax cooperation)
Goal (what should be achieved by the measure?)	Ensure technical upgrading of the international data exchange modules to enable the processing and exchange of data with EU Member States for the enforcement of EU laws and regulations.
Key steps for implementing the measure	Upgrades are planned with regard to: EU data production system; a module for processing VAT refund applications and decisions and exchanging data with other EU Member States; and a module for exchanging data on the registration of persons involved in the movement of excise goods, together forming the EU Tax Data Exchange Information System.
Implementation time	2022 - Q3 2026
Responsible/co-responsible institution	MoF/SRS
RRF/MFF	RRF
CSR	2019(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	2.1.1.r./2.1.1.i.
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>In December 2025, in accordance with the project plan, the technical development of the EU data preparation system and the module for processing VAT refund applications and decisions and data exchange with other EU Member States, was completed. A security audit of these solutions was carried out and the solutions were deployed in the production environment. In January 2026, the technical development of the system for exchange of excise data was completed and the solution was deployed in the production environment.</p> <p>All solution developments have been completed. The submission of the final payment request to the CFLA is being organized, and a project compliance review will also be carried out. From the development perspective, the project is completed, and administrative project work continues. In 2025, amendments were made to the Cabinet of Ministers Order No. 944 of 21 December 2022 “On the approval of the passport of investment project 2.1.1.i. ‘Development of digital services promoting cross-border cooperation in the field of taxation’” (https://m.likumi.lv/ta/id/364478-grozijumi-ministru-kabineta-2022-gada-21-decembra-rikojuma-nr944-par-2111i-investicijas-projekta-parrobezu-sadarbibu-nodoklu-joma-veicinoso-digitalo-pakalpojumu-attistiba-pases-apstiprinasanu). The purpose of the amendments was to allocate additional funding for supplementary technical optimization work. The additional funding has been successfully utilized.</p> <p>Overall funding absorption discipline: funding absorbed – 99.39%.</p>
Title of the measure (incl. reforms/investments)	Improving tax payment and compliance (digitisation of circulation of financial documents through the creation of a centralised financial document exchange hub)
Goal (what should be achieved by the measure?)	Implement introduction of the electronic circulation system of supporting documents (e-invoices) in Latvia to determine the use of e-invoices in the B2B (Business to Business) segment in structured electronic form a mandatory requirement.
Key steps for implementing the measure	The plans include establishment of: centrally managed sectoral datasets; centralised functions and shared services; modernised ICT solutions for governance processes.
Implementation time	2023 - Q3 2026
Responsible/co-responsible institution	MoF/SRS
RRF/MFF	RRF

CSR	2019(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	2.1.1.r./2.1.1.1.i.
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>In accordance with Cabinet Regulation No. 749 from 31 December 2025 one of the core functionalities — the receipt and storage of E-invoices in domestic circulation and the display of their data in EDS — must be ensured.</p> <p>A framework solution has been developed that enables the use of E-invoice data to improve the SRS's internal business processes, particularly those related to tax administration and tax compliance promotion.</p> <p>A framework solution has also been created for retrieving and transferring structured data from received E-invoices to the DAGR platform, allowing this data to be made available to other public authorities.</p> <p>Amendments to the project passport (25-TA-2623) have been submitted to the Legal Portal (TAP). The main changes concern a reduction in the project's total scope, and, following proposals from VARAM and the Ministry of Justice to fully implement all project functionalities, the development deadline has been extended to 31 May 2026.</p>
Title of the measure (incl. reforms/investments)	Improving tax payment and compliance (Efficiency of the Annual Reporting Process)
Goal (what should be achieved by the measure?)	The project's goal is to reduce the administrative burden and improve the quality of data in taxpayers' annual returns by providing a modern and user-friendly communication environment. To ensure further analysis and tax administration based on high-quality data, thereby promoting voluntary tax compliance and reducing reputational risks for the State Revenue Service as a service provider.
Key steps for implementing the measure	<p>As part of the project:</p> <ol style="list-style-type: none"> 1) The functionality of annual reports will be modernized by transitioning to newer technologies to improve the efficiency of the State Revenue Service. At the same time, technological processes will be improved, allowing for the phasing out of the outdated two-tier architecture of the Tax Information System. 2) Compliance checks will be implemented in the Electronic Filing System, thereby improving data quality. 3) Ensure the publication of annual reports on the Data Distribution and Management Platform.
Implementation time	2026 - 2029
Responsible/co-responsible institution	MoF/SRS
RRF/MFF	MFF
CSR	2019(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>In the third quarter of 2025, work commenced on developing the project "Efficiency of the Annual Reporting Process" passport.</p> <p>In the fourth quarter of 2025, a project annotation and draft order were prepared and approved with the Ministry of Finance.</p>
Title of the measure (incl. reforms/investments)	Improving tax payment and compliance (development of the SRS customer self-service environment)

Goal (what should be achieved by the measure?)	Develop a convenient self-service environment for SRS customers by creating mutually integrated, customer-oriented and data-driven SRS processes to create a productive working environment for the receipt and delivery of digital services and to ensure a seamless and personalised cooperation with the customer in a multi-channel, customer value-oriented mode.
Key steps for implementing the measure	As part of the project: 1. The technologically outdated EDS communication module of the Taxpayer Notification System (NMAS) was replaced with a new solution. 2. The EDS was migrated to a new technological platform. 3. A new EDS interface was created.
Implementation time	2026 - 2029
Responsible/co-responsible institution	MoF/SRS
RRF/MFF	MFF
CSR	2019(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In the third quarter of 2025, work commenced on the development of the project "SRS Customer Self-Service Environment Development" passport. In the fourth quarter of 2025, a project annotation and draft order were prepared and approved with the Ministry of Finance.
Title of the measure (incl. reforms/investments)	Improving tax payment and compliance (Development of digital services enhancing cross-border tax cooperation, Round 2)
Goal (what should be achieved by the measure?)	Continue the technical upgrading of the information systems identified by the analysis to be upgraded, ensuring a technologically and economically sound, efficient architecture to enable the processing and exchange of data with EU Member States for the execution of EU laws and regulations.
Key steps for implementing the measure	Technical upgrading of information systems is planned.
Implementation time	2025 - 2028
Responsible/co-responsible institution	MoF/SRS
RRF/MFF	MFF
CSR	2019(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	No application for Phase 2 has been submitted, and it is not possible to begin implementing Phase 2 of the project before Phase 1 has been completed.
Title of the measure (incl. reforms/investments)	Improving tax payment and compliance (E-customs (Round 3))

Goal (what should be achieved by the measure?)	<ol style="list-style-type: none"> 1. The development of a single customs environment at the EU level, thereby reducing inconsistencies between customs and non-customs formalities that result in complex and burdensome obligations and additional costs for businesses; 2. Improving processes related to the completion of customs formalities in accordance with the requirements of EU legislation and enhancing the quality of customs services; 3. Improving customs control processes.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1. Development of the single-window system and its integration with external information systems; 2. Upgrading of systems in accordance with the requirements of European Union and Latvian legislation; 3. Development of the Electronic Transport Document (transit simplification), Temporary Storage, and Goods Accounting systems within the new EMDAS architecture; 4. Development of the customs control module within the new EMDAS architecture; 5. Development of the Economic Operators Registration and Identification (EORI) system within the new EMDAS architecture.
Implementation time	2026 - 2029
Responsible/co-responsible institution	MoF/SRS
RRF/MFF	MFF
CSR	2019(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In the fourth quarter of 2025, a draft Cabinet Order (25-TA-2157) approving the project passport for “E-Customs (Phase 3)” was prepared in the Law Portal (TAP) and approved with the Ministry of Finance.
Title of the measure (incl. reforms/investments)	Improving tax payment and compliance (Modernising the Annual Income Declaration)
Goal (what should be achieved by the measure?)	Implement migration of the AID (Annual Income Declaration) functionality to the Payment Administration Information System and related information systems (Data Warehouse System and EDS) and build a new, modernised risk-based AID analysis system, ensuring that the AID acceptance and processing processes are performed in modern and data security compliant information systems and with a higher degree of automation and efficiency.
Key steps for implementing the measure	Modernise the AID acceptance and processing process, thus ensuring a superior usability service for taxpayers in the EDS where AIDs are submitted and automated AID processing in the Payment Administration Information System and making the calculation of the amount of the PIT more efficient using the SAP HANA solution which is at the disposal of the SRS. The modernisation provides a new approach to AID processing based on data localisation principles. The modernisation will harmonise the set of ICT solutions involved in the AID acceptance and processing process, reducing systemic barriers to simpler, more transparent tax administration and strengthening the ability to adapt to legislative changes. At the same time, continuity of processes will be ensured without increasing the administrative burden for taxpayers or the SRS.
Implementation time	2023 - Q3 2027
Responsible/co-responsible institution	MoF/SRS
RRF/MFF	-
CSR	2019(1)
Common EU priorities	-

European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The annual income declaration (GID) acceptance and processing functionality from NIS to EDS, MAIS, and DNA has been developed, and testing is currently in progress. A risk-based physical income control mechanism has been created, and testing is underway. An incentive system for individuals has also been developed and is currently undergoing testing.
Title of the measure (incl. reforms/investments)	Improving tax payment and compliance (improving SRS analytical solutions for data-driven decision-making)
Goal (what should be achieved by the measure?)	Integrating new analysis objects into a single analytics solution by connecting new data sources to provide comprehensive information on the tax payment and customs clearance processes to further digitise these processes and improve efficiency.
Key steps for implementing the measure	It is planned to provide support the tax compliance processes, to check the quality of the inter-transaction information with maximum information recognition and linking to the taxpayer, functional extensions of the implemented solutions based on new data sources or on the analysis of existing data in other data cross-sections.
Implementation time	2025 - 2026
Responsible/co-responsible institution	MoF/SRS
RRF/MFF	-
CSR	2019(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Significant enhancements in analytics, monitoring, and data quality were completed in 2025, providing a more robust foundation for risk management and data usage. Several systemic and organisational modernisation initiatives were also finished, improving the efficiency and reliability of involved processes. Some development activities will continue in 2026, particularly in the areas of VAT overpayment process modernisation, data recognition, and the expansion of risk management capabilities.
Title of the measure (incl. reforms/investments)	NEW MEASURE: Expand the tax base to include sources that are less harmful to growth
Goal (what should be achieved by the measure?)	Increase the share of taxes that are less harmful to growth, thereby promoting fiscal sustainability
Key steps for implementing the measure	- In 2026, a steeper increase in excise tax rates on alcohol and tobacco than previously planned; - In 2026, increased natural resource tax rates on peat, sand, and gravel; - In 2026, the reduced 5% VAT rate applies only to books and publications in specified languages (the state language, Latgalian, Livonian, and the official languages of the EU, EEA, Switzerland, and the OECD); - 2026: Increased gambling tax rates (originally planned for 2027);

	- 2027: Introduction of a new natural resource tax base—roundwood exports; - 2028: Increase in excise tax rates on non-alcoholic beverages; - 2028: Harmonization of excise tax rates in free ports and special economic zones.
Implementation time	2026 - 2028
Responsible/co-responsible institution	MoF/SRS
RRF/MFF	-
CSR	2025(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The mentioned tax policy changes were approved by the <i>Saeima</i> in 2025.
<i>Policy Area - Social Protection and Security</i>	
Title of the measure (incl. reforms/investments)	Improving minimum income
Goal (what should be achieved by the measure?)	Increasing the adequacy of social protection by reducing the share of persons below threshold of income of poor household to 11% in 2027
Key steps for implementing the measure	Raise the lowest minimum income threshold from 20% to 22%, and increase the amounts of related benefits and compensation accordingly
Implementation time	Amendments to laws and regulations - in 2024, implementation from 1 January 2025, open-ended measure
Responsible/co-responsible institution	MoW
RRF/MFF	RRF (Reference point for receiving RRF funding)
CSR	2019(2); 2020(2); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	1 Poverty alleviated
RRF reform/ investment No.	3.1.2.r. Access to social and employment services to support minimum income reform
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In 2025 and 2026, the regular revision of the minimum income thresholds has been done, which are applied when determining the state social security benefit, minimum pension, guaranteed minimum income benefit, income thresholds for a needy and low-income household, as well as benefits for an orphan who has reached the age of majority and a child left without parental care after out-of-family care (in an institution, foster family or with a guardian) ending. The revised minimum income thresholds see: https://www.lm.gov.lv/lv/minimalo-ienakumu-limenis .

	<p>As part of the evaluation carried out in 2025, it was concluded that since the beginning of the implementation of the minimum income reform in 2021, the situation of households with minimum income has improved, both with increasing income and improving the material situation. The existing minimum income system is considered a fair, socially responsible and sustainable system that ensures a regular increase in the minimum income along with the increase in the average income of the rest of population. In case of absence minimum income reform, the Gini coefficient would be higher than 0.3 in the period 2022-2024, while in 2024 the S80/S20 quintile ratio index would increase by 0.19.</p> <p>Analyzing the effect of the reform on the risk of poverty for different types of households, the most significant positive effect is observed in households of one adult with a dependent child, households of two persons of working age without dependent children, households of two adults (at least one 65 years and older) without dependent children and three or more adults with dependent children in households. Compared to other population groups, the minimum income reform has had the greatest impact on reducing the risk of poverty for persons with disabilities. According to EUROMOD simulations, the income of households in the 1st decile would be 7.1% lower in 2024 without the minimum income reform. (Informative report "On the implementation of the Plan for the improvement of the minimum income support system for 2022-2024" approved by the government on 23.09.2025 (prot. No. 39 § 42))</p>
Title of the measure (incl. reforms/investments)	Support for pensioners
Goal (what should be achieved by the measure?)	Increasing the adequacy of social protection by reducing the poverty risk index for people aged 65 and over to 40% in 2027
Key steps for implementing the measure	Gradual granting of supplementary payments for insurance period accumulated up to 31 December 1995. Renewal of the supplementary payment is based on the years of granting of pension. In 2024, they were granted to people who retired in 2012, 2013 and 2014 (in the amount of EUR 1.52 for each year). In 2025, the supplementary payment will be granted to people who retired in 2015, 2016 and 2017; in 2026 - to people who retired in 2018, 2019 and 2020; in 2027 - to people who retired in 2021, 2022 and 2023; in 2028 - to people who will retire in 2024, 2025 and 2026; in 2029 - to people who will retire in 2027, 2028 and 2029. From 2029, a supplementary payment will be granted at the same time as the pension. The amount of the supplementary payment is indexed annually, similarly as pensions.
Implementation time	From 1 January 2024, open-ended measure
Responsible/co-responsible institution	MoW
RRF/MFF	-
CSR	2019(2); 2020(2); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	1 Poverty alleviated
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In 2025, the gradual granting of supplements to the old-age and disability pension for the insurance years accumulated up to December 31, 1995, continued. Renewal of supplements is provided according to years when the pension was granted. In 2025, supplements were granted to those who retired in 2015, 2016 and 2017. The supplement to the pension, similarly to pensions, is annually indexed.
Title of the measure (incl. reforms/investments)	Support for pensioners
Goal (what should be achieved by the measure?)	Improving the pension indexation mechanism by reducing the poverty risk index for persons aged 65 and over to 40% in 2027

Key steps for implementing the measure	1) Increase in the indexable part (limit) of pensions from 50% of the nationwide average wage subject to insurance contributions to 100% of the average wage subject to insurance contributions. 2) Indexation of the full amount of pension for persons who have been granted an old-age pension before reaching the general retirement age because of the care and upbringing of a disabled child or because of the care and upbringing of five or more children, regardless of the amount of the pension.
Implementation time	From 1 January 2025, open-ended measure
Responsible/co-responsible institution	MoW
RRF/MFF	-
CSR	2019(2); 2020(2); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	1 Poverty alleviated
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In 2025, the indexation of pensions took place in accordance with the improved procedure, that is, the part of pensions to be indexed was 100% of the previous calendar year's average salary of insurance contributions (so far – 50%), as well as the entire pension amount for persons who were granted an old-age pension before reaching the general retirement age due to the care and upbringing of a child with disability, or due to the care and upbringing of five or more children.
Title of the measure (incl. reforms/investments)	Support for pensioners
Goal (what should be achieved by the measure?)	Provision of long-term care services to 16% of adults receiving family-like services in a municipal long-term social care institution, % of the total number of adults in long-term social care institutions in municipalities, in 2027
Key steps for implementing the measure	Construction of buildings and provision of new places for receipt of family-like long-term care service for 408 persons of pension age.
Implementation time	2024 - 30 June 2026
Responsible/co-responsible institution	MoW/ municipalities/ social service providers
RRF/MFF	RRF
CSR	2019(2); 2020(2); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	1 Poverty alleviated
RRF reform/ investment No.	3.1.2.3.i. Investment “Sustainability and continuity of long-term social care services”
On-track status step	On-track

A brief description of progress for 2025 (what was done in 2025?)	Implementation of the investment continues - the planned implementation deadline is 31.08.2026. In total, 8 contracts on project implementation have been concluded, which plan to create long-term care services close to the family environment for 312 people of retirement age.
Title of the measure (incl. reforms/investments)	Support for people with disabilities
Goal (what should be achieved by the measure?)	Improving material support for people with disabilities
Key steps for implementing the measure	For review of financial support to mitigate the effects of disability: 1) increase in the supplementary payment to the family state allowance for a child with a disability; 2) increase in the special care allowance for adults with disabilities since childhood.
Implementation time	From 1 January 2024, open-ended measure
Responsible/co-responsible institution	MoW
RRF/MFF	-
CSR	2019(2); 2020(2); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	1 Poverty alleviated
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	As of January 2024: 1) the supplement to the family state benefit for a child with a disability has been increased from EUR 106.72 to EUR 160 per month. The number of beneficiaries in 2025 - 9.3 thousand per month on average; 2) the benefit for a person with a disability whose disability is caused by an illness from childhood and who requires care has been increased from EUR 313.43 to EUR 413.43 per month. The number of beneficiaries in 2025 - 2.8 thousand per month on average.
Title of the measure (incl. reforms/investments)	Support for people with disabilities
Goal (what should be achieved by the measure?)	Measures for accessibility to state and municipal buildings (63 buildings)
Key steps for implementing the measure	Within the framework of the RRF 3.1.2.1.i Round 1 investments (CoM Regulation No. 582 of 20.09.2023), by 31 March 2022 - selection of the state and municipal buildings to be subject to environmental adaptations; 1) By March 31, 2022 – selection of state and municipal buildings requiring environmental adaptations; 2) By June 30, 2026 – completion of construction to ensure access to public spaces in 63 state and municipal buildings.
Implementation time	2022-2026 1st half-year
Responsible/co-responsible institution	MoW
RRF/MFF	RRF
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion

UN SDG	9 Manufacturing, innovations and infrastructure; 10 Reduced inequality
RRF reform/ investment No.	3.1.2.1.i. Investment “Measures to promote accessibility of public services and employment for persons with disabilities”
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Implementation of the investment continues - the planned implementation deadline is 31.08.2026. Improvements to environmental accessibility have been implemented, facilitating access to 50 buildings (79% of the planned total).
Title of the measure (incl. reforms/investments)	Development of professional and modern social work
Goal (what should be achieved by the measure?)	Increase public trust in social services
Key steps for implementing the measure	CoM Regulation No. 751 of 12.12.2023: 1) Enhancement of professional competencies, including the development and implementation of professional development programs, as well as the development and implementation of higher education programs, providing supervision, developing methodologies for working with various client groups, as well as developing and implementing training programs to master these methodologies; 2) implementing informational and educational activities and measures to promote public awareness and understanding; 3) conducting evaluations of the work effectiveness of social sector specialists in local government institutions, including public trust in local government social services, working conditions for social workers, the remuneration system, and social work practices, as well as – post-evaluation of project results and the current needs and challenges of social service clients for the future development of social work
Implementation time	1 September 2022 - 31 December 2029
Responsible/co-responsible institution	MoW
RRF/MFF	MFF
CSR	2024(3); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Fair working conditions; Social protection and inclusion
UN SDG	4 Quality education; 8 Decent work and economic growth;
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In 2025, the annual social work conference took place (100 participants in person and live broadcast), 2 interdisciplinary thematic discussions, a summer school for employees of social services and orphanages (29 participants), 5 regional seminars, 2 summer schools for social work specialists and managers (100 participants in total). Supervision compensation costs for local governments have been made and training on improved methodologies for working with different target groups have been provided. In 2025 the professional education program for family assistants have been developed and licenced. The first study group – 11 family assistants have studied the curriculum and received a state-recognized certificate. 437 social carers have completed the professional development education program "Caregiver ergonomics" and received a state-recognized certificate. 434 social carers completed the professional development education program "Caregiver's professional ethics, contact and communication" and received a certificate recognized by the state. 154 social carers have studied and received a certificate recognized by the state in the professional development education program "Care of seniors with age-related dementia"
Title of the measure (incl. reforms/investments)	Support for a child in out-of-family care after reaching the age of majority
Goal (what should be achieved by the measure?)	Provide targeted municipal and state support and services that make the transition to independent living more gentle, guarantee the presence of a contiguous, safe and supportive adult and provide additional support to accept and adapt to the new situation

Key steps for implementing the measure	1) Assessment of the needs and resources of an orphan and a child left without parental care after the end of out-of-family care and an adoptee whose adoption has been annulled by a court decision and granting of support action(s): a) social mentoring service; b) support groups for the acquisition of various social and practical skills necessary to start independent life; c) financial literacy allowance.
Implementation time	4 May 2024, open-ended action
Responsible/co-responsible institution	MoW
RRF/MFF	-
CSR	2020(2); 2021(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	1 Poverty alleviated; 10 Reduced inequality
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Support measures for orphans and children left without parental care after reaching the legal age has been introduced, including social mentor services for up to three hours a week for learning socialization and independence skills, a benefit for learning financial literacy, and support groups for learning various social skills and abilities once a month (Cabinet of Ministers Regulations No. 275 of 30.04.2024 "Amendments to Cabinet of Ministers Regulations No. 857 of 15 November 2005 "Regulations on social guarantees for orphans and children left without parental care who are in out-of-family care, as well as after the end of out-of-family care"). On 21.01.2025, amendments to the Law on Social Services and Social Assistance came into force, which envisage for local governments from 01.01.2026. to provide social mentoring services to children in foster care, specialized foster care and guardianship who have reached the age of 16. From 2026, the minimum support for an orphan who has reached the age of majority and a child left without parental care after out-of-family care will increase. Allowance for monthly expenses will be EUR 187 per month (so far - EUR 166), for a young person with a disability - EUR 255 (so far - EUR 226). The lump-sum benefit for starting an independent life will increase to EUR 340 (so far - EUR 302), for a young person with a disability - EUR 510 (so far - EUR 453). Lump-sum benefit for the purchase of household items and soft furnishings will increase to EUR 1 445 (so far - EUR 1 283).
Title of the measure (incl. reforms/investments)	Implementation of the minimum basket of social services
Goal (what should be achieved by the measure?)	To ensure a unified basket of social services that all municipalities, regardless of the size of the municipality and the number of people (both counties and cities in the country), must provide to their residents.
Key steps for implementing the measure	The local government shall mandatorily provide the following social services to the following groups of persons: 1) home care services – for persons with severe functional impairments; 2) crisis centre services – for persons in a crisis situation; 3) group home (apartment) services – for persons with mental disorders; 4) long-term social care and social rehabilitation services in an institution – for adult persons with severe functional impairments, as well as for orphans and children left without parental care until the child can return to the parental family, or, if this is not possible, until guardianship is established for the child, the child is placed in a foster family or is placed for adoption; 5) shelter or night shelter services – for persons without a fixed place of residence and persons in a crisis situation; 6) day care centre services – for persons with severe functional impairments; 7) respite service – for children with disabilities who have an opinion of the State Commission of Medical Experts on Health and Working Capacity on the need for special care, for persons with Group I disabilities and persons with mental disorders with Group I or II disabilities;

	8) specialized workshop service – for persons with mental disorders; 9) family assistant service – for families with children, persons with mental disorders, an orphan who has reached the age of majority and a child left without parental care after the end of out-of-family care; 10) social rehabilitation service – for children with behavioral or addiction problems or high risks of their development, children in out-of-family care who have reached the age of 16, as well as for persons referred to in Section 12, Parts Seven and Eight of the Law on Social Services and Social Assistance.
Implementation time	From the adoption of amendments to the Law on Social Services and Social Assistance (19.09.2024 adopted by the <i>Saeima</i> in 1st reading, No. 673/Lp14) adoption - 2029
Responsible/co-responsible institution	MoW/municipalities
RRF/MFF	-
CSR	2019(2); 2020(2); 2021(1); 2022(1); 2023(1); 2024(1); 2024(2); 2024(3); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Social protection and inclusion
UN SDG	1. Poverty eliminated; 2. Good health and well-being; 10. Reduced inequality
RRF reform/ investment No.	-
On-track status step	Implementation is delayed
A brief description of progress for 2025 (what was done in 2025?)	To ensure the availability of social services in the unified basket of minimum social services, which all municipalities, regardless of the size of the municipality and the number of people, must provide to their residents as of 2025, the following services are specified: home care for people with severe functional disorders, group home (apartment) for people with mental disorders, long-term social care and social rehabilitation institution, crisis center for persons in crisis, shelter, night shelter for persons without a fixed place of residence and persons in crisis. According to the results of the municipal survey conducted at the beginning of 2025, home care service and long-term social care and social rehabilitation in the institution are provided in all municipalities.
Policy Area - Healthcare	
Title of the measure (incl. reforms/investments)	Developed dynamic healthcare and reimbursed drug financing model to ensure additional funding for healthcare, which is directed to new publicly funded services, improving the accessibility of existing services, and reviewing inefficient tariffs for existing services.
Goal (what should be achieved by the measure?)	Increase funding for healthcare
Key steps for implementing the measure	The Cabinet of Ministers has been tasked with drafting and submitting to the <i>Saeima</i> , by March 1, 2025, a bill on the procedures for financing state-funded healthcare services; accordingly, the Ministry of Health plans to submit the bill to the Cabinet of Ministers by the end of 2024, and to submit it to the <i>Saeima</i> by February 28, 2025.
Implementation time	2024-2026
Responsible/co-responsible institution	MoH/MoF
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare

RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>The Ministry of Health developed the draft law “Health Care Financing and Administration Law” (24-TA-2759). The draft law: 1) was approved by the Cabinet of Ministers on 25 February 2025; 2) was submitted to the <i>Saeima</i> on 3 March 2025 (registered as No. 875/Lp14); 3) on 13 March 2025, it was referred to the <i>Saeima</i> Social and Labour Affairs Committee.</p> <p>The draft law was reviewed at the meetings of the <i>Saeima</i> Social and Labour Affairs Committee on 18 March 2025 and 9 September 2025. The draft law did not receive support. It was recommended that the draft be revised by excluding the section on the establishment of the National Health Insurance Fund.</p> <p>As a result, a new draft law - “Amendments to the Health Care Financing Law” (25-TA-2222) - has been prepared, based on the content of the previously developed draft law “Health Care Financing and Administration Law”, which was approved by the Cabinet of Ministers on 25 February 2025.</p> <p>Taking into account the discussions previously held in the <i>Saeima</i> Social and Labour Affairs Committee with the participation of the Ministry and social partners, part of the regulation included in the draft law “Health Care Financing and Administration Law” did not receive support. Consequently, the scope of the draft law has been substantially reduced, and it is more appropriate and legally sound to introduce amendments to the existing Health Care Financing Law.</p> <p>Hence, the amendments to the Health Care Financing Law stem from the content of the draft law “Health Care Financing and Administration Law”, which was conceptually supported. The amendments are necessary to ensure that the currently embedded two-basket health care system in the Health Care Financing Law does not enter into force and to establish a unified scope of state-funded health care services for persons socially insured for health insurance in accordance with the Law “On State Social Insurance”, as well as for persons whose declared place of residence is in Latvia.</p>
Title of the measure (incl. reforms/investments)	Improvement of healthcare services in oncology
Goal (what should be achieved by the measure?)	Improvement of access to healthcare
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Implementation of the plan "Regarding Plan for the Improvement of Healthcare Services in Oncology 2022-2024"; 2) Development of the draft plan for the next period (2025-2027), forwarding it for adoption to the CoM; 3) Implementation of the plan for the next period (2025-2027)
Implementation time	<ol style="list-style-type: none"> 1. By 2025 2. By 2025 3. 2025-2027
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	1. Coordination and monitoring of the measures set out in the plan “Health Care Service Improvement Plan in Oncology for 2022–2024” were ensured, including increasing screening coverage, improving access to treatment, strengthening diagnostics, and expanding access to medicines.

Cooperation was organised with the National Health Service (NHS), the Centre for Disease Prevention and Control (CDPC), medical institutions, and professional organisations, and interim reports and evaluations of measures were prepared.

Key achievements within the plan:

- 1) The "green corridor" for patients with a first-time diagnosis was improved;
- 2) A "yellow corridor" was established for patients with disease recurrence;
- 3) Oncology patient coordinators were introduced;
- 4) Methodological leadership in oncology was established;
- 5) Gender-neutral vaccination against human papillomavirus (HPV) with the 9-valent vaccine was introduced for children aged 12–17;
- 6) A motivation programme for family doctors was introduced to promote cancer detection at stages I and II;
- 7) New state-funded breast reconstructive surgery services were introduced;
- 8) Access to next-generation sequencing testing was expanded;
- 9) Positron emission tomography/computed tomography diagnostic examinations became available to patients regardless of the established diagnosis, based solely on a multidisciplinary team decision;
- 10) Radiosurgery and radiotherapy services were expanded;
- 11) Palliative care for oncology patients was expanded, including mobile teams providing care at patients' homes;
- 12) Funding to reduce waiting lists for services was increased;
- 13) Investments were allocated for the purchase of medical equipment for Riga East Clinical University Hospital, Pauls Stradins Clinical University Hospital, and the Children's Clinical University Hospital;
- 14) Accreditation of the Latvian Oncology Centre and the establishment of the National Pathology Centre are currently in progress.

2. A medium-term policy planning document for 2025–2027 was developed based on the evaluation of the previous period, sector think tanks, and EU recommendations (Europe's Beating Cancer Plan, DG REFORM project, etc.). Coordination with stakeholders was ensured, and the draft was advanced for consideration and approval by the Cabinet of Ministers. On 21 October 2025, the Cabinet of Ministers approved the plan "On the Improvement Plan for Health Care Services in the Field of Oncology for 2025–2027" (24-TA-3280), the objective of which is to reduce mortality from malignant tumours and improve five-year survival rates by ensuring patient-centred and comprehensive cancer care throughout Latvia. The plan provides for measures to prevent oncological diseases, improve cancer screening and early diagnosis, enhance the quality and accessibility of treatment, including in the regions, as well as to develop paediatric oncology, unified methodological management, health data, and research. By 2027, it is planned to increase HPV vaccination coverage among 12-year-old children to 75%, expand cancer screening coverage to 70–90%, launch pilot projects for prostate, gastric, and lung cancer screening, raise the five-year survival rate to at least 55%, and reduce mortality to the European average level.

3. Considering that the additional funding allocated in 2025 for the implementation of the measures included in the Health Care Services Oncology Improvement Plan for 2025–2027 was provided in a limited amount, the measures planned for 2025 were implemented within the existing budget.

Title of the measure (incl. reforms/investments)	Improvement of healthcare in the area of mental health
Goal (what should be achieved by the measure?)	Improvement of access to healthcare
Key steps for implementing the measure	Implementation of the "Plan for Improvement of the Organisation of Mental Healthcare 2023-2025"
Implementation time	by 2025
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare

RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<ol style="list-style-type: none"> 1. Amendments adopted to the Medical Treatment Law (19 June 2025) – the amendments regulate the mechanism for mandatory treatment of minors who use addictive substances excessively/harmfully. They grant healthcare professionals the right to decide on mandatory addiction (narcology) treatment with court involvement. 2. Pilot project “Implementation of an Integrated Approach to Improve Service Availability for Minors Who Excessively Use Addictive Substances” launched (from 1 September 2025) – within the pilot, access to addiction prevention, treatment and social rehabilitation services for minors with psychoactive substance use disorders was expanded. An integrated and continuous care model was introduced. 3. Establishment of an outpatient multidisciplinary team at the Children’s Clinical University Hospital – The aim is to improve assistance for young people with addiction-related problems. 4. Motivation programme at “Ģintermuiža” extended (within the pilot project) – the programme was prolonged to ensure a motivation phase for minors. The duration and/or increase in capacity are not specified. 5. Additional motivation programme ensured at the psychoneurological hospital “Ainaži” (from 1 January 2026) – an additional motivation programme has been provided since 1 January 2026. 6. Findings presented on potential amendments to legislation (18 December 2025) – Dr. Stirna, Chair of the Latvian Association of Narcologists and Head of the National Mental Health Centre Addiction (Narcology) Service, presented findings on possible legislative amendments. It was also noted that the current regulatory framework does not prevent minors from starting buprenorphine therapy already now. 7. Draft law approved by the Cabinet of Ministers on amendments to the Law on the Legal Circulation of Narcotic and Psychotropic Substances, Medicinal Products and Precursors (2 December 2025) – the draft law provides for exempting minors from criminal liability for repeated use of narcotic/psychotropic substances or new psychoactive substances. The draft law has been submitted to the <i>Saeima</i> (No. 1168/Lp14) and is planned to be referred to the Legal Affairs Committee and the Social and Labour Affairs Committee at the <i>Saeima</i> sitting on 22 January 2026 (responsible committee: the Legal Affairs Committee). 8. Patient co-payment abolished for addiction treatment (from 1 January 2025) – since 1 January 2025, people with addictions receiving addiction (narcology) treatment do not have to pay the patient co-payment. This reduces financial barriers to initiating and continuing treatment. 9. Continued implementation of the EU-funded “Unplugged” programme – the programme is being implemented to reduce addiction risk factors. By the end of 2027, at least 150 teachers from various Latvian educational institutions are planned to be trained; they will implement the programme in their schools for young people aged 12–14. 10. Expanded operation of the addiction support helpline (work in progress) – work has been carried out to expand the helpline’s operation. 11. State-funded package of services for early identification of and support for autism spectrum disorder (ASD) continued – in 2025, services were maintained as a state-funded support package in child mental health. This ensured that ASD-related support remained continuously available rather than being a one-off initiative. 12. Early intervention service for children with ASD ensured also in regions – at one service site, 51 children received early intervention in full. At the same time, a waiting list of 88 children remained, with an average waiting time of around 13 months. 13. Expanded patient surveys in a psychiatric inpatient setting using PIPEQ-OS – in 2025, 822 patients were surveyed, representing a higher volume than in previous years. This indicates a more systematic collection of patient experience data for quality improvement needs. 14. Amendments to the General Education Law entered into force (15 March 2025) – the amendments clarified the implementation of special education programmes and the development of an individual learning plan. This serves as a prerequisite for earlier identification of a child’s needs and planning of support (including in the BAASIK context). 15. Digital therapy (iCBT) for adolescents/young people (depression and anxiety disorders) – the project is being implemented (the service is available to the target group); NPVC continues to ensure the delivery of digital therapy and to inform about its scope and results, while partners ensure service delivery and ongoing accessibility.
Title of the measure (incl. reforms/investments)	Improving healthcare services in the field of maternal and child health
Goal (what should be achieved by the measure?)	Improvement of access to healthcare

Key steps for implementing the measure	1. Development of the draft plan "Maternal and Child Health Improvement Plan for 2025-2027", forwarding it for adoption to the CoM; 2. Implementation of the plan
Implementation time	1. by 2025 2. 2025-2027
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	1.: The Ministry of Health has prepared the draft plan "Maternal and Child Health Improvement Plan for 2025–2027"), which was submitted to the Cabinet of Ministers on 14 November 2025 and approved on 25 November 2025. The Draft Plan identifies the following main directions: 1) primary disease prevention (prevention of risk factors and disease development, immunisation); 2) secondary disease prevention (preventive check-ups, screening diagnostics); 3) disease diagnostics and treatment (tertiary level of disease prevention); 4) organisation of health care for pregnant women, women in childbirth, postpartum women and newborns, availability of services, and improvement of the quality of health care. 2.: Given that no additional funding was allocated in 2025 for the implementation of the measures included in the Maternal and Child Health Improvement Plan for 2025–2027, the measures planned for 2025 were implemented within the existing budget. In accordance with Measure 1.2.4 of the Plan, the Centre for Disease Prevention and Control, in cooperation with the Latvian Association of Breastfeeding Promotion Consultants, has developed a four-video series on breastfeeding, breast milk and breast health: 1. "How to Start and Continue Breastfeeding"; 2. "Breastfeeding Positions"; 3. "Daily Breast Care During and Between Breastfeeding"; 4. "Breastfeeding Challenges and Solutions".
Title of the measure (incl. reforms/investments)	Improving healthcare for cardiovascular diseases
Goal (what should be achieved by the measure?)	Improvement of access to healthcare
Key steps for implementing the measure	1. Development of the draft plan, submission to the CoM for adoption; 2. Implementation of the plan
Implementation time	1. by 2026 2. the plan's implementation deadline will be determined during development
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights

European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	Implementation is delayed
A brief description of progress for 2025 (what was done in 2025?)	In 2025, the Ministry of Health developed the action plan "Action Plan for Improving Cardiovascular Health for 2026–2027" (25-TA-1754) which was adopted by Cabinet of Ministers on 10.03.2026. The plan envisages three main lines of action: Prevention of cardiovascular diseases, promotion of prevention, and reduction of risk factor impact, including health promotion and addiction prevention measures (changes in risk-related habits and public education on self-examination and regular self-monitoring); Timely diagnosis, treatment, and rehabilitation of cardiovascular disease risk factors and conditions, including the development of a unified prevention programme (covering screening for diabetes, SCORE risk assessment, and chronic kidney disease), improvement of access to diagnostics and consultations, enhancement of chronic patient monitoring, improved access to medicines, and ensuring equitable inpatient treatment in cases of acute events; Strengthening the knowledge and skills of healthcare professionals. The draft plan includes the following measures: primary, secondary, and tertiary prevention initiatives, incorporating public education activities. This also includes a public awareness campaign on cardiovascular disease risk factors and strategies to reduce their impact.
Title of the measure (incl. reforms/investments)	Improvement of healthcare services for rare diseases
Goal (what should be achieved by the measure?)	Improvement of access to healthcare
Key steps for implementing the measure	Implementation of the “Plan for Rare Diseases 2023-2025”
Implementation time	by 2025
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	Implementation is delayed
A brief description of progress for 2025 (what was done in 2025?)	Regarding progress in the field of rare diseases in 2025, limited financial resources nevertheless allowed for the expansion of access to medicines for patients with rare diseases (a new medicinal product was included in the reimbursable medicines List R). In addition, within the framework of ESF+ funding, methodological materials have been developed - clinical algorithms, clinical pathways, and quality indicators. Notable activities have been initiated to further improve the care of rare disease patients, namely: work has commenced on the transition of cystic fibrosis patients from paediatric to adult care; work has begun on care arrangements for patients (children) for whom no treatment is available, in order to provide comprehensive support to families (a pilot project is planned for 2026); the provision of preimplantation genetic testing services has been outlined (service delivery commenced in 2026); active discussions are ongoing regarding the development of rehabilitation, and particularly habilitation, services for rare disease patients; and the content of the Rare Disease Register has been defined (development planned for 2026). The Ministry of Health, together with sector experts, has also developed a draft Plan in the field of rare diseases for 2026–2027, outlining the main lines of action:

	<p>1) early and timely diagnosis;</p> <p>2) improving the accessibility and quality of treatment;</p> <p>3) an integrated and long-term oriented approach to the care, support, and quality of life of rare disease patients;</p> <p>4) improvement and digitalisation of information circulation on rare diseases.</p> <p>The document is planned to be approved in the first half of 2026.</p>
Title of the measure (incl. reforms/investments)	Improvement of healthcare services for addiction treatment
Goal (what should be achieved by the measure?)	Improvement of access to healthcare
Key steps for implementing the measure	Implementation of the “Plan for the Improvement of Preventive Actions and Healthcare Services for Reduction of the Prevalence of Alcohol and Drug Abuse 2023-2025”
Implementation time	by 2025
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>On 1 August 2025, amendments to the Law on the Handling of Alcoholic Beverages (https://likumi.lv/ta/en/en/id/88009) entered into force, significantly restricting advertising of alcohol prices and discounts, as well as sales promotion activities, in order to reduce the availability of alcoholic beverages and the risks of alcohol consumption in society. From 1 August 2025, alcohol sales hours in Latvia have been shortened by two hours in the morning and evening on weekdays and Saturdays (Monday to Saturday 10:00–20:00), while on Sundays the sales hours have been reduced by two hours in the morning and four hours in the evening (10:00–18:00).</p> <p>As of 1 August 2025, advertising of alcohol prices and discounts has been restricted and prohibited across various information channels and media (including TV, radio and online), as well as at retail outlets. Restrictions have also been introduced on sales promotion measures, such as volume discounts, discounts linked to loyalty cards, and similar practices. At the same time, the law provides that by 31 October 2026 an assessment of the impact of the amendments on the national economy and public health must be carried out. The Ministry of Health has initiated this evaluation in cooperation with the World Health Organization, additionally analysing the potential economic impact of the amendments in close cooperation with the Ministry of Economics and the Ministry of Finance. Excise duty rates for alcoholic beverages, tobacco products and products similar in purpose have been reviewed and increased annually in recent years. In accordance with the Law "On Excise Duties" and the amendments adopted thereto on 04.12.2025., the increase of excise duty rates for the above-mentioned excise goods is planned every year until 2028 (including).</p>
Title of the measure (incl. reforms/investments)	Development of infrastructure for treatment facilities
Goal (what should be achieved by the measure?)	Improvement of access to healthcare

Key steps for implementing the measure	<p>1. Implementation of Round 1 and Round 5 and action 4.1.1.1 "Developing the Infrastructure of Medical Institutions" and action 4.1.1.5 "Development of the Emergency Medical Service" of Measure 4.1.1.1, of the EU Cohesion Policy Programme 2021-2027:</p> <p>1.1 Development of regulatory framework</p> <p>1.2 Project implementation</p> <p>2 Implementation of action 4.1.1.2 "Development of Infrastructure of the P. Stradiņš Clinical University Hospital" of the EU Cohesion Policy Programme 2021-2027:</p> <p>2.1 Development of regulatory framework</p> <p>2.2 Project implementation</p> <p>3 Implementation of action 4.1.1.3 "Strengthening of the Role of Primary Healthcare Through the Development of Infrastructure" of the EU Cohesion Policy Programme 2021-2027:</p> <p>3.1 Development of regulatory framework</p> <p>3.2 Project implementation</p>
Implementation time	<p>1.1. 2023</p> <p>1.2. 2024-2029</p> <p>2.1. 2025</p> <p>2.2. 2024-2027</p> <p>3.1. 2024</p> <p>3.2. 2024-2027</p>
Responsible/co-responsible institution	MoH
RRF/MFF	MFF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>1.1. Measure 4.1.1.1 (1st and 5th rounds) and Measure 4.1.1.5 — On 15 August 2023, Cabinet of Ministers Regulation No. 462 was approved: "Implementation rules for the 1th and 5th rounds of Measure 4.1.1.1 "Development of Healthcare Infrastructure" and Measure 4.1.1.5 "Development of the Emergency Medical Service" under Specific Objective 4.1.1 "Ensure equal access to healthcare and strengthen the health system, including the resilience of primary healthcare" of the European Union Cohesion Policy Programme for 2021–2027."</p> <p>Measure 4.1.1.1 (2nd round) - On 30 April 2024, Cabinet of Ministers Regulation No. 263 was approved: "Implementation rules for the 2nd round of Measure 4.1.1.1 "Development of Healthcare Infrastructure" under Specific Objective 4.1.1 "Ensure equal access to healthcare and strengthen the health system, including the resilience of primary healthcare" of the European Union Cohesion Policy Programme for 2021–2027."</p> <p>Measure 4.1.1.1 (3rd round) - On 13 August 2024, Cabinet of Ministers Regulation No. 539 was approved: "Implementation rules for the 3rd round of Measure 4.1.1.1 "Development of Healthcare Infrastructure" under Specific Objective 4.1.1 "Ensure equal access to healthcare and strengthen the health system, including the resilience of primary healthcare" of the European Union Cohesion Policy Programme for 2021–2027."</p> <p>Measure 4.1.1.1 (4th round) - On 5 November 2024, Cabinet of Ministers Regulation No. 704 was approved: "Implementation rules for the 4th round of Measure 4.1.1.1 "Development of Healthcare Infrastructure" under Specific Objective 4.1.1 "Ensure equal access to healthcare and strengthen the health system, including the resilience of primary healthcare" of the European Union Cohesion Policy Programme for 2021–2027."</p> <p>1.2. In 2025, implementation of the projects approved in 2024 continued and is planned to run until 2029, i.e. until the end of the eligibility period for expenditure under the European Union funds.</p>

2.1. Separate Cabinet of Ministers regulations providing support for the development of the state-owned limited liability company “Pauls Stradins Clinical University Hospital” under Measure 4.1.1.2 of the European Union funds 2021–2027 programming period (“Development of Infrastructure of Pauls Stradins Clinical University Hospital”) will not be developed. The funding planned for the infrastructure development of the state-owned limited liability company “Pauls Stradins Clinical University Hospital” is included within Measure 4.1.1.1 for the implementation of Project No. 9.3.2.0/17/I/013 (Development of Hospital Building A2, Phase 2). Accordingly, on 21 January 2025, the Cabinet of Ministers approved amendments to Cabinet of Ministers Regulation No. 462 of 15 August 2023 (24-TA-3293; Minutes No. 3/20, §).

2.2. Implementation of Project No. 4.1.1.1/5/24/I/002 “Development of the new A2 building of the state-owned limited liability company “Pauls Stradins Clinical University Hospital” (Project No. 9.3.2.0/17/I/013, Phase 2)” is ongoing.

3.1.: Measure 4.1.1.3 (1st round) - On 28 January 2025, Cabinet of Ministers Regulation No. 73 was approved: “Implementation rules for the 1st round of Measure 4.1.1.3 “Strengthening the Role of Primary Healthcare through Infrastructure Development” under Specific Objective 4.1.1 “Ensure equal access to healthcare and strengthen the health system, including the resilience of primary healthcare” of the European Union Cohesion Policy Programme for 2021–2027.”

Measure 4.1.1.3 (2nd round) - On 7 January 2025, Cabinet of Ministers Regulation No. 23 was approved: “Implementation rules for the 2nd round of Measure 4.1.1.3 “Strengthening the Role of Primary Healthcare through Infrastructure Development” under Specific Objective 4.1.1 “Ensure equal access to healthcare and strengthen the health system, including the resilience of primary healthcare” of the European Union Cohesion Policy Programme for 2021–2027.”

3.2. Achievements in 2025:
The selection of project applications for the 1st round of Measure 4.1.1.3 was completed on 20 June 2025, and on 21 July 2025 a contract was signed for the implementation of Project No. 4.1.1.3/1/25/I/002 “Renovation of Cēsis Clinic infrastructure and procurement of medical technologies to strengthen the capacity of primary healthcare services.” Project implementation is ongoing.
The evaluation of project applications for the 2nd round of Measure 4.1.1.3 was completed on 30 October 2025. In total, 80 project applications were submitted in the open call; 74 project applications were approved and contracts for project implementation were concluded. Project implementation is ongoing.

Title of the measure (incl. reforms/investments)	Investment 4.1.1.2.i. Support for hospital infrastructure or equipment
Goal (what should be achieved by the measure?)	Improvement of access to healthcare
Key steps for implementing the measure	1. Harmonise medical technologies in 10 projects supporting the healthcare infrastructure of university and regional hospitals. 2. Ensure implementation of RRF projects in 10 hospitals (3 university and 7 regional hospitals) to strengthen healthcare infrastructure, provide comprehensive sustainable integrated healthcare services, reduce the spread of infectious diseases, meet epidemiological requirements
Implementation time	2022 - 2026
Responsible/co-responsible institution	MoH / CFCA / Hospitals
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	4.1.1.2.i.
On-track status step	On-track

A brief description of progress for 2025 (what was done in 2025?)	In 2025, the selection and evaluation process for project applications under the Recovery Fund (RF) investment 4.1.1.2.i (second round) was ensured in order to secure funding for infrastructure development in 5 specialized hospitals and 1 regional hospital. In 2025, the implementation of RF projects continued in 3 university hospitals, 7 regional hospitals, and 5 specialized hospitals to strengthen healthcare infrastructure and equipment, thereby increasing the resilience of the health sector and the availability of services. In August 2025, the implementation of the RF project at Vidzeme Hospital was completed.
Title of the measure (incl. reforms/investments)	Investment 4.1.1.3.i. Support for the infrastructure or equipment of secondary outpatient healthcare providers
Goal (what should be achieved by the measure?)	Improvement of access to healthcare
Key steps for implementing the measure	Ensure the implementation of RRF projects in at least 40 treatment institutions for state-funded secondary outpatient healthcare service provision to strengthen the healthcare service delivery infrastructure of secondary outpatient service providers.
Implementation time	2023 - 2026
Responsible/co-responsible institution	MoH / CFCA / Treatment institutions for secondary outpatient healthcare service provision.
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	4.1.1.3.i.
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In total, 43 projects under Recovery Fund investment 4.1.1.3.i are being implemented to strengthen the healthcare infrastructure of secondary outpatient service providers. In 2025, the implementation of projects by 21 funding recipients was completed; as a result, infrastructure and equipment have been improved in a total of 31 healthcare institutions providing secondary outpatient services. The implementation of 12 projects is ongoing to support the strengthening of healthcare infrastructure for secondary outpatient service providers.
Title of the measure (incl. reforms/investments)	Improvement of affordability of medicines
Goal (what should be achieved by the measure?)	Improve affordability of medicines
Key steps for implementing the measure	1. Revised conditions for reimbursement of medicines included in the list of reimbursed medicines, the list of reimbursed medicines is supplemented by new cost-effective medicines. 2. Improved procedure for prescription of reimbursed medicines through the improvement of accessibility and reduction of bureaucracy in obtaining compensated medicines. 3. An assessment has been made of the possibility of setting a maximum total co-payment made to a patient for prescription medicines. 4. Retail prices of reimbursable medicines have been limited to the prices in Estonia and Lithuania.
Implementation time	1.- Permanently 2., 3., 4.- 2024
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights

European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>1: The list of reimbursable medicines has been supplemented with 11 new innovative medicines intended for the treatment of oncology and hemato-oncology conditions, thereby expanding therapeutic options. Support has been secured for new treatment possibilities for generalized myasthenia gravis, Fabry disease, hemolytic uremic syndrome, and chronic kidney failure. In addition, to improve healthcare for patients with diabetes, new medicines - Faricimabum, Ranibizumabum, and Afliberceptum - have been included for patients with well-controlled diabetes and center-involving diabetic macular edema.</p> <p>2.: To improve public access to healthcare services, amendments to the regulatory framework came into force at the end of 2024, granting nurses and midwives prescribing rights (TAP: 24-TA-1319).</p> <p>In 2025, access to therapy was improved overall: the dispensing procedure was simplified and the circle of prescribers expanded across 15 diagnostic groups (e.g., cardiology, kidney failure, psoriasis, Crohn's disease, schizophrenia, migraine, etc.). The process for receiving medicines has been eased by abolishing specialist consilia or involving regional hospitals, thereby facilitating access to medicines closer to patients' place of residence. Access to therapy has also been simplified by replacing the requirement that medicines may be prescribed only by specialists with a specialist-competence approach and by expanding the pool of prescribers to include general practitioners.</p> <p>3.: Given that paper prescriptions were not recorded until 1 January 2025, detailed calculations on the possibility of determining the maximum allowable total patient co-payment for all prescription medicines will be possible after analysis of the aggregated 2025 data.</p> <p>4.: On 16 July 2024, the Cabinet of Ministers approved amendments to Cabinet Regulation No. 803 of 25 October 2005, "Regulations on the Principles of Medicine Price Formation." These amendments introduce a new markup model for all prescription medicines, reducing the final price of medicines for patients by implementing a fixed markup, including a pharmaceutical care service fee, and decreasing pharmacies' dependence on wholesalers. A provision has also been approved that, when a manufacturer declares a medicine price to the State Agency of Medicines, it must not exceed the price in Lithuania and Estonia.</p>
Title of the measure (incl. reforms/investments)	Strengthening primary health care
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	Implementation of the actions included in the Informative Report "Regarding Strengthening of Primary Healthcare" (24-TA-922), adopted by the CoM on 23.05.2024.
Implementation time	2024-2027
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	Implementation is delayed
A brief description of progress for 2025 (what was done in 2025?)	Implementation of the measures set out in the informative report "On Strengthening Primary Health Care" is ongoing in accordance with Cabinet of Ministers meeting minutes No. 21 of 21 May 2024 (protocol decision 24-TA-92), paragraph 38, items No. 4, No. 5 and No. 6:

	<p>No. 4. The Ministry of Health was tasked to develop criteria for determining the rural allowance for family doctor practices by 31 December 2024. In December 2024, the Ministry of Health prepared a reply letter to the Cabinet of Ministers (in response to the State Chancellery letters TAP-24-AP-UZ-8475 and TAP-24-AP-UZ-8435). The matter was reviewed at the Cabinet of Ministers meeting on 17 December 2024 (24-TA-3205). On 4 December 2025, the <i>Saeima</i> adopted the Law on the State Budget for 2026 and the Budget Framework for 2026–2028, providing funding for the revision of the fixed allowance for family doctor practices in rural areas: EUR 4,800,000 in 2026, EUR 3,778,064 in 2027, and EUR 3,678,064 annually from 2028 onwards.</p> <p>No. 5. The Ministry of Health was tasked to prepare and submit to the Cabinet of Ministers by 1 April 2025 an informative report on strengthening the availability of primary health care services outside family doctors’ working hours. The Ministry of Health has prepared the draft informative report “On Strengthening Primary Health Care Services Outside Family Doctors’ Working Hours,” which is currently under internal coordination, and solutions are being sought for the required funding.</p> <p>No. 6. The Ministry of Health was tasked to develop performance indicators for evaluating the operation of family doctor practices - including process, structural and outcome indicators - by 31 December 2025. The task was delegated for implementation to the Methodological Management Institution in the field of Family medicine. In 2025, the Methodological Management Institution has commenced work on developing performance indicators for the evaluation of family physician practices and has submitted an interim deliverable. Work on its implementation will continue in 2026.</p>
Title of the measure (incl. reforms/investments)	Development of the hospital network
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	Implementation of the actions included in the Informative Report "On the Development of the Hospital Network" (24-TA-481), adopted by the CoM on 30.04.2024
Implementation time	until 2026
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	Implementation is delayed
A brief description of progress for 2025 (what was done in 2025?)	<p>At its meeting of 30 April 2024, the Cabinet of Ministers approved the Ministry of Health informative report “On the Development of the Hospital Network” (24-TA-481), which established the following:</p> <ol style="list-style-type: none"> 1. strengthening hospital emergency departments and patient admission units so that, upon arrival at a hospital of any level, the patient is met by a team of specialists capable of ensuring the scope of health care services required by the patient; 2. revision of observation payments to hospitals so that they correspond to the actual costs incurred by hospitals; 3. introduction of an annual digitalisation payment to cover hospitals’ costs related to improving data integration and transmission to the eHealth system. <p>To implement the tasks set out in the informative report “On the Development of the Hospital Network”:</p> <ol style="list-style-type: none"> 1) a patient hospitalisation plan has been introduced. This plan ensures that the Emergency Medical Service delivers patients to the emergency department of the nearest hospital, where patients receive care appropriate to their health condition. Once the patient’s condition has stabilised, a decision is taken on further inpatient treatment or transfer to another hospital. Hospitals are required to ensure the availability of the necessary

	<p>specialists in their emergency departments, in line with the hospital level, so that patients can receive the required care at any time of day. Additional funding has been allocated to ensure the availability of the necessary specialists in hospital emergency departments;</p> <p>2) since 2024, a digitalisation payment for hospitals has been introduced (in proportion to the volume of services provided, with digitalisation costs allocated proportionally to the funding paid for the services delivered) to cover hospitals' costs related to the digitalisation of health data for state-funded health care services;</p> <p>3) in 2024, the patient observation payment for hospitals was revised to bring it closer to actual costs.</p> <p>The National Health Service has informed healthcare institutions providing inpatient health care services about the developed observation criteria, noting that the revised patient observation criteria will be taken into account in the further review of the observation payment system.</p> <p>In 2025, the Ministry of Health prepared the informational report "On the Hospital Network" (https://tapportals.mk.gov.lv/legal_acts/a8fba208-94ef-47bf-a561-525d696daa9b), which was reviewed by the Cabinet of Ministers and adopted on January 13, 2026.</p>
Title of the measure (incl. reforms/investments)	Limit the spread of infectious diseases
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	<p>1) Implementation of the plan "Action Plan for the Control of HIV Infection, Sexually Transmitted Infections, Tuberculosis, Hepatitis B and C 2023-2027"</p> <p>2) Implementation of the "Plan for Containing Antimicrobial Resistance and Prudent Use of Antibiotics "One Health" 2023-2027"</p>
Implementation time	until 2027
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>The Antimicrobial Resistance Competence Centre (AMR CC), established in 2024, developed the following documents in 2025:</p> <ol style="list-style-type: none"> 1. recommendations for perioperative (surgical) prophylaxis; 2. guidelines for healthcare institutions on compliance with the basic requirements of hygiene and anti-epidemic regimes in healthcare institutions (model plan); 3. model document in the form of checklists for the insertion, use and care of central venous catheters and for the insertion and care of urinary catheters; 4. a patient leaflet on surgical wounds; 5. methodology for dilution of intravenous antibiotics; 6. compatibility of oral antibiotics with food; 7. compatibility of intravenously administered anti-infective medicinal products with parenteral nutrition mixtures; 8. typing algorithm for carbapenemase-producing Enterobacterales (CPE); 9. antibacterial therapy recommendations for the outpatient sector; 10. proposals for the surveillance and prevention of healthcare-associated infections and antimicrobial resistance, including the promotion of microbiological testing in the provision of healthcare services. <p>These and other documents are available on the AMR CC website (https://amrcentrs.lv/) as well as in the mobile application "Antibiotic Recommendations."</p>

	<p>At the same time, training and consultation of healthcare professionals continued (seminars once per month, with an average attendance of approximately 60 healthcare professionals).</p> <p>On 28 November 2025, a conference was held reviewing AMR-related cases from practice.</p> <p>On 12 January 2026, an informational event was held at the Ministry of Health, where the AMR CC reported on the work accomplished.</p>
Title of the measure (incl. reforms/investments)	Establishment of methodological management institutions in priority areas of healthcare - oncology, psychiatry, child psychiatry, traumatology, pediatrics, cardiology and family medicine.
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	<ol style="list-style-type: none"> 1. Adoption of the draft CoM regulations "Regulations of the Methodological Management Institution" (24-TA-317) by the CoM; 2. Conclusion of contracts with medical institutions on the implementation of methodological management tasks and on the payment procedure for ensuring methodological management in the relevant field of health care, monitoring of contract execution
Implementation time	<ol style="list-style-type: none"> 1. 2024 2. Permanently
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>1 In 2024, a legal framework for Methodological Management Institutions was adopted (Cabinet of Ministers Regulations No. 543 of 13 August 2024, "Regulations on Methodological Management Institutions"). Its purpose is to ensure a single leading institution in priority healthcare areas that will systematically oversee the quality of medical care by developing unified principles for prevention, diagnostics, and treatment, ensuring consistent quality monitoring, specialist training, and the introduction of new advanced methods.</p> <p>2 In 2024, methodological management institution status was granted to six institutions: the National Center for Mental Health in the field of psychiatry, the Children's Clinical University Hospital in child psychiatry and pediatrics, Riga East Clinical University Hospital in oncology, Pauls Stradiņš Clinical University Hospital in cardiology, Riga Stradins University in family medicine, and the Traumatology and Orthopedics Hospital in traumatology and orthopedics.</p> <p>In 2025, the status of methodological management institution was granted in two additional fields - radiology and rehabilitation. In radiology, the status was granted to Riga East Clinical University Hospital, while in rehabilitation - the National Rehabilitation Center "Vaivari".</p>
Title of the measure (incl. reforms/investments)	Implementation of action 4.1.2.7 "Improve Patient Safety and Quality of Care" of the EU Cohesion Policy Programme 2021-2027
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Adoption of the legal framework. 2) Development and implementation of project
Implementation time	<ol style="list-style-type: none"> 1. 2023 2. 2024 - 2029
Responsible/co-responsible institution	MoH

RRF/MFF	MFF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>1. On 19 December 2023, Cabinet of Ministers Regulation No. 807 was adopted: "Implementation rules for Measure 4.1.2.7 "Improving Patient Safety and Quality of Care" under Specific Objective 4.1.2 "Improve equal and timely access to quality, sustainable and affordable healthcare, health promotion and disease prevention services by enhancing the efficiency and resilience of the healthcare system" of the European Union Cohesion Policy Programme for 2021–2027."</p> <p>2. On 23 April 2024, the agreement for the implementation of Project No. 4.1.2.7/1/24/I/001 "Improving Patient Safety and Quality of Care" was signed, and project implementation continued in 2025.</p> <p>Achievements in 2025:</p> <p>1. On 9 May 2025, a seminar was held for cardiologists and managers of healthcare institutions in the field of cardiovascular diseases, with particular focus on the diagnosis and treatment of acute coronary syndrome;</p> <p>2. development of clinical algorithms, clinical pathways and quality indicators in the field of rare diseases was initiated;</p> <p>3. development of clinical algorithms, clinical pathways and quality indicators in the field of palliative care was initiated;</p> <p>4. development of recommendations for family doctors on determining physical activity for schoolchildren with various health conditions was initiated;</p> <p>5. evaluation of the current regulatory framework in Latvia governing the provision of services by psychologists, psychotherapists and psychotherapy specialists was initiated, along with the development of proposals for its improvement.</p>
Title of the measure (incl. reforms/investments)	Develop digitisation of the health sector and ensure effective data- and technology-driven healthcare governance
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	<p>1. A Digital Health Competence Centre has been established to ensure the digital development of the health sector, improve health sector ICT governance and ICT services, eliminate the identified ICT problems in health sector, ensure sufficient capacity to manage and implement MoH ICT projects and build capacity and knowledge for digital health development in the long term.</p> <p>2. Developing national health information systems, digital services</p>
Implementation time	<p>1. 2024;</p> <p>2. until 2029</p>
Responsible/co-responsible institution	MoH
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	1 A Just and Digital Transition 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	1.3.1.1

On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>1. To support the development of a strategic digital health ecosystem and the implementation of eHealth policy, the limited liability company Latvian Digital Health Centre (the Centre) was established (Cabinet of Ministers Order No. 321 of 23 April 2024 "On the Conceptual Report "On the Establishment of the Digital Competence Centre of the Health Sector"") as a state-owned capital company fully owned by the Ministry of Health.</p> <p>As of 1 January 2025, responsibility for implementing digital health policy has been delegated to the Centre (based on a delegation agreement concluded between the Ministry of Health, the Centre and the National Health Service).</p> <p>The Centre shall ensure: methodological management and support of information and Communication technologies (ICT) of the health sector, in accordance with the contract entered into between the VM subordinate institution and Centre, development, adaptation, maintenance, updating and availability of classifiers necessary for electronic processing and exchange of data of the health sector in structured format for efficient interoperability of ICT solutions of public and private sector digital health, planning, implementation and management of the electronic data architecture of the single health sector, implementation of activities and functions of the national E-Health Contact point, integration of Latvia into the European Health data space and active interoperability therein.</p> <p>2. In 2024, development of a new eHealth patient portal began. By the end of the year, a prototype had been created, allowing residents to explore the future portal layout, view information on appointments, prescriptions and preventive services, and provide feedback for further improvements. As of 1 January 2025, responsibility for the prototype development was taken over by the Centre. On 5 June 2025, the new public eHealth patient portal prototype received the Latvian Design Award in the Digital Solutions category. The portal is planned to be launched in 2026, taking into account residents' proposals, recommendations and identified needs.</p> <p>From 2025 onwards, cross-border eHealth services have been further expanded by increasing the number of countries where residents' health data (Patient Summary) are available. This enables healthcare professionals in other EU Member States, when necessary, to access a Patient Summary - confirmed diagnoses and information on surgical procedures performed within the previous six months. In 2025, the exchange of the Patient Summary was launched with the Netherlands, Malta and the Czech Republic, and at the beginning of 2026 with Finland as well, in addition to Portugal, Estonia, Spain and France, where cross-border data exchange has been in place since 2024.</p> <p>The cross-border exchange of e-prescription data with Latvia was initiated by Croatia and Finland in early 2026, but with Estonia, Lithuania, the Czech Republic, Poland, Spain and Portugal in 2024.</p> <p>In parallel, development and testing activities have been carried out to enable the cross-border exchange of laboratory test results across EU Member States.</p> <p>In 2024, the National Health Service (NHC) modernised the existing e-referral solution in the eHealth system and developed additional functionalities. As of 1 January 2025, this responsibility was taken over by the Centre. From 20 November 2025, the new e-referral module has been introduced in the eHealth system, followed by a transition period until 4 May 2026. During this period, healthcare institutions will gradually integrate their information systems with the new solution.</p> <p>Work is also underway on the development of a unified e-booking system and unified healthcare waiting list management solution, with a gradual transition planned from autumn 2026. At the same time, from autumn 2026 a phased transition to the "one e-referral – one booking" principle will begin, meaning that a patient with a referral may be registered on only one waiting list at a time. This approach aims to reduce unattended and non-cancelled visits, as patients often join multiple waiting lists simultaneously and, after receiving services earlier at another provider, fail to cancel their remaining bookings, thereby unnecessarily prolonging waiting times. It is expected that this approach will reduce unattended and non-cancelled visits by 15–20%. The new approach will provide more convenient booking and greater transparency for patients, while reducing the administrative burden on healthcare institutions and ensuring access to up-to-date data on actual waiting times for specific healthcare services.</p> <p>When transitioning to the new e-referral and unified e-booking system, healthcare institutions must ensure the integration of their patient data and electronic queue systems with the eHealth system, including cooperation with system integrators and the Centre, and must allocate the necessary funding.</p> <p>To promote digitalisation, a one-off payment of EUR 15 120 is foreseen in the 2026 state budget for outpatient healthcare providers that deliver state-funded secondary outpatient services and meet specified eligibility criteria. At the same time, as of 1 April 2026, an increase in outpatient healthcare service tariffs and in fixed payments for specialist outpatient services is planned.</p>

	Since 2024, a digitalisation payment for hospitals has also been introduced (Cabinet Regulation No. 555 of 28 August 2018 "Procedures for the Organisation of and Payment for Health Care Services").
Title of the measure (incl. reforms/investments)	Investment 4.3.1.1.i. Support for evaluation and improvement of the quality and accessibility of secondary outpatient healthcare
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	1. Adoption of a methodology for a study on the quality and accessibility of secondary outpatient healthcare; 2. Performance of a study on the quality, availability and accessibility of secondary outpatient healthcare; 3. Integration of the results of the study on quality, availability and accessibility of secondary outpatient care into health policy development.
Implementation time	2022-2026
Responsible/co-responsible institution	MoH / NHS
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	4.3.1.1.i.
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Implementation completed in 2024.
Title of the measure (incl. reforms/investments)	Reform 4.1.1.r. Sustainability and resilience of a human-centred, comprehensive, integrated healthcare system
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	1. Adoption of a Digital Health Strategy; 2. Development of a model for the delivery of a human-centred, comprehensive and integrated health care through the development of an investment strategy and recommendations for the development of integrated and epidemiologically safe healthcare; 3. Create a Latvian population genome reference (Latvia's participation in the "Genome for Europe - GoLatvia project"); 4. Provide methodological management in oncology.
Implementation time	2022 - 2026
Responsible/co-responsible institution	MoH / LLC (SIA) "Rīgas Austrumu klīniskā universitātes slimnīca" / derived public entity "Latvijas Biomedicīnas pētījumu un studiju centrs" (Latvian Biomedical Research and Study Centre)
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion

UN SDG	3 Good health and welfare
RRF reform/ investment No.	4.1.1.r.
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>1. At its meeting of 15 August 2023 (23-TA-824; Minutes No. 40, § 38), the Cabinet of Ministers approved the informative report “Digital Health Strategy until 2029.”</p> <p>2. At its meeting of 14 July 2022, the Cabinet of Ministers approved the informative report “On the Investment Strategy for the Development of Healthcare Provision Infrastructure for 2021–2027.” On 15 June 2023, the Ministry of Health approved the Epidemiological Safety Recommendations; on 7 June 2023, the Ministry of Health adopted and published the Integrated Healthcare Model Recommendations.</p> <p>3. The derived public person “Latvian Biomedical Research and Study Centre” had, by the end of 2024, enrolled 3,520 gene donors, obtained genetic material and performed whole genome sequencing, thereby creating a reference genome of the population of Latvia.</p> <p>4. On 17 October 2023, within the framework of the Recovery Fund project, methodological documents for oncology treatment infrastructure were developed. In 2024, the legal framework for methodological leadership institutions was adopted (Cabinet of Ministers Regulation No. 543 of 13 August 2024 “Regulations on Methodological Leadership Institutions”) to ensure a single leading institution in priority healthcare areas that will systematically oversee the quality of the treatment process by developing unified principles for prevention, diagnostics and treatment, ensuring unified quality supervision, specialist training and the introduction of new advanced methods. In 2024, the status of methodological leadership institution in oncology was granted to the limited liability company “Riga East Clinical University Hospital.” On 21 October 2025, the Cabinet of Ministers approved the plan “On the Improvement Plan for Healthcare Services in Oncology for 2025–2027” (24-TA-3280).</p>
Title of the measure (incl. reforms/investments)	Investment 4.1.1.1.i. Support for performance of public health studies (in connection with the action "Limit the spread of infectious diseases")
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	<p>1. Adoption of methodology for three studies to improve public health policy planning and implementation in the areas of micro-organism resistance, vaccination and infectious diseases;</p> <p>2. Three studies have been carried out and published: a) in the area of AMR (antimicrobial resistance) - study on micro-organism resistance to identify the most effective methods for intervention and surveillance; b) for the identification of the reasons for non-vaccination; c) in the area of infectious diseases - for the identification of the risks of spread of infectious diseases and their impact on public health indicators.</p> <p>3. Entry into force of amendments to the laws aimed at improving public health policy planning and implementation in areas such as antimicrobial resistance (AMR), vaccination and infections.</p>
Implementation time	2022 - 2026
Responsible/co-responsible institution	MoH / CDPC (Centre for Disease Prevention and Control)
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	4.1.1.1.i.
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	By the end of 2025, three public health studies have been implemented:

	<p>1) In the field of AMR, determining the prevalence of healthcare-associated infections and the use of antimicrobials (including circulation procedures and surveillance methods) in long-term social care institutions in Latvia;</p> <p>2) In the field of vaccination, identifying the reasons hindering vaccination and obtaining qualitative data on the knowledge and attitudes of parents of children, the adult population, and primary healthcare specialists toward vaccination, as well as on the organization (including availability) of immunization services in healthcare institutions;</p> <p>3) In the field of infectious diseases, determining the prevalence of hepatitis C virus antibodies (anti-HCV) and hepatitis C virus (HCV RNA) in the adult population of Latvia. The final reports of the studies have been published on the SPKC website: https://www.spkc.gov.lv/lv/projekts/af-4111i-investigijas-projekts.</p> <p>In 2025, work was initiated on drafting amendments to legislation and recommendations aimed at improving the planning and implementation of public health policy in areas such as antimicrobial resistance (AMR), vaccination, and infections.</p>
Title of the measure (incl. reforms/investments)	Reform 4.3.1.r. Sustainability of healthcare and the efficient use of healthcare resources
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system
Key steps for implementing the measure	<ol style="list-style-type: none"> 1. Approved coordination mechanism to evaluate, develop and implement new models for the provision of health services; 2. Carried out selection of pilot projects for health service provision models aimed at ensuring better and more efficient provision of state-funded healthcare services at all levels, ensuring accessibility and quality of services through the establishment of system change mechanisms for state-funded services; 3. Carried out piloting, monitoring and evaluation of pilot projects; 4. Integration of new models for the provision of healthcare service into state-funded healthcare services.
Implementation time	2022- 2026
Responsible/co-responsible institution	MoH / NHS
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	3 Good health and welfare
RRF reform/ investment No.	4.3.1.r.
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>In 2025, implementation and evaluation of results continued for 18 pilot projects on the introduction of new healthcare service delivery models. In 2025, three pilot projects and the services created thereby will be included in the state-funded service package as of 1 July 2026: “Introduction of Semi-Automated Online Psychological Services for the Treatment of Internalising Mental Disorders in Adolescents and Young Adults,” “Stereotactic Encephalography for Children,” and “Improving Service Accessibility for Patients with Vascular Diseases at the Children’s Clinical University Hospital.”</p> <p>The evaluation of the results of all new healthcare service delivery models, in order to decide on their inclusion in publicly funded healthcare services, will be carried out following the assessment of the pilot project results (by 31 August 2026).</p>
Title of the measure (incl. reforms/investments)	Investment 4.2.1.1.i. Support for the implementation of the human resources development system
Goal (what should be achieved by the measure?)	Improve the healthcare quality and cost-effectiveness of the healthcare system

Key steps for implementing the measure	1. Established coordination mechanism for training healthcare staff; 2. Simulation approach to healthcare learning process introduced at all levels of education - undergraduate, residency, further education.
Implementation time	2024- 2026
Responsible/co-responsible institution	MoH / CFCA
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2024(3); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Social protection and inclusion
UN SDG	3 Good health and well-being; 4 Quality education
RRF reform/ investment No.	4.2.1.1.i.
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	1. By Order No. 01-01.1/10 of the Ministry of Health of 24 January 2024, “On the Pilot Implementation of the Continuing Education Organisation Model and the Establishment of a Coordination Mechanism,” a coordination mechanism for staff training was approved. Its pilot implementation is planned until 30 June 2026. 2. By Order No. 01-01.1/108 of the Ministry of Health of 9 July 2025, “On the Introduction of a Simulation-Based Education Strategy in Medical and Healthcare Education,” the implementation of the simulation-based approach at all levels of education was approved. The strategy is planned to be implemented by the Medical Education Technology Centre in cooperation with the Ministry of Health. Implementation of projects continues in three clinical university hospitals (Pauls Stradins Clinical University Hospital, Riga East Clinical University Hospital, and Children’s Clinical University Hospital), as well as in seven regional hospitals and at the Riga Stradins University Medical Education Technology Centre, to develop the simulation-based approach within the healthcare education system.
Title of the measure (incl. reforms/investments)	Improve healthcare human resource planning, the education system, the work environment and increase remuneration
Goal (what should be achieved by the measure?)	Improve the quantity, efficiency and quality of healthcare personnel necessary for the healthcare system.
Key steps for implementing the measure	1. Adopt the Health Workforce Development Strategy until 2029 by the CoM. 2. Implement the Health Workforce Development Strategy until 2029.
Implementation time	1. 2024 2. by 2029
Responsible/co-responsible institution	MoH
RRF/MFF	-
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2024(3); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Social protection and inclusion
UN SDG	3 Good health and well-being; 4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2025 (what was done in 2025?)	<p>1. On 17 December 2024, the Cabinet of Ministers approved the draft plan “Health Workforce Development Strategy for 2025–2029” (TAP: 24-TA-2499; Minutes No. 53, § 172).</p> <p>2. Implementation of the measures set out in the Strategy is proceeding in accordance with the planned schedule.</p>
Title of the measure (incl. reforms/investments)	Implementation of action 4.1.2.6 "Improve Educational Opportunities for Medical Practitioners, Including by Improving Access to Further Education" of the EU Cohesion Policy Programme 2021-2027
Goal (what should be achieved by the measure?)	Improve the quantity, efficiency and quality of healthcare personnel necessary for the healthcare system.
Key steps for implementing the measure	<p>1. Adoption of the legal framework;</p> <p>2. Development and implementation of project</p>
Implementation time	<p>1. 2023</p> <p>2. 2024 - 2029</p>
Responsible/co-responsible institution	MoH
RRF/MFF	MFF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2024(3); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Social protection and inclusion
UN SDG	3 Good health and well-being; 4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>1. On 19 December 2023, Cabinet of Ministers Regulation No. 803 was approved: “Implementation rules for Measure 4.1.2.6 "Improve Education Opportunities for Healthcare Professionals, including Improving the Availability of Continuing Education” under Specific Objective 4.1.2 "Improve equal and timely access to quality, sustainable and affordable healthcare, health promotion and disease prevention services by enhancing the efficiency and resilience of the healthcare system" of the European Union Cohesion Policy Programme for 2021–2027.”</p> <p>2. In 2025, implementation continued for Project No. 4.1.2.6/1/24/I/001 “Provision of Education Opportunities for Persons Involved in Healthcare,” approved on 12 April 2024. The objective of the project is to improve the qualifications, skills and competences of healthcare professionals, healthcare support staff, pharmaceutical care service providers and specialists working in the social sector, as well as to enhance knowledge in order to improve the accessibility of healthcare services for the population.</p> <p>Achievements in 2025:</p> <p>1) 48 contracts for the delivery of training were concluded;</p> <p>2) as a result of the training, 8,506 participants were trained, and experience-exchange activities were provided in Latvia and abroad for 69 participants;</p> <p>3) within the 12-month implementation period, EUR 1 853 625 was absorbed.</p>
Title of the measure (incl. reforms/investments)	Implementation of action 4.1.2.5 "Attract and Retain Healthcare Professionals to Work in the State-funded Healthcare Services Sector, Especially in Hospitals" of the EU Cohesion Policy Programme 2021-2027
Goal (what should be achieved by the measure?)	Improve the quantity, efficiency and quality of healthcare personnel necessary for the healthcare system.
Key steps for implementing the measure	<p>1. Adoption of the legal framework.</p> <p>2. Development and implementation of project</p>

Implementation time	1. 2023 2. 2024 - 2029
Responsible/co-responsible institution	MoH
RRF/MFF	MFF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2024(3); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Fair working conditions; Social protection and inclusion
UN SDG	3 Good health and well-being; 8 Decent work and economic growth
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>1. On 15 August 2023, Cabinet of Ministers Regulation No. 460 was approved: "Implementation rules for Measure 4.1.2.5 "Attract and Retain Healthcare Professionals in the State-Funded Healthcare Services Sector, Particularly in Inpatient Care" under Specific Objective 4.1.2 "Improve equal and timely access to quality, sustainable and affordable healthcare, health promotion and disease prevention services by enhancing the efficiency and resilience of the healthcare system" of the European Union Cohesion Policy Programme for 2021–2027."</p> <p>2. In 2025, implementation continued for Project No. 4.1.2.5/1/23/1/001 "Measures for the Attraction and Retention of Healthcare Professionals," under the agreement concluded on 29 December 2023.</p> <p>Achievements in 2025:</p> <ol style="list-style-type: none"> 279 compensation agreements were concluded, with one-off compensations paid in the total amount of EUR 2 499 339; 212 healthcare professionals with higher education were attracted (including 30 family doctors transferring their family practice); 67 healthcare professionals with secondary education were attracted.
Title of the measure (incl. reforms/investments)	Reform 4.2.1.r. Provision of human resources and skills development
Goal (what should be achieved by the measure?)	Improve the quantity, efficiency and quality of healthcare personnel necessary for the healthcare system.
Key steps for implementing the measure	<ol style="list-style-type: none"> Developed and adopted Human Resources Development Strategy; Adoption of the human resources mapping for healthcare; Introduced new remuneration model for healthcare staff; Adoption of healthcare labour force planning model.
Implementation time	2024- 2026
Responsible/co-responsible institution	MoH
RRF/MFF	RRF
CSR	2019(2); 2020(1); 2022(1); 2023(1); 2024(1); 2024(3); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Fair working conditions; Social protection and inclusion
UN SDG	3 Good health and well-being; 8 Decent work and economic growth
RRF reform/ investment No.	4.2.1.r.
On-track status step	On-track

A brief description of progress for 2025 (what was done in 2025?)	<ol style="list-style-type: none"> 1. Cabinet of Ministers Order No. 1194 of 18 December 2024 "On the Plan "Health Workforce Development Strategy for 2025–2029."" (https://likumi.lv/ta/id/357507). 2. Mapping of human resources in the healthcare sector was carried out in 2023 within the DG REFORM project. In accordance with the plan "Health Workforce Development Strategy for 2025–2029," the piloting of the human resources mapping and planning model in the Ministry of Health IT system is planned to be completed by the end of 2026. 3. The remuneration model for healthcare employees is being implemented through the following documents: amendments of 28 March 2023 to Cabinet of Ministers Regulation No. 851 of 18 December 2018 "Regulations on the Minimum Monthly Salary and Special Allowances for Persons Employed in the Healthcare Sector"; approval on 17 December 2024 of the Health Workforce Development Strategy for 2025–2029 (TAP: 24-TA-2499). In 2024/2025, work is ongoing on amendments to Cabinet of Ministers Regulation No. 555 "Procedures for the Organisation and Payment of Healthcare Services" in order to embed these remuneration principles in the Cabinet regulations (25-TA-302). 4. The healthcare workforce planning model was developed within the DG REFORM project and adopted on 5 December 2023. In accordance with the plan "Health Workforce Development Strategy for 2025–2029," the piloting of the human resources mapping and planning model in the Ministry of Health IT system is planned to be completed in 2026.
Policy Area - Education and Skills	
Quality education	
Title of the measure (incl. reforms/investments)	NEW INITIATIVE: Introduction of the new financing model "Programme in School"
Goal (what should be achieved by the measure?)	<ol style="list-style-type: none"> 1. Amendments to the Education Law have been approved; 2. Cabinet of Ministers regulations have been drafted and adopted regarding the procedures and criteria for state participation in the financing of teachers' salaries in general education, as well as the procedure for calculating and allocating state budget funding for teachers' salaries to educational institutions established by local governments and state universities.
Implementation time	Continuously
Responsible/co-responsible institution	MoES
RRF/MFF	-
CSR	2024(3); 2025(5)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Amendments have been made to Cabinet of Ministers Regulation No. 376 of 21 June 2022, "Procedure for Calculating and Distributing the State Budget Earmarked Grants for Teachers' Salaries in Municipal General Education Institutions and General Secondary Education Institutions of State Universities," ensuring that as of 1 September 2025, funding for support staff is provided at 70% of the amount planned in the model. On 1 September 2025, the Ministry of Education and Science (hereinafter – MES) began the gradual implementation of the new teacher remuneration financing model "Programme in School," additionally allocating EUR 4.92 million from the state budget for the remuneration of school support staff. In December 2025, the <i>Saeima</i> approved amendments to the Education Law, providing a delegation to the Cabinet of Ministers to determine the criteria and procedures according to which the state participates in financing teachers' remuneration at the stages of general basic education and general secondary education. At the end of January 2026, draft Cabinet of Ministers regulations necessary for the implementation of the financing model were submitted for public consultation and interinstitutional coordination.

Title of the measure (incl. reforms/investments)	NEW INITIATIVE: Transition to an institutional financing model in higher education
Goal (what should be achieved by the measure?)	Promote the financial autonomy of institutions and their accountability for achieving results.
Key steps for implementing the measure	1. The Conceptual Report "On the Institutional Financing of Higher Education" has been approved; 2. Amendments to regulatory acts have been drafted and adopted (to the Higher Education Law, the Education Law, the Vocational Education Law, and the relevant Cabinet of Ministers regulations); 3. A pilot project for the institutional funding model has been implemented.
Implementation time	Continuously
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	2024(3); 2025(5)
Common EU priorities	2 Social and economic resilience, including the European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labor market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In 2025, the implementation of the higher education institutional funding model pilot project continued in six universities. Based on a Cabinet of Ministers order, in September all state universities were allocated EUR 10 million—both those that had already launched the pilot project (University of Latvia, Riga Technical University, Riga Stradiņš University, Latvia University of Life Sciences and Technologies, Latvian Academy of Culture and Vidzeme University of Applied Sciences), as well as those that are still preparing for the transition to the institutional funding model. In 2026, the gradual and systematic implementation of the institutional funding system will continue across all state universities and colleges, ensuring both the provision of funding and the development of the necessary amendments to regulatory enactments in order to achieve full alignment of the legal framework with the new funding model. The institutional funding model foresees a shift by the Ministry of Education and Science (MoES) from process control to a results-oriented approach — instead of determining the number of students to be admitted and the principles of their funding, the model sets the number of specialists to be trained, giving universities the autonomy to achieve these targets. From the state's side, contracts on the funding of higher education institutions stipulate the number of specialists to be trained in accordance with labour market forecasts and the priorities set by the state.
Title of the measure (incl. reforms/investments)	ESF+ EU Cohesion Policy Programme for 2021–2027 "Improve the quality, inclusion, efficiency and labour market relevance of education and training systems, including through the validation of informal and daily learning, to support the acquisition of key competences, including entrepreneurship and digital skills, and by promoting the introduction of dual learning systems and apprenticeships" (Action 4.2.2.4)
Goal (what should be achieved by the measure?)	The development of an education quality monitoring system (hereinafter referred to as the IKMS) for the monitoring, evaluation, and assurance of education quality at the national, local government, and educational institution levels, as well as at the individual level, as well as strengthening data literacy capacity for the full utilization of the EQMS in making data-driven decisions regarding the monitoring, evaluation, and assurance of educational quality
Key steps for implementing the measure	1) Approval of Cabinet regulations: 3rd quarter of 2024; 2) Announcement of the call for project proposals: 3rd quarter of 2024 / 4th quarter of 2024.
Implementation time	2024-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF

CSR	2019(2); 2020(2); 2022(1); 2023(4); 2024(3); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	According to the Cabinet of Ministers Regulation No. 338 of 10.06.2025 (amendments to the implementation regulations of the measure), the total financing of the measure: EUR 16 488 711, including ESF+ EUR 14 015 404 and state budget co-financing EUR 2 473 307. In 2025, the project application was approved and the project implementation began in accordance with the activities planned in the Project. Cooperation agreements for the implementation of the Project have been signed with the State Education Development Agency and the State Education Quality Service. Development of new tools for the Education Quality Monitoring System has been launched: work in progress for development of student performance monitoring tasks for the first implementation in general education institutions in April 2026 for grades 2-8: in grades 3 and 6 - monitoring tasks in literacy, numeracy, natural sciences; in grades 2, 5, 8 - on the use of the state language. Work continues on improving the existing Education Quality Monitoring System tools according to user needs (including licenses). The Education Quality Council of the Ministry of Education has been established and convened for its first meeting.
Title of the measure (incl. reforms/investments)	ESF+ EU Cohesion Policy Programs for 2021–2027 "Promoting the integration of NEET young people into education and employment" (Action 4.2.3.4)
Goal (what should be achieved by the measure?)	The aim of the initiative is to develop the skills of young people who, prior to joining the project, are between the ages of 15 and 29 (inclusive), are not in education, employment, or vocational training, and are not registered with the State Employment Agency as unemployed, and to promote their participation in education and training activities, including apprenticeships with a master craftsman, employment, or activities implemented by the State Employment Agency, as well as in the work of non-governmental organizations or youth centers.
Key steps for implementing the measure	1) CoM Regulation approved in Q4 2023. 2) Project commenced in Q2 2024.
Implementation time	2024-2029
Responsible/co-responsible institution	MoES/AIPY (Agency for International Projects for Youth)
RRF/MFF	MFF
CSR	2019(2); 2020(2); 2022(1); 2023(4); 2024(3); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	By the end of 2025, within the framework of the "KNOW and DO 2" project, cooperation agreements have been concluded with 36 municipalities to provide support to NEET youth. By the end of 2025, 745 NEET youth have participated in the project, of whom 54% or 403 young people have successfully completed their participation in the project, of whom 111 young people have become involved in education or training after completing their participation in the project. Flexible funding was granted for measure Nb. 4.2.3.4. in the amount of EUR 1 029 482, including European Social Fund Plus funding of EUR 875 060 and state budget co-financing of EUR 154 422 in 2025.
Title of the measure (incl. reforms/investments)	ESF+ EU Cohesion Policy Programs for 2021–2027 "Improve the quality, inclusion, efficiency and labour market relevance of education and training systems, including through the validation of informal and daily learning, to support the acquisition of key competences,

	including entrepreneurship and digital skills, and by promoting the introduction of dual learning systems and apprenticeships" (Action 4.2.2.5)
Goal (what should be achieved by the measure?)	Ensure participation in international education studies and programmes implemented by international organisations to develop education policy and evaluate implementation and impact of policy.
Key steps for implementing the measure	CoM Regulation approved on 04.07.24. Project implementation is underway
Implementation time	2022-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	2019(2); 2020(2); 2022(1); 2023(4); 2024(3); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	4.2.2.5. is carried out in accordance with the planned activities in the project. In 2025, four cooperation partner selection procedures were carried out, selecting three secondary research performers and a performer of a new research cycle - IEA TIMSS 2027. 8 research stages were completed in the project: OECD PIAAC 2022 -2023 primary research, INES annual deliverable for 2024 adopted, OECD TALIS 2024 data collection stage completed, IEA TIMSS 2019 secondary research conducted, IEA TIMSS 2023 primary research completed, IEA ICCS 2022 secondary research, IEA PIRLS 2021 secondary research and OECD TALIS 2024 primary research. Several dissemination activities of research results were carried out, which included organizing a student scientific paper competition, providing a press conference on the results of the "Education at a Glance" annual report, and organizing a discussion on the first results of OECD TALIS 2024. Project activities were implemented in the amount of EUR 1 403 779.61. According to Cabinet Regulation No. 789 of 16.12.2025 (amendments to the implementation regulations of the measure), the total funding of the measure is: EUR 6 243 076, including ESF+ EUR 5 306 614 and state budget funding EUR 936 462.
Title of the measure (incl. reforms/investments)	Measure 4.2.1.4 of the EU Cohesion Policy Program for 2021–2027 "Provision of educational institutions for quality implementation of the improved general education content at pre-school education level" (ERDF)
Goal (what should be achieved by the measure?)	Improve provision of educational institutions with resources (teaching materials, educational technology and equipment, inventory for sports and outdoor activities)
Key steps for implementing the measure	1) Approval of CoM Regulation (Q4 2024) 2) Launch of the project (2025, 1st half-year)
Implementation time	2025-2026
Responsible/co-responsible institution	MoES /SEDA (State Education Development Agency)
RRF/MFF	MFF
CSR	-
Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education

RRF reform/ investment No.	-
On-track status step	Implementation is not complete.
A brief description of progress for 2025 (what was done in 2025?)	Measure Nb.4.2.1.4. will not be implemented.
Title of the measure (incl. reforms/investments)	EU Cohesion Policy Program for 2021–2027, Measure 4.2.1.5 "Educational institutions' provision for the qualitative implementation of improved general education content at the primary and secondary education levels" (Round 1) ERDF
Goal (what should be achieved by the measure?)	Strengthen the provision of educational institutions with the resources necessary for the implementation of modern and high-quality basic and secondary education in order to ensure compliance with the needs of the improved curriculum, thus improving equal access to inclusive and high-quality services in the field of education, including in the preparatory stage for five- and six-year-old children.
Key steps for implementing the measure	1) Approval of the CoM regulations (2024); 2) Access to computer equipment for general education teachers, support staff and students, as well as vocational education students (Q2 of 2025)
Implementation time	2024-2025
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Within the framework of the project, 21 735 computers were provided for teachers and support staff, 6 688 computers were provided for students (vocational and general education) in 36 educational institutions, as well as 19 984 laptops were provided for students studying in general basic education and general secondary education programs.
Title of the measure (incl. reforms/investments)	EU Cohesion Policy Program for 2021–2027, Measure 4.2.1.5 "Provision of educational institutions for quality implementation of the improved general education content at primary and secondary education level" (Round 2) ERDF
Goal (what should be achieved by the measure?)	Improve the infrastructure of educational institutions, including creation or renovation of classrooms for STEM subjects
Key steps for implementing the measure	1) Approval of the draft CoM Regulation for the second selection round (Q4 2024); 2) Announcement of the fifth selection round of the project (Q1 2025)
Implementation time	2025-2027
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2025 (what was done in 2025?)	<p>Cabinet Regulation No. 72 on the implementation of the measure was approved on 28.01.2025: it provides conditions for local government investments in improving school infrastructure, including setting a condition that at least 20% of the project ERDF funding must be invested in the creation or renovation STEM classrooms or in or purchase of STEM equipment.</p> <p>30.06.2025. - a selection round for project applications was announced, 18 local governments submitted projects.</p> <p>03.11.2025. - an agreement was concluded with one local government on the implementation of the project.</p> <p>The evaluation of the projects of the remaining local governments continues.</p> <p>The projects will be implemented by the end of 2028.</p> <p>28.10.2025. Cabinet Regulation No. 641: amendments to Cabinet Regulation No. 72, providing for the availability of additional ERDF funding in the amount of EUR 8.5 million, accordingly, the total eligible funding planned and available for the second round of project application selection of the event is EUR 51 507 806, including EUR 43 781 634 from the ERDF and co-financing from the local government budget – no less than EUR 7 726 172. It is planned to provide support to an additional 9 municipalities.</p>
Title of the measure (incl. reforms/investments)	NEW INITIATIVE: EU Cohesion Policy Program for 2021–2027, Measure 4.2.1.5 "Equipping Educational Institutions for the High-Quality Implementation of the Revised General Education Curriculum at the Primary and Secondary Levels" (Round 3) ERDF
Goal (what should be achieved by the measure?)	Improve the infrastructure of educational institutions in municipalities designated as border areas
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Approval of the Cabinet of Ministers' regulations on the implementation of the support (2025); 2) Announcement of the call for project proposals (Q1 2026); 3) At least 7 general education institutions upgraded (2029).
Implementation time	2025-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	-
Common EU priorities	3 Social and economic resilience, including the European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labor market
UN SDG	4 Quality education
RRF reform/ investment No.	4.2.1.5.3
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>Cabinet Regulation No. 783 on the implementation of the measure was approved on 16.12.2025., providing support for school infrastructure improvements for 7 border municipalities. The total available funding is EUR 5 314 400, including ERDF EUR 4 517 240 and co-financing from the municipal budget - not less than EUR 797 160. The selection of projects will be announced in 2026. The projects will be implemented until 30.09.2029.</p>
Title of the measure (incl. reforms/investments)	NEW INITIATIVE: Measure 4.2.1.2 of the EU Cohesion Policy Program for 2021–2027 "Establishing an Exchange System for Assistive Technology in Education" (ERDF)
Goal (what should be achieved by the measure?)	Establish a system for the exchange of assistive technologies appropriate for educational programs, in order to ensure that students in the target group have access to assistive technologies for the completion of their educational programs
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Approval of the Cabinet of Ministers' regulations on the implementation of support (2025); 2) Approval of the project application; 3) Establishment of a system for the exchange of assistive technologies appropriate for the completion of educational programs (2027)
Implementation time	2025-2027
Responsible/co-responsible institution	MoEF

RRF/MFF	MFF
CSR	-
Common EU priorities	3 Social and economic resilience, including the European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labor market
UN SDG	4 Quality education
RRF reform/ investment No.	4.2.1.2.
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Cabinet Regulation No. 282 on the implementation of the measure was approved on 08.04.2025. 02.12.2025. State Education Development Agency signed an agreement on the implementation of the project. Within the framework of the project, a description of the operation of the assistive technology exchange system will be developed; an information system will be created or adapted; an assistive technology fund will be created, ensuring access to technology for learners from 5 years of age to primary education; educational institutions will be involved, including the improvement of the knowledge of teachers and support staff; at the end, an evaluation of the activities of the assistive technology exchange system will be carried out. The project will be implemented until the end of 2027.
Title of the measure (incl. reforms/investments)	Measure 4.2.1.3 of the EU Cohesion Policy Program for 2021–2027 "Improvement of infrastructure and learning environment for the implementation of effective, quality and modern education in special educational institutions" (ERDF)
Goal (what should be achieved by the measure?)	Improvement of the learning environment in special educational institutions after the reorganisation of the network of special educational institutions.
Key steps for implementing the measure	1) Approval of CoM Regulation (14.11.2023); 2) Commencement of the selection of project proposals (08.03.2024).
Implementation time	2024-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	-
Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Project applications were submitted to the Central Finance and Contracting Agency by 24 out of 28 municipalities. Project applications were not submitted by the municipalities of Jūrmala City, South Kurzeme Municipality, Krāslava Municipality, and Talsi Municipality, for a total ERDF amount of EUR 1 133 699. Accordingly, amendments were made to the Cabinet of Ministers Regulations No. 656 of 14 November 2023 on the further use of the remaining funding, and other conditions related to the implementation of Measure 4.2.1.3 were clarified (Cabinet of Ministers Regulations No. 772 of 3 December 2024). Contracts have been concluded with 24 municipalities for the improvement of the learning environment in 28 special education institutions. In 2025, the implementation of the projects continued.
Title of the measure (incl. reforms/investments)	RRF investment "Improvement and equipping of infrastructure in educational institutions" (investment 3.1.1.5.i)
Goal (what should be achieved by the measure?)	Improvement of the learning environment in primary schools established as a result of a comprehensive reorganisation of the network of municipal educational institutions, thus facilitating access to quality education outside the administrative centres of municipalities.

Key steps for implementing the measure	1) Approval of CoM Regulation (04.10.2022); 2) Commencement of the selection of project proposals (24.12.2023).
Implementation time	2023-2026
Responsible/co-responsible institution	MoES
RRF/MFF	RRF
CSR	-
Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	3.1.1.5.i
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The selection of project applications for all 3.1.1.5.i investment available from the Recovery Fund has been completed. A total of 12 municipal project applications have been approved in three rounds of project application selection, providing investments in 21 reorganized primary school. The implementation of the projects will continue in 2025, with completion scheduled for the third quarter of 2026..
Title of the measure (incl. reforms/investments)	Measure 4.2.2.3 of the EU Cohesion Policy Program for 2021–2027 “Improvement of learning process quality through the implementation of development of a support system for teachers' professional activity, provision of activities for learners' excellence and the development of methodological support materials for teacher” (ESF+)
Goal (what should be achieved by the measure?)	Establish and develop a unified and strategically monitored professional support system at national, municipal and educational institution levels to improve the quality of learning process in general and vocational education, to promote excellence among learners and to provide methodological support materials for teachers. During the action, professional support will be provided to teachers (including teachers from different educational levels and types of educational institutions) on issues related to subject methodology and didactics, learning needs of various students, digital literacy, and other issues.
Key steps for implementing the measure	CoM Regulation was approved on 11.06.24. Deadline of submission of a project proposal: 01.10.24
Implementation time	2024-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	2019(2); 2020(2); 2022(1); 2023(4); 2024(3); 2025(5)
Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Project 4.2.2.3 is being implemented in accordance with the plan. In 2025: A national team of methodologists has been established and a network of municipal methodologists for the implementation of professional support has been created. The professional development and support programs are ongoing at both national and municipal levels for teachers, school leaders, and methodologists. The development of a professional development catalogue to support municipalities, educational institutions and educators has been initiated.

	<p>The establishment of an internship system for vocational education teachers has been launched, along with the strengthening of methodological lead schools in the implementation of professional development.</p> <p>General education subject olympiads and competition of scientific research (municipal and national levels) were organized, participation of national-level laureates in international events (olympiads and competitions) was ensured.</p> <p>The development of methodological support materials in STEM, Latvian, History, Social Sciences has been initiated and the purchase of learning materials has been launched.</p> <p>During 2025, EUR 5 352 085.19 has been invested.</p> <p>According to the amendments to the Cabinet of Ministers' regulations, the total planned funding within measure 4.2.2.3 is EUR 76 822 078, including ESF Plus funding – EUR 65 298 766 and state budget co-financing – EUR 11 523 312.</p>
Title of the measure (incl. reforms/investments)	Measure 4.2.3.2 of the EU Cohesion Policy Program for 2021–2027 "Expanding access to interest education, leisure and childcare services for learners at risk of social exclusion and children with special needs" (ESF+)
Goal (what should be achieved by the measure?)	The action will be implemented through two rounds of the selection of project proposals: In Round 1 - To provide the target group learners during the holidays of educational institutions with interest education programmes for linguistic competence - literacy, organised as day camps (with supervision of learners), stimulating the motivation to read in leisure time - and for exploratory learning about ethnic culture, both for practising literacy in minority languages, in order to creatively involve minority learners in the diversity of cultural environment of Latvia according to the interests of the specific age group for achievements at the appropriate level of education. In Round 2 - funding intervention is aimed at the development of STEM interest education - promotion of STEM learning by addressing it at the earliest stages of education and implementing it within the framework of the municipal education ecosystem - with a community-based approach to strengthening STEM education.
Key steps for implementing the measure	For Round 1 1) Approval of CoM Regulation, Q4 2024; 2) Announcement of the selection of project proposals, Q1 2025. For Round 2 1) Approval of CoM Regulation, Q4 2024; 2) Announcement of the selection of project proposals, Q4 2025/ Q1 2026.
Implementation time	2024-2029
Responsible/co-responsible institution	MoES /SEDA (State Education Development Agency)
RRF/MFF	MFF
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	Not completed
A brief description of progress for 2024 (what was done in 2024?)	The measure 4.2.3.2 will not be implemented.
Title of the measure (incl. reforms/investments)	Measure 4.2.2.1 of the EU Cohesion Policy Program for 2021–2027 “Implementation of quality and modern education at pre-school, primary and secondary education levels” (ESF+)
Goal (what should be achieved by the measure?)	Provide opportunities for children and young people to attend STEAM and civic participation events that contribute to the achievement of the set learning outcomes and objectives in order to diversify learning experiences in the learning process, link learning theory to practice more effectively, raise awareness of labour market requirements in these areas, generate interest in learning in these areas and promote future learning choices in these areas
Key steps for implementing the measure	1) Approval of CoM Regulation, Q4 2024; 2) Announcement of the selection of project proposals, Q4 2024/ Q1 2025.
Implementation time	2024-2028
Responsible/co-responsible institution	MoES

RRF/MFF	MFF
CSR	-
Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	A project was launched in April 2025 with the aim to promote learning achievements, diverse learning experiences, effective bond of learning theory and practice and awareness of labor market requirements. The project ensures opportunity to attend STEM and civic participation broader learning experience activities for students from general, including special and preschools, as well as vocational education institutions. An online catalogue has been created, which included 631 broader learning experience activities by December 2025. In 2025 5 329 activities were attended (of which 2 187 were in the fields of natural sciences, 1 415 in technology, 263 in mathematics and 1 464 in civic participation) and involved 93 477 unique learners.
Title of the measure (incl. reforms/investments)	Measure 4.2.3.1 of the EU Cohesion Policy Program for 2021–2027 "Integrated "school-community" cooperation programme to reduce the risk of exclusion in educational institutions" (ESF+)
Goal (what should be achieved by the measure?)	Develop an integrated school-community or municipal education ecosystem approach, promoting inter-institutional cooperation and the involvement of learners' parents (persons exercising guardianship) in the education process to ensure coordinated action to reduce social exclusion and the risk of early school leaving for learners and to facilitate the acquisition of the content of general primary and secondary education
Key steps for implementing the measure	CoM Regulation approved on 16.07.2024. Selection of the project proposal: 2024 III, IV qt.
Implementation time	2024-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	-
Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In 2025, under ESF+ Project No.4.2.3.1/1/24/I/001 "School in the Community", implemented within the framework of Measure 4.2.3.1., the signing of cooperation agreements with cooperation partners (municipalities, general education institutions, and vocational education institutions) continued. In the second half of 2025, the ESF+ project began providing individualized (i.e. delivered both individually and in small groups) consultative support (pedagogue, educational institution support staff, sign language interpreter, and occupational therapist) to learners from the target group. For the implementation of mentor support intended for learners aged 13 and above who are at risk of social exclusion and early school leaving, a mentor training programme was developed within the ESF+ project, and mentor group training sessions were launched.
Title of the measure (incl. reforms/investments)	Rounds one, two, three and four of the selection of project proposals for action 4.2.1.6 "Learning environment of vocational educational institutions and colleges for the acquirement of sector-relevant skills" (action 4.2.1.6) of the Specific Aid Objective 4.2.1 "Improve equitable access to inclusive and quality services in education, learning and lifelong learning through the development of accessible infrastructure, including by promoting retention in distance and online education and learning" of the EU Cohesion Policy Programme 2021-2027.

Goal (what should be achieved by the measure?)	Objective - Modernisation of the learning environment of vocational educational institutions under the Ministry of Education and Science and the Ministry of Culture, including technical schools, competence centres for arts education and vocational secondary schools, and colleges of the Ministry of the Interior (hereinafter referred to as - vocational educational institutions) for the acquisition of sector-relevant skills.
Key steps for implementing the measure	CoM Regulation on the implementation of the action was adopted on 18.06.2024, No. 388. Development and harmonisation of regulations for selection are in progress. Commencement of selection scheduled for Q3. Commencement of implementation of projects is scheduled for Q4.
Implementation time	2021- 2029
Responsible/co-responsible institution	AI MoES
RRF/MFF	MFF
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In 2025, the implementation of all four 4.2.1.6. SAMP projects was launched. Within the framework of 4.2.1.6. SAMP investments, the learning environment is planned to be improved in 26 vocational education institutions. In 2025, the purchase of training equipment and devices began, as well as the preparation of procurement documentation for design and construction works, including construction works completed at 3 sites and ongoing at 8 sites.
Title of the measure (incl. reforms/investments)	Development of an attractive, flexible and high-quality vocational education system to promote the productivity and competitiveness of the Latvian national economy
Goal (what should be achieved by the measure?)	Stronger work-based learning to improve vocational education and training in Latvia
Key steps for implementing the measure	The following has been planned within the framework of the 2nd round of the Latvian-Swiss cooperation programme: 1) Further development of the work-based (WB) learning approach; 2) Development of the sector-based examination approach; 3) Development of learning tools in vocational education; 4) Preparation of new teachers for vocational education
Implementation time	31.12.2029.
Responsible/co-responsible institution	MoES, NCE
RRF/MFF	-
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	2025 marked the program's initiation and institutional setup phase. The legal framework was established, the program team was recruited, and strategic partnerships were strengthened. On March 19, the Support Measure Agreement was signed between the Swiss Agency for Development and Cooperation and the Ministry of Finance. On October 28, Cabinet Regulation No. 640 was approved, defining the program's governance and financial management. The program management team was established within the Ministry of Education and Science (MoES) and the State

	Education Development Agency (SEDA), and a contract was signed with KPMG Baltics for strategic supervision and quality control. To ensure sector specificity, three associations—LITA, LRB, and LEEA—were engaged as national partners instead of the LDDK. MoES established a Strategic Steering Group chaired by the State Secretary for operational coordination and decision-making. A study visit to Switzerland took place in June, and close cooperation was established with Swiss experts from SFUVET and Hotel & Gastro Formation. Two major events were held: a program promotion event in May and the official opening forum on October 1, which hosted over 100 participants. The establishment of expert working groups for developing sectoral training and examination models (PC1) has begun, and the framework for the higher education open call (PC2), planned for launch in spring 2026, has been prepared.
Title of the measure (incl. reforms/investments)	Measure 4.2.2.7 of the EU Cohesion Policy Program for 2021–2027 "Introduction of the Induction Year in Teacher Preparatory Study Programmes" (ESF+)
Goal (what should be achieved by the measure?)	Objective of the action is to support graduates of teacher preparatory study programmes with teacher qualification in the first year after graduation to attract and retain teachers.
Key steps for implementing the measure	CoM Regulation on the implementation of the action was adopted on 13.07.2023, No. 403. Project implementation is in progress.
Implementation time	2023-2026
Responsible/co-responsible institution	MoES/UoL
RRF/MFF	MFF
CSR	-
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	By the end of 2025, induction year support within the project has been provided to 264 new teachers. The following project activities are being implemented: individual support in professional development groups, classroom observation, implementation of professional competence development programmes, and targeted scholarships for induction year participants. The project implementation has been extended until 31 May 2029 in order to provide support to a larger number of new teachers.
Title of the measure (incl. reforms/investments)	Measure 4.2.2.6 of the EU Cohesion Policy Program for 2021–2027 "Implementation of Cyclical Institutional Accreditation in Higher Education"
Goal (what should be achieved by the measure?)	Objective of the planned support is to provide support for the transition to cyclical institutional accreditation of universities and colleges to improve the quality of higher education. The following activities are envisaged within the framework of the support: preparation of the normative and informative base (proposals, methodologies, guidelines) necessary for the implementation of cyclical institutional accreditation; supplementation and improvement of the functionality of the accreditation agency e-platform (simulations); approval of cyclical institutional accreditation, including implementation of pilot accreditations; training of accreditation experts, accreditation agency and university staff for institutional accreditation; support actions for the improvement of the internal quality assurance system of universities.
Key steps for implementing the measure	Q3 2024 - Approval of CoM Regulation Q4 2024 - Commencement of selection 31.12. 2027 - Closure of project implementation Restricted selection of project proposals. Beneficiary - Academic Information Centre

Implementation time	Costs are eligible for the beneficiary from 1 August 2024, if they comply with the cost positions set out in CoM Regulation. 2024-2027
Responsible/co-responsible institution	MoES/CFCA
RRF/MFF	MFF
CSR	2019(2); 2020(2); 2022(1); 2023(4); 2024(3); 2025(5)
Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market; Social protection and inclusion
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	On January 14, 2025, the Cabinet of Ministers approved the regulations of Measure 4.2.2.6. A limited selection of project applications was announced on February 11. On 1 July, a contract was concluded between the Central Finance and Contracting Agency and the foundation "Academic Information Centre" (Quality Agency for Higher Education) for the implementation of the project "Introduction of Cyclical Institutional Accreditation in Higher Education". Within the project, a report on the results of study field accreditation has been prepared, an analysis of international practices regarding cyclical institutional accreditation has been carried out, the existing regulatory framework has been reviewed, and proposals for improving the regulatory framework have been developed. In addition, the assessment of potential institutional accreditation requirements and technical solutions, as well as their potential impact on the e-platform, has been initiated.
Title of the measure (incl. reforms/investments)	Development and piloting of Skill Funds (second round of Measure 4.2.4.1 of the European Union's Cohesion Policy Program for 2021–2027 "Support to Sectoral Needs-Based Adult Learning") ESF+
Goal (what should be achieved by the measure?)	Develop a model for the financing and operation of Skill Funds suitable for Latvia, with an intent to make it a self-regulating and self-financing structure in the long-term by developing a social dialogue-based system for the development of skills of employees of a sectoral company, including of the self-employed, and of the potential labour force in the sector, for quick and efficient adaptation of the labour force to the needs of the labour market development.
Key steps for implementing the measure	1) Approval of CoM Regulation (Q4 2024) 2) Commencement of project/-s (2025, 1st half-year)
Implementation time	2024 -2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	2019(2)
Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	A new instrument based on the principles of social dialogue and public-private partnership – Skills Funds – has been developed to promote company investment in employee skills development.

	<p>On 1 July 2025, Cabinet of Ministers Regulation No. 404 (Protocol No. 26, §23) was approved, establishing the legal framework for launching the pilot phase of the Skills Funds under the second call of the EU Funds measure 4.2.4.1 “Support for sector-based adult education.” Criteria for project evaluation have been developed.</p> <p>An open call for project applications was organised, including the involvement of foreign experts for the qualitative assessment of project proposals. The evaluation of the submitted project applications is currently ongoing.</p> <p>Latvia’s experience in developing the Skills Funds approach was presented at an international conference organised by CEDEFOP.</p>
Title of the measure (incl. reforms/investments)	Quality monitoring in adult learning (within the framework of Measure 4.2.4.2 of the European Union’s Cohesion Policy Program for 2021–2027 “Support for Adult Learning Based on Their Individual Needs”) ESF+
Goal (what should be achieved by the measure?)	Develop a quality monitoring system for adult formal and informal education
Key steps for implementing the measure	<p>Established a quality monitoring system for formal and informal adult learning, including:</p> <ol style="list-style-type: none"> 1) Approved and commenced implementation of the SAM 4.2.4.2 project (Q4 2024) 2) Developed common methodology for systemic monitoring of the quality of adult learning and plan for its implementation; 3) Provided methodological support to educational institutions (on regular basis); 4) Provided public awareness on the quality of adult learning (on regular basis); 5) Performed monitoring of the activities of adult learning providers and implementation of adult learning programmes (on regular basis).
Implementation time	2024-2029
Responsible/co-responsible institution	MoES (SEQS (State Education Quality Service)), SEDA (State Education Development Agency) / MoW (SEA (State Employment Agency)), MoE
RRF/MFF	MFF
CSR	2019(2)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<p>Amendments to Section 46 of the Education Law have been prepared and submitted to the <i>Saeima</i> for the third reading, clarifying the rights and obligations of providers of non-formal education programmes. These amendments provide for the Cabinet of Ministers to introduce quality assessment for publicly funded programmes, to set a validity period for programmes, and to establish the right of employers to train their employees at their own expense without obtaining a permit. The State Education Quality Service (IKVD) has launched the development of a quality assessment system for adult non-formal education, integrating it into the overall education quality framework and establishing a unified approach to the evaluation of service providers. Information on the supply of non-formal education in Latvia has been compiled, and a draft report has been prepared. Quality assessment options and expected outcomes are being defined, and the range of programme providers – including non-accredited institutions – has been identified in order to prevent unlawful activities. A review of the guidelines has also been initiated, along with a revision of the formal education quality system to incorporate the evaluation of non-formal education programmes and their managers.</p>
Title of the measure (incl. reforms/investments)	Re-skilling / up-skilling of the employed residents, including those with low levels of education (European Union Cohesion Policy Program for 2021–2027, Measure 4.2.4.2: "Support for adult education tailored to individual needs") ESF+
Goal (what should be achieved by the measure?)	Provide support to 28 000 employed people, including 14 000 employed people with low levels of education, to acquire or improve skills or qualifications necessary in the labour market
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Approved and commenced implementation of the 4.2.4.2 measure project (Q4 2024) 2) Conceptual solution description and implementation plan developed to reach, inform and motivate employees with low levels of education to engage in training (Q4 2024);

	3) Support and training provided (on regular basis); 4) Conceptual solution description and implementation plan updated (1x year)
Implementation time	2024-2029
Responsible/co-responsible institution	MoES (SEDA) / MoE, MoW
RRF/MFF	MFF
CSR	2019(2)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Within the framework of 4.2.4.2 measure, which provides support for the improvement or reskilling of employed persons' professional competences, 10 207 applications for training support had been received as of 31 December 2025. A total of 5 434 individuals have started training, including 20% with a low level of education. Training has been completed by 3 516 participants. To reduce barriers to participation for individuals from target groups eligible for support, compensation for mobility expenses, childcare services, and scholarships have been provided. At the local level, municipal adult education coordinators reach out to residents and provide information and support on available training opportunities through the STARS platform.
Title of the measure (incl. reforms/investments)	European Union Cohesion Policy Programs for 2021–2027, Measure 4.2.2.9: "Individualization of the Educational Process and Interdisciplinary Cooperation for Excellence in Vocational Education" (Round 1), ESF+
Goal (what should be achieved by the measure?)	The aim is to develop a systematic coordination mechanism for the improvement of vocational education content and ensure cooperation between vocational education institutions and sectors in the implementation of vocational education content, identifying skills that are relevant in the labour market and introducing skills into educational content to ensure sustainability, digital and green economies, and to ensure the development of a learning collaboration and implementation model based on the work environment of vocational education.
Key steps for implementing the measure	1) CoM regulations approved in Q4 2023 2) Project implementation in Q2 2023
Implementation time	2023 - 2029
Responsible/co-responsible institution	MoES/SEDA (State Education Development Agency)
RRF/MFF	MFF
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	The implementation of the project is continuing. Project implementation activities have been ensured: development and updating of 42 professional qualification requirements; updating of 5 sectoral qualification systems; development of module content outlines in 21 professional education institutions; mapping of teaching aids in professional education institutions; development of the digital tool "Professional Qualifications System" (e-PKS), approbation of the non-public test environment, compatibility with other digital platforms; improved model of cooperation and implementation of work-based learning in professional education.

Title of the measure (incl. reforms/investments)	European Union Cohesion Policy Programs for 2021–2027, Measure 4.2.2.9: "Individualization of the Educational Process and Interdisciplinary Cooperation for Excellence in Vocational Education" (2nd Round), ESF+
Goal (what should be achieved by the measure?)	The aim is to ensure cooperation between vocational education institutions and sectors for the development of skills mastery in vocational education, the conduct of national skills mastery competitions and participation in international competitions, promoting support for talent development.
Key steps for implementing the measure	1) CoM regulations approved in Q4 2023 2) Project implementation in Q1 2023
Implementation time	2023 - 2027
Responsible/co-responsible institution	MoES/SEDA (State Education Development Agency)
RRF/MFF	MFF
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Project implementation activities are ensured: preparation of contestants and ensuring the participation of the Latvian national delegation in the international competitions for the mastery of young professionals EuroSkills and WorldSkills (in 2025, participation of 14 contestants in EuroSkills Herning 2025, Denmark); support for vocational education institutions and their teachers in working with talented learners in acquiring and developing skills (60 seminars, 2 events); the organization of the National Young Professionals' Mastery Competition SkillsLatvia 2025 has been ensured.

Green skills development

Title of the measure (incl. reforms/investments)	Measure 6.1.1.5 of the European Union's Cohesion Policy Program for 2021–2027: "Upskilling of employees and support for the acquisition of qualifications; support for workforce training in line with business demand" ESF+
Goal (what should be achieved by the measure?)	Improvement of skills of workers in the peat sector and related industries and support for the acquisition of vocational qualifications to adapt to the labour market needs resulting from the green transition of the economy. Number of employees supported in Kurzeme, Latgale, Vidzeme and Zemgale statistical regions – 3 950; Number of students in vocational education – 1 609.
Key steps for implementing the measure	1) Approval of CoM Regulation (Q2 2025); 2) Launch of the project (2025, 1st half-year).
Implementation time	2024-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF (JTF)
CSR	2020(2); 2023(4); 2024(3); 2025(5)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	On 17 June 2025, the Cabinet of Ministers approved the legal framework for the implementation of measure 6.1.1.5 "Upskilling of Employed Persons and Support for the Acquisition of Qualifications, Support for Workforce Training in Line with Company Demand." On 13 October 2025,

	the State Education Development Agency (VIAA) concluded an agreement with the Central Finance and Contracting Agency on the implementation of the project “Skills for Regional Residents for the Economic Transition to Climate Neutrality” (No. 6.1.1.5/1/25/1/001) under measure 6.1.1.5.
Title of the measure (incl. reforms/investments)	improvement of skills of local government and regional professionals in climate-neutral economy and mitigation of socio-economic impacts related to climate change (Programme (TPTP) 6.1.1.8 (without flexibility in funding indicators and finances))
Goal (what should be achieved by the measure?)	Investments in enhancement of skills of planning regions and municipalities to ensure progress towards climate-neutral economy and mitigate climate change risks in the most affected regions, contributing to mitigation of socio-economic impacts. Achievable results: 1) 4 regional training programmes implemented; 2) 190 local government and regional professionals with improved knowledge and skills.
Key steps for implementing the measure	1) Approval of CoM Regulation (17.10.2023); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (19.07.2023); 3) Commencement of restricted selection (15.11.2023); 4) Conclusion of contract (15.07.2024) and project implementation.
Implementation time	15.07.2024.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF (JTF)
CSR	2020(2); 2023(4); 2024(3); 2025(5)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The implementation of the project launched on 15 July 2024 (with JTF funding in the amount of EUR 1.43 million) has been continued in cooperation with the planning regions, along with the monitoring of progress and implementation of the indicators to be achieved under the measure, in order to attain the objectives and results set for the measure.
<i>Digital skills development</i>	
Title of the measure (incl. reforms/investments)	Digital skills development - development of a self-directed learning approach for ICT professionals (2.3.1.3.i Development of a self-directed learning approach for ICT professionals)
Goal (what should be achieved by the measure?)	A self-directed learning approach to training ICT professionals has been developed, including provision of the transfer of international experience, with 1,000 persons having indicatively acquired knowledge and skills of an ICT professional.
Key steps for implementing the measure	1) Approval of CoM Regulation (2024, Q4); 2) Development of a methodology for project selection (Q4 2024) 3) Approval of the project/-s to implement the investment (Q1 2025); 4) Monitoring of the implementation of the project/-s (on regular basis).
Implementation time	2024-2026
Responsible/co-responsible institution	MoES
RRF/MFF	RRF
CSR	2024(3); 2025(5)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market

UN SDG	4 Quality education
RRF reform/ investment No.	2.3.1.3.i
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	On 20 May 2025, amendments to Cabinet of ministers Regulation No. 506 were adopted, stipulating that Investment 2.3.1.3.i will be implemented as one of the eligible activities under Investment 2.3.1.4.i. Since then, all preparatory work has been completed for the selection of education service providers and for the delivery of training on the STARS platform. In December 2025, already a total of 277 applications were received, of which 162 applicants have commenced their studies (which will continue until the end of the project).
Title of the measure (incl. reforms/investments)	Digital Skills Development - Development of Basic Digital Skills of Society (RRF project No. 2.3.2.1.i.0/1/23/I/CFLA/001 "Development of Digital Skills of Society")
Goal (what should be achieved by the measure?)	Promote the development of digital self-service skills in society. 40,000 people aged 16-74 have been supported.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Digital self-service skills training 2) e-learning course developed (2024, Q4) 3) Development of the informal education programme and receipt of permit at the municipality (2024, Q3); 4) Monitoring framework established and approved in practice (from 2024, Q3 to 2026, Q2) 5) Training of teachers-mentors (2024, Q3 – 2025, Q3); 6) Training for residents (2024, Q4 – 2026, Q2) 7) Conclusion of cooperation agreements with local governments (2024, Q3, Q4) 8) Implementation of communication activities (2024, Q3 -2026, Q2)
Implementation time	2023-2026
Responsible/co-responsible institution	MoSARD / MoES
RRF/MFF	RRF
CSR	2024(3); 2025(5)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	2.3.2.1.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	<ol style="list-style-type: none"> 1. On January 6, 2025, the first face-to-face training in local governments was started. In 2025, 12 005 training episodes were implemented. 2. Training of trainers - mentors has been implemented - a total of 94 certificates has been issued. 3. Cooperation agreements have been concluded with those State cities and municipalities which have accepted participation in the project. 4. Various communication activities have been implemented according to the communication plans sent by local governments, including the first major communication campaign from 19.04.-15.06.2025. 5. Implemented 5 out of 6 follow-up training for tutors - mentors. 6. The procurement "Organization and implementation of the non-formal education programme within the framework of the project "Development of digital skills of society" has been implemented. 7. Participation in various events in the municipalities with the aim of promoting the project. 8. Various significant amendments have been made both to the Information Report and to the cooperation partners. <p>On 22 December 2025, a new Informative Report was adopted, providing for the reduction of the target indicator to 20 819 training cases. Within the project "Development of Digital Skills in Society", 15 137 applications have been received, of which 8760 individuals have already completed the training (a total of 12 018 certificates issued).</p>

Title of the measure (incl. reforms/investments)	Development of digital skills - Development and piloting of the individual learning account approach (RRF investment 2.3.1.4.i "Development of the Individual Learning Account Approach")
Goal (what should be achieved by the measure?)	Develop and approve a Latvian context-specific individual learning account (hereinafter referred to as - ILA) approach that strengthens the implementation and management of individual learning pathways and storage of information on learning results, as well as promote adult participation in education by helping to acquire and improve digital skills in society by involving 3 500 adults in the approbation of ILA
Key steps for implementing the measure	1) Digital skills training commenced within the framework of the ILA support (2024, Q3, starting from selection of educational institutions) 2) Developed appropriate digital environment for the approval and further functioning of the ILA approach (2024, Q4), functionality for the launch of the ILA approval and its gradual development; May 2026) 3) 1 000 adults are registered on the ILA platform (2024, Q4) 4) 3 500 ICT users (2026, Q2)
Implementation time	2024-2026
Responsible/co-responsible institution	MoES (SEDA)
RRF/MFF	RRF
CSR	2019(2); 2020(2); 2022(1); 2023(4); 2024(3); 2025(5)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	2.3.1.4.i
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>Within the framework of the piloting, after creating an ILA, it is currently possible to apply for three learning activities (with different levels of digital skills) funded by Latvian Recovery and Resilience Facility (RRF):</p> <ul style="list-style-type: none"> • the RRF project implemented by the State Education Development Agency “Development of the Individual Learning Account Approach”, which includes two activities: “Development of the Individual Learning Account Approach” (digital skills for experienced users) and “Development of a Self-Managed ICT Specialist Training Approach” (specific digital skills for ICT specialists); • the RRF project implemented by the Ministry of Smart Administration and Regional Development “Development of Digital Skills in Society” (basic digital skills). <p>More detailed statistics for the activity “Development of the Individual Learning Account Approach”, which aims to develop and pilot an Individual Learning Account (ILA) approach tailored to the Latvian context by 30 June 2026 and to involve at least 3 500 individuals in learning activities, indicate the following results: a total of 15 631 applications, of which:</p> <ul style="list-style-type: none"> – 15 619 applications approved; – 12 applications rejected; – 6948 applications started; – 469 applications discontinued; – 5633 applications completed (of which 5275 are unique individuals). <p>It is evident that already at this stage the number of participants involved in the activity exceeds the initial forecasts and that the learning opportunities offered within the activity are in high demand among the population. The highest demand by learning field or topic is observed for programmes related to Artificial Intelligence, while study courses are the most popular learning format. The most active participants in learning activities are residents of Riga.</p> <p>The EU Council Recommendation on Individual Learning Accounts, adopted on 31 May 2022, defines Individual Learning Accounts as personal virtual accounts through which individuals, accordingly to national conditions, qualify for access to an individualised learning budget. Therefore within the framework of the activity “Development of the Individual Learning Account Approach”, one of the mechanisms for piloting the ILA approach was the allocation of public funding for training in the amount of EUR 500. As of 7 January 2026, funding in the amount of EUR 500 has</p>

	been granted to 13 260 individuals, of whom funding was granted once to 6 711 individuals and twice to 6 549 individuals. A total of 6 843 individuals have used the granted funding; 25 individuals have refused the granted funding; 186 individuals have chosen to accumulate the granted funding; and for 2454 individuals the granted funding has been annulled, as 470 individuals discontinued their training and 1 984 individuals did not use the funding within the prescribed period (six months).
Title of the measure (incl. reforms/investments)	High level digital skills 2.3.1.1.i. investment "Provision of acquisition of high level digital skills"
Goal (what should be achieved by the measure?)	Three projects are under implementation within the framework of the investment: Quantum Technology Initiative, Language Technology Initiative and High Performance Computing (HPC) Technology Initiative, implemented by Latvian universities of science in cooperation with leading research institutions. The investment will include development of at least 21 study modules in these areas, training of at least 3 000 professionals, as well as creation of new research-industry collaborations
Key steps for implementing the measure	1) Approval of CoM Regulation (2022) 2) Implementation of the project and achievement of the objectives set in the investment (2023-2026)
Implementation time	2022-2026
Responsible/co-responsible institution	MoES
RRF/MFF	RRF
CSR	2024(3); 2025(5)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	2.3.1.1.i
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In accordance with Cabinet order No. 728 of 13 November 2025, the third amendment of the LATVIAN RECOVERY AND RESILIENCE MECHANISM PLAN LATVIA 2025-2026, the milestones and targets are modified. The value and description for this measure which is agreed with the European Commission (EC): "20 modules, for example in the fields of high-performance computing, quantum technologies and language technologies, shall be designed for Higher education study programmes". In fact, the value reached by the end of 2025 is "21." As regards to the number of trained persons, work continues. The current value declared at the end of 2025 is 2145 persons (excluding the results of the autumn 2025 session), so it is reasonable to believe that the number of trained persons in 2026 will also be close to the planned one.
Title of the measure (incl. reforms/investments)	Measure 4.2.2.11 of the European Union's Cohesion Policy Program for 2021–2027: "Digitization of the Study Process" ESF+
Goal (what should be achieved by the measure?)	Introduce digital solutions, including shared solutions, in higher educational institutions to provide student-centred learning and improve the quality of studies.
Key steps for implementing the measure	1) Approval of CoM Regulation, Q4 2024; 2) Announcement of the selection of project proposals, Q4 2024/ Q1 2025.
Implementation time	2025-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	-
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education

RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	On May 27, 2025, the Cabinet of Ministers approved the Regulations of Measure 4.2.2.11. A limited selection of project applications was announced on June 26. The project application “Digitalization of the Study Process” was approved on 23 December 2025.
Title of the measure (incl. reforms/investments)	Measure 4.2.1.8 of the European Union’s Cohesion Policy Program for 2021–2027: “Modernization of the Higher Education Learning Environment” ERDF
Goal (what should be achieved by the measure?)	Ensure the modernisation of the study environment of STEAM (science, technology, engineering, arts, mathematics), including creative industries and medicine (hereinafter referred to as - STEAM) in higher educational institutions - universities and colleges - and introduction of industry-relevant technologies in the study process.
Key steps for implementing the measure	1) Approval of CoM Regulation, Q4 2024; 2) Announcement of the selection of project proposals, Q4 2024/ Q1 2025.
Implementation time	2025-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	-
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	On 7 January 2025, the Cabinet of Ministers approved the Cabinet Regulations for measure 4.2.1.8. Starting from July 2025, the implementation of 12 projects has commenced.
Title of the measure (incl. reforms/investments)	Development of digital skills for young people 2.3.2.1. investments in “Digital skills for residents, including young people” project No. 2.3.2.1.i.0/1/23/I/CFLA/002 “Development of the system of digital work with youth in municipalities”
Goal (what should be achieved by the measure?)	The goal is to create a modern, flexible, sustainable digital youth work system aimed at target group problem-solving in municipalities, linking it with other municipal services (including development of e-services) and the needs of the target group to provide young people with broad opportunities to develop and apply their digital skills. at least 10 000 young people will have participated in technological innovation activities in digital youth work.
Key steps for implementing the measure	1) Approval of the Informative Report (2023, Q2) 2) Project commenced in Q1 2024 3) Prepared training content and implemented training for representatives of local governments on digital youth work (2024, Q1 and Q2) 4) Conclusion of contracts with local governments to participate in the project is underway (2024, Q3) 5) Local governments will implement individual plans for the development of the digital youth work system and digital skills of young people (2025)
Implementation time	2023-2026
Responsible/co-responsible institution	MoES/AIPY (Agency for International Projects for Youth)

RRF/MFF	RRF
CSR	2024(3); 2025(5)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	2.3.2.1.i
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In 2025, the individual plans of all 43 municipalities for the development of the digital youth work system were evaluated and approved. In addition, bilateral agreements on receiving funding were signed with all municipalities, and the implementation of activities in municipalities was launched. By the end of the year, six municipalities had completed the implementation of their individual plans, while the contracts for 36 municipalities were extended until May 2026. By 31st December 2025, on the basis of information provided by municipalities, 7 708 unique young people have been reached (project objective – 10 000).
Title of the measure (incl. reforms/investments)	Closing the digital divide 2.3.2.3.i. investment "Closing the digital divide for socially disadvantaged learners and in educational institutions"
Goal (what should be achieved by the measure?)	Goal of the investment is to reduce barriers to acquisition of the content of general education: 1) by ensuring the availability of portable computing devices for learners from socially disadvantaged groups; 2) by ensuring the availability of data transmission for quality, meaningful and planned use of digital technologies in the learning process.
Key steps for implementing the measure	1) CoM Regulation No. 168 approved (April 2023) and contract with CFCA for project implementation signed (September 2023) 2) 35 792 computer hardware units purchased by December 2023; 3) Feasibility study launched on upgrade of the data transmission network capacity, including intranet upgrade, of educational institutions; 4) Physical upgrading of the data transmission capacity and intranets of educational institutions in 2025 and 2026 (following the results of the feasibility study), upon submission of technical designs for upgrading by the cooperation partners.
Implementation time	2023 - 2026
Responsible/co-responsible institution	MoES
RRF/MFF	RRF
CSR	2024(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	2.3.2.3.i
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	A comprehensive in-depth assessment of the data transmission network capacity of educational institutions has been completed, including the evaluation of internal network upgrades in 50 educational institutions. Recommendations for the necessary improvements have been prepared. The implementation of physical upgrades to data transmission capacity and internal networks in educational institutions is ongoing. Technical designs for the planned improvements have been submitted by cooperation partners, and works are currently in progress in 24 schools.

	In accordance with Cabinet Order No. 728 of 13 November 2025, “The Third Amendment to Latvia’s RRF Plan 2025–2026”, a new milestone (M79a – Procurement of ICT Equipment) has been established. The achievement of this milestone is currently in progress. Amendments to the Cabinet Regulations necessary for the implementation of the investment are being prepared, including provisions for increasing the allocated funding and extending the implementation period. The technical specifications for the procurement of ICT equipment have been developed, and the documentation required for launching the procurement procedure is being prepared.
Title of the measure (incl. reforms/investments)	Measure 4.2.4.3 “Development of Digital Skills” of the EU Cohesion Policy Program for 2021–2027 (without flexibility in funding indicators and finances)
Goal (what should be achieved by the measure?)	Investments in promotion of digital transition to improve the digital skills of the employees of state and municipal institutions and promote the use of digital opportunities and platforms oriented at the society and businesses, thereby increasing the use of information and communication technology opportunities and closing the digital divide in society. Achievable results: 1) at least 25 events organised to promote the use of information and communication technologies; 2) at least 1,572 employees of state and municipal institutions trained; 3) at least four integrated communication campaigns implemented.
Key steps for implementing the measure	1) Development and commencement of harmonisation of CoM Regulation on the draft law portal (TAP) (24.05.2024); 2) Approval of CoM Regulation (2024, Q4); 3) Examination of the evaluation criteria of project proposals at the thematic sub-committee (20.06.2024); 4) Approval of the evaluation criteria of project proposals at the EU Funds Supervisory Committee (12.08.2024); 5) Commencement of restricted selection (Q1 2025); 6) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2025.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2019(2); 2020(2); 2024(3); 2025(5)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	On 15 April 2025, Cabinet of Ministers Regulation No. 239 “Regulations for the Implementation of Measure 4.2.4.3. “Improvement of digital skills” under Specific Objective 4.2.4 of the European Union Cohesion Policy Programme for 2021–2027 “Promoting lifelong learning, in particular flexible upskilling and reskilling opportunities for all taking into account entrepreneurial and digital skills, better anticipating change and new skills requirements based on labour market needs, facilitating career transitions and promoting professional mobility” was approved. From 21 May 2025 to 30 September 2025, a limited project selection was carried out, within which a project application submitted by the MoSARD was approved on 23 December 2025 for ESF+ funding in the amount of EUR 3.1 million (as of 11 February 2026, the contract-signing stage).
Policy area - Employment policy	
Title of the measure (incl. reforms/investments)	Implemented within the framework of the European Union Cohesion Policy Programmes for 2021–2027, as well as the Recovery Fund (RF) plan “Active employment policy actions”
Goal (what should be achieved by the measure?)	Increase entry of disadvantaged unemployed and economically inactive people into the labour market, promotion of extension of working lives of the employed (support 57 762 people for their involvement in training activities, promote involvement of 7 846 people, especially the long-term unemployed and disabled unemployed, in employment support actions, support 148 social enterprises, improve the working environment for 2 477 older employed persons)

Key steps for implementing the measure	<p>1) Improving the qualifications and skills of the unemployed, jobseekers and persons at risk of unemployment (RRF Investment 3.1.2.5.i (20.06.2023, CoM Regulation No. 323) and ESF + Action 4.3.3.1 (22.12.2025 CoM Regulation Nr. 846));</p> <p>2) Promoting entry of disadvantaged unemployed and economically inactive people into the labour market (subsidised employment and other support actions, ESF+ Action 4.3.3.2 (28.11.2023, CoM Regulation No. 691))</p> <p>3) Support for social entrepreneurship (ESF+ Action 4.3.3.3 (19.12.2023, CoM Regulation No. 818))</p> <p>4) Ensuring the operation of the Euroes network in Latvia (ESF+ Action 4.3.3.4 (28.11.2023, CoM Regulation No. 689))</p> <p>5) Promoting longer and better working lives (support for employees aged 45 and over to improve working conditions and environment, ESF+ Action 4.3.3.5 (2.07.2024, CoM Regulation No. 431))</p> <p>6) Capacity building and modernising the services of the State Employment Agency (ESF+ Action 4.3.3.6 (5.12.2024, CoM Regulation No. 723))</p>
Implementation time	2023-2029
Responsible/co-responsible institution	MoW, SEA, ALTUM, FTUCL (Free Trade Union Confederation of Latvia), ECL (the Employers Confederation of Latvia), RSU IOSEH (Riga Stradiņš University Institute of Occupational Safety and Environmental Health)
RRF/MFF	RRF
CSR	2019(2); 2020(2); 2024(3); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	1 Poverty alleviated; 8 Decent work and economic growth
RRF reform/ investment No.	<p>RRF 3.1.2.5.i. Investment: "Integration of the unemployed, job seekers, and people at risk of unemployment into the labor market"</p> <p>ESF Plus Measure 4.3.3.1. "Upgrading the qualifications and skills of the unemployed, job seekers, and people at risk of unemployment"</p> <p>ESF Plus Measure 4.3.3.2. "Promoting the integration of the most disadvantaged unemployed and economically inactive people into the labor market"</p> <p>ESF Plus Measure 4.3.3.3. "Support for social entrepreneurship and the development of the social economy"</p> <p>ESF Plus Measure 4.3.3.4. "Ensuring the operation of the EURES network in Latvia"</p> <p>ESF Plus Measure 4.3.3.5. "Promoting a longer and better working life"</p> <p>ESF Plus Measure 4.3.3.6. "Strengthening the capacity of the State Employment Agency and modernizing its services"</p>
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>The implementation of the RRF investment No. 3.1.2.5.i is planned to be completed in the second half of 2026, while the end date for other investments is 31st December 2029. In 2025 the implementation of all investments continued as previously planned, and no significant delays were identified.</p> <p>The total funding for the active employment policy measures within the investments indicated in the table amounted to EUR 30 502 387 in 2025 for involvement of unemployed, jobseekers and employed persons at risk of unemployment in training measures, subsidised employment, measures for the development of work-related skills, regional mobility, and other measures.</p> <p>In addition to this, EUR 7 508 991 from the special employment budget were allocated for these purposes (state budget sub-programme 04.02.00.) for the organisation of summer employment measures for pupils, support for starting a business, the organisation of paid temporary public works, and other measures.</p> <p>According to information provided by the State Employment Agency (NVA), in 2025 support was provided to 61 036 persons (unemployed persons, jobseekers, and employed persons at risk of unemployment).</p>
<i>Policy Area - Business environment</i>	
Title of the measure (incl. reforms/investments)	Identification of laws and regulations and bureaucratic obstacles
Goal (what should be achieved by the measure?)	Reduce administrative and regulatory burdens

Key steps for implementing the measure	Work on solutions to the identified bureaucratic obstacles (amendments to laws and regulations) and identification of new bureaucratic obstacles
Implementation time	2023-2027
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>Amendments have been made to the Insurance Contract Law and the Insurance and Reinsurance Distribution Law in order to improve the provision of insurance services and promote policyholders' understanding of the set of documents constituting an insurance contract and their issuance, as well as the content of the terms of the insurance contract. The amendments establish a requirement to prepare the terms of the insurance contract for policyholders – natural persons – in plain language.</p> <p>Cabinet Regulation No. 399 “Procedures for a large commercial company to certify the fact that it does not meet the criteria for a company in difficulty” has been approved, which significantly facilitates the availability of support for large commercial companies, allowing them to submit a certificate of non-compliance with the criteria for a company in difficulty if, due to objective circumstances, it is not possible to submit financial data on the company's affiliated companies abroad.</p> <p>Review of the regulation of the use of cash registers and cash register systems. An initiative was received from LCCI to review the existing regulation regarding the use of cash registers and cash register systems. 22.12.2025. have been adopted amendments to Cabinet Regulation No. 96 of 11 February 2014, Procedures for the Use of Electronic Devices and Equipment for the Registration of Taxes and Other Payments (TAP 24-TA-2285).</p> <p>Speeding up the processes of the Register of Enterprises (ER) in order to reduce the registration time for as many companies as possible (from 10 to 3 days). In 2025, an agreement was reached (an interdepartmental agreement has been concluded) between the SRS and the ER on optimizing processes and issuing decisions to A-rated companies in an accelerated manner.</p> <p>Elimination of duplication of notifications of the Electronic Declaration System (EDS) of the State Revenue Service in the e-address and e-mails. On 01.05.2025, amendments to the Law On Taxes and Duties have been adopted.</p> <p>In addition, in 2025, specific tasks in reducing bureaucracy under the management of the State Chancellery have been developed by the Action Group for Reducing the Bureaucratic Burden. The Bureaucracy Action Group has agreed on a plan of priority measures, including proposals to reduce red tape and administrative burdens. The Action Group on Reducing the Bureaucratic Burden is composed of representatives from both the responsible ministries and organisations.</p> <p>Provision of information to state administration institutions – a combined e-format has been developed for information requests from the Central Statistical Bureau and the State Revenue Service. As a result, the number of enterprises that must submit 1st, 2nd, 3rd, 4th turnover reports to the Central Statistical Bureau has been reduced by 3 900, i.e. 42 384 reports less per year.</p> <p>Construction. To promote the construction of private houses, several processes have been simplified:</p> <ul style="list-style-type: none"> - private houses up to 60 m² – without a building authority decision; - over 60 m² explanatory note (time saving – 50%); - commissioning of residential buildings with a minimum level of “ready to live in”; - Insulation of private houses and other renovation works will now be carried out on the basis of a notification, without a decision from the building board. This reduces the coordination time by more than 50%.

	<p>Simplification of the support provided by Altum - data integration from the The Register of Enterprises of the Republic of Latvia into Altum systems has been implemented, requirements for receiving funding up to EUR 100 000 have been relaxed, evaluation of support applications from large commercial companies has been facilitated (for non-compliance with GNU features), a risk-based approach has been introduced, where lower client risk entails a reduced scope of due diligence (fewer documents are required from clients, faster customer service).</p> <p>The remaining tasks within the scope of the measure are being implemented gradually and continuously, and their implementation process is divided into several phases with different deadlines.</p>
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (TAP 24-TA-385)
Goal (what should be achieved by the measure?)	Improve public awareness on the planned development of the area, ensure meaningful public involvement and process
Key steps for implementing the measure	Define the objectives and scope of the public consultation at each stage: Amend the Construction Law, including by defining the cases where public consultation may be waived.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Amendments to the Construction Law entered into force on 1 November 2025. The Construction Law has been supplemented with a new article that defines the purpose and scope of public participation. The regulation grants municipalities the right to specify, in their binding regulations, the cases in which public participation is to be applied. At the same time, the law determines the situations in which it is mandatory (construction of objects significant to the public) and when it is not applicable (cases of simplified construction).The cases in which a public discussion is required are determined by the binding regulations of the municipality, while the law also defines cases where a public discussion is not required, for example, if a detailed plan has been approved for a specific territory
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (TAP 24-TA-385)
Goal (what should be achieved by the measure?)	Improve public awareness on the planned development of the area, ensure meaningful public involvement and process
Key steps for implementing the measure	Improve the functionality of the Building Information System (hereinafter referred to as - BIS), allowing anyone to apply for information electronically on proposed construction in the area of interest and decisions taken in relation to the construction (issue of a building permit, marking the fulfilment of design conditions).
Implementation time	31.12.2025.
Responsible/co-responsible institution	MoE/SCCB
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-

RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	The service has been implemented and has been operating in the production environment of the Construction Information System since 25 September 2025.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (TAP 24-TA-385)
Goal (what should be achieved by the measure?)	Improve public awareness on the planned development of the area, ensure meaningful public involvement and process
Key steps for implementing the measure	Clarify the role of the board depicting the construction work in the process of implementation of the construction intent, stating that it only provides an additional function of public awareness, its absence on a given day is not considered insufficient public awareness and cannot be a reason for extension of the contestation period. Revise the amount of information to be included in the board depicting the construction work. The regulation must enter into force at the same time as the BIS functionality envisaged in Action 3.1.1.3.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE/SCCB
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Amendments to the Construction Law that entered into force on 1 November 2025 provide that separate technical regulations in the field of environmental and nature protection are not required if an Environmental Impact Assessment (EIA) process has been carried out. In this case, the construction proposal is coordinated by the competent authority, which verifies compliance with the requirements set out in the EIA environmental report and the decision.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Improve the receipt of opinions and regulations from competent authorities in real estate development processes
Key steps for implementing the measure	Amend the regulatory framework for the construction sector to stipulate that specific technical regulations regarding environmental protection are not required if an EIA has been conducted. The State Environmental Service approves the construction project after verifying that the results and conclusions of the EIA have been complied with.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-

RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Amendments to the Construction Law that entered into force on 1 November 2025 provide that separate technical regulations in the field of environmental and nature protection are not required if an Environmental Impact Assessment (EIA) process has been carried out. In this case, the construction proposal is coordinated by the competent authority, which verifies compliance with the requirements set out in the EIA environmental report and the decision.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Improve the receipt of opinions and regulations from competent authorities in real estate development processes
Key steps for implementing the measure	Amend the Construction Law and the regulations issued pursuant thereto to stipulate the following: a) The developer of the construction project shall determine the authorities from which technical or special regulations are obtained. The local government has the right to add authorities, provided it justifies such additions; b) the purpose and content of the issuance of technical regulations; c) cases in which obtaining technical regulations is not required; d) the validity period of technical regulations.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Amendments to the Construction Law that entered into force on 1 November 2025. Cabinet of Ministers Regulation No. 196 of 25 March 2025, "Amendments to Cabinet of Ministers Regulation No. 500 of 19 August 2014 'General Construction Regulations'.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Improve the procedure for obtaining Technical Regulations for the implementation of construction intent
Key steps for implementing the measure	Assess the possibility of introducing an out-of-court dispute resolution mechanism in cases where technical regulations do not comply with the requirements of regulatory acts.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-

RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2025 (what was done in 2025?)	An informative report on possible extrajudicial dispute resolution instruments is being developed, taking into account the regulation included in the Construction Law regarding the content and issuance procedure of technical regulations. Consultations with professional organisations in the sector have taken place. It is planned to submit the informative report for consideration to the Cabinet of Ministers in the first half of 2026. The preparation of the report has been delayed as a result of the delay in the adoption of the amendments to the Construction Law that were accepted in the end of 2025.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Improve the procedure for obtaining Technical Regulations for the implementation of construction intent
Key steps for implementing the measure	A conceptual model for the registration of buildings in the State Real Estate Cadastre Information System and the Land Register will be approved at the Cabinet of Ministers level, based on data about the building obtained during the construction process and recorded in the BIS system in a structured format, thereby eliminating the need for repeated (duplicative) data collection in the field during the cadastral survey of the building. Define requirements for data accuracy, mandatory data to be collected, and aspects of administrative legal compliance in construction to ensure a high-quality and legally sound building registration process.
Implementation time	The single process must be introduced no later than as of 1 January 2026.
Responsible/co-responsible institution	MoE/ MoJ
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	<p>The unified building registration process has been introduced as of 6 January 2026. In 2025, the necessary regulatory framework was developed and adopted in the fields of construction, the State Real Estate Cadastre, and the Land Register. The new process is based on the one-stop-agency principle, providing that the application initiating construction simultaneously serves as an application for subsequent actions, namely registration in the State Real Estate Cadastre Information System and entry in the Land Register. Further registration activities after the building has been commissioned take place through data exchange at the level of information systems. The process has been introduced for construction on land owned by the construction initiator.</p> <p>In 2026, work continues on expanding the scope of the unified building registration process (construction on the basis of building rights, creation of apartment properties, construction where the share of joint ownership changes).</p> <p>The package of amendments — amendments to the Construction Law, amendments to the Land Register Law, and amendments to the law “On the Recording of Immovable Property in the Land Register” — introduces a unified regulatory framework for the building registration process from the initiation of construction to the registration of ownership rights.</p> <p>To implement the unified building registration process, amendments have also been made to several Cabinet of Ministers regulations under the responsibility of the Ministry of Economics that are related to the unified process. The following entered into force on 6 January:</p> <ul style="list-style-type: none"> - Amendments to Cabinet Regulation No. 529 “Building Regulations for Buildings”; - Amendments to Cabinet Regulation No. 253 “Building Regulations for Certain Engineering Structures”; - Amendments to Cabinet Regulation No. 633 “Road and Street Construction Regulations”; - Amendments to Cabinet Regulation No. 550 “Building Regulations for Hydraulic Engineering and Land Reclamation Structures”; - Amendments to Cabinet Regulation No. 501 “Building Regulations for Electronic Communications Engineering Structures”;

	<ul style="list-style-type: none"> - Amendments to Cabinet Regulation No. 661 “Building Regulations for Structures Related to Radiation Safety”; - Amendments to Cabinet Regulation No. 631 “Building Regulations for Structures in the Internal Marine Waters, Territorial Sea and Exclusive Economic Zone of the Republic of Latvia”; - Amendments to Cabinet Regulation No. 545 “Regulations on the Latvian Building Code LBN 202-18 ‘Preparation of Construction Design Documentation’”. <p>On 6 January 2026, the following amendments to Cabinet of Ministers regulations related to the unified process, promoted by the Ministry of Justice, also entered into force:</p> <ul style="list-style-type: none"> - Amendments to Cabinet Regulation No. 263 “Regulations on Registration of Cadastre Objects and Updating of Cadastre Data”; -Amendments to Cabinet Regulation No. 787 “Price List for Fee-Based Services of the State Land Service and Payment Procedures”; -Amendments to Cabinet Regulation No. 281 “Regulations on High-Detail Topographic Information and Its Central Database”. <p>In 2025, a unified building registration process was developed and introduced on January 6, 2026, which integrates multiple information systems (BIS, Cadastre IS, VVDZ) and enables data exchange between institutions. This unified registration process means that cadastral surveying by the State Land Service is no longer required, significantly reducing the previous administrative and financial burden. The process is fully digitalized and operates on a "one-stop-shop" principle: starting with intent registration in BIS, which automatically flows to Cadastre IS and then to the Land Register.</p>
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Introduction of a single process from the commencement of construction to the entry of the structure in the Land Register
Key steps for implementing the measure	Amend the Spatial Planning Act and the Construction Act to include provisions regarding the conditions for completing ongoing processes in the event of changes to spatial planning regulations.
Implementation time	Submission to the Cabinet of Ministers for review – November 30, 2024.
Responsible/co-responsible institution	MoEPRD/MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Amendments to the Construction Law that entered into force on 1 November 2025. With the amendments of 09th October 2025 to the Construction Law (entered into force on 1st November 2025) Section 16, Paragraph one prim stipulates that during the fulfilment of the design conditions in relation to the construction intention, the requirements specified in the local government spatial plan, local plan (if any has been developed) or detailed plan (if it is necessary in accordance with laws and regulations) which were in force at the time of issuing the building permit shall be applied, except for the case when the requirements in force are more favorable to the initiator of the construction and it wishes to apply these requirements. In such a case, the requirements in force shall apply to the entire construction intention. Consequently, additional amendments to the Spatial Development Planning Law are not necessary and the task shall be considered fulfilled.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Eliminating overhead power lines to improve the urban environment

Key steps for implementing the measure	To amend Cabinet of Ministers Regulation No. 574 of September 30, 2014, "Regulations on Latvian Building Standard LBN 008-14 'Layout of Utility Networks'," to establish an obligation to construct utility tunnels in the event of the construction of a new street or the reconstruction of a street;
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoT /MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2025 (what was done in 2025?)	In 2024, an inter-institutional agreement (MoE, MoT) has been reached that the regulation on the relocation of overhead lines underground shall be determined in the regulation of the field of electronic communications and construction. Consequently, amendments of the regulation in the field of spatial planning are not considered. Draft Cabinet of Ministers regulation (25-TA-1857) "Amendments to Cabinet of Ministers Regulation No. 693 of 19 October 2021 'Building Code LBN 200-21 – General Requirements for Structures'". Taking into account the objection of the Ministry of Transport, it was submitted for review at the State Secretaries' meeting in February 2026.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Waiving overhead lines for improvement of the urban environment
Key steps for implementing the measure	Amend CoM Regulation No. 574 of 30 September 2014 "Regulations on Latvian Building Code LBN 008-14 "Location of Engineering Networks", stipulate a duty to construct communication tunnels in case of construction of a new street or reconstruction of a street;
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE/MoT
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Pursuant to the Cabinet of Ministers meeting decision of 4 June 2024 (Protocol No. 23, §66, para. 2), the Ministry of Transport has prepared amendments to the Electronic Communications Law introducing simplified requirements for network relocation. The draft law provides that, when installing or constructing public electronic communications networks and related infrastructure, electronic communications operators may replace the formal coordination procedure with timely notification to the property owner or lawful possessor. This applies where the network is relocated within property already subject to an existing protection zone or where an existing network is modernized by replacing cables without changing the

	cable route. The draft law (No. 1017/Lp14), supported by the Cabinet of Ministers on 12 August 2025, was approved by the <i>Saeima</i> 's Economic, Agricultural, Environmental and Regional Policy Committee on 24 February 2026 and has been submitted to the <i>Saeima</i> for third reading. Draft legal act (25-TA-983) "Amendments to Cabinet of Ministers Regulation No. 501 of 19 August 2014 'Construction Regulations for Electronic Communications Engineering Structures'."
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Waiving overhead lines for improvement of the urban environment
Key steps for implementing the measure	Amend the Law on Electronic Communications, stipulate simplified requirements for the undergrounding of overhead lines, including addressing the need to harmonise construction with the owners of the land parcels to be crossed by the communications;
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoEPRD/ MoT / MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	In 2024, an inter-institutional agreement (MoE, MoT) has been reached that the regulation on the relocation of overhead lines underground shall be determined in the regulation of the field of electronic communications and construction. Consequently, amendments of the regulation in the field of spatial planning are not considered. On its own initiative, the Ministry of Economics developed amendments to Cabinet of Ministers Regulation No. 501 of 19 August 2014 "Construction Regulations for Electronic Communications Engineering Structures", introducing horizontal regulation on the right to renew or rebuild overhead lines without changing their volume and without relocating them underground. In practice, the objective of the measure is achieved without restricting the rights of building owners to renovate or reconstruct their buildings or to construct new buildings, while at the same time ensuring the rights of electronic communications merchants to develop their infrastructure.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	The construction process must be made more flexible so that certain aspects of construction regulations are not unduly restrictive.
Key steps for implementing the measure	"Reorganization" of the construction project implementation process: Amend general and special building regulations to allow for the parallel implementation of construction projects, specify the circumstances under which this would be permissible, and strengthen procedures for the supervision of construction work and the commissioning of buildings.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-

UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Amendments to the Construction Law; Cabinet of Ministers Regulation No. 196 of 25 March 2025 “Amendments to Cabinet of Ministers Regulation No. 500 of 19 August 2014 ‘General Construction Regulations’”. The regulation introduces the right to carry out the construction of a new building in stages, thereby optimising the organisation of the construction process. The implementation of a construction project in stages effectively addresses the execution of parallel construction projects.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	The construction process must be made more flexible to avoid the construction regulation becoming disproportionately restrictive in certain aspects.
Key steps for implementing the measure	To amend Cabinet of Ministers Regulation No. 500 of August 19, 2014, “General Building Regulations,” to include provisions for the phased implementation of construction projects.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Amendments to the Construction Law; Cabinet of Ministers Regulation No. 196 of 25 March 2025 “Amendments to Cabinet of Ministers Regulation No. 500 of 19 August 2014 ‘General Construction Regulations’.”
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	The construction process must be made more flexible to avoid the construction regulation becoming disproportionately restrictive in certain aspects.
Key steps for implementing the measure	Amend CoM Regulation No. 500 of 19 August 2014 "General Construction Regulations" by including regulation for a phased implementation of the construction intent.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-

On-track status step	Completed
A brief description of progress for 2024 (what was done in 2024?)	Cabinet of Ministers Regulation No. 196 of 25 March 2025 “Amendments to Cabinet of Ministers Regulation No. 500 of 19 August 2014 ‘General Construction Regulations’”. Cabinet of Ministers Regulation No. 718 of 2 December 2025 “Amendments to Cabinet of Ministers Regulation No. 500 of 19 August 2014 ‘General Construction Regulations’”.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Clarify the role of author’s supervision: the role and importance of author’s supervision should be strengthened, separating it from the copyright aspect, and the scope of the responsibility of the author’s supervisor (what he is and is not responsible for) for the compliance of the works with the construction project should be clearly defined.
Key steps for implementing the measure	Amend CoM Regulation No. 500 of 19 August 2014 "General Construction Regulations", improving the regulation of author’s supervision.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Cabinet of Ministers Regulation No. 196 of 25 March 2025 “Amendments to Cabinet of Ministers Regulation No. 500 of 19 August 2014 ‘General Construction Regulations’”. Cabinet of Ministers Regulation No. 718 of 2 December 2025 “Amendments to Cabinet of Ministers Regulation No. 500 of 19 August 2014 ‘General Construction Regulations’”.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Right to carry out works on the construction site before a mark on the fulfilment of the design conditions has been made
Key steps for implementing the measure	To determine the optimal construction process, assess whether and which preparatory works the developer can commence before the mark on the fulfilment of the design conditions has been made.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-

On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Cabinet of Ministers Regulation No. 196 of 25 March 2025 “Amendments to Cabinet of Ministers Regulation No. 500 of 19 August 2014 ‘General Construction Regulations’”. The regulation provides for the right to commence engineering works, including the construction of test piles, before the entry is made confirming the fulfilment of the design conditions. The Construction Information System has been adapted accordingly.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	A clear regulation for challenging the mark on the fulfilment of the design conditions and the fulfilment of the conditions for the commencement of construction works should be developed, improving public awareness of the planned construction, while creating a predictable process for the investor to challenge the construction permit.
Key steps for implementing the measure	Amend the Construction Law by laying down the requirements for public awareness about the mark on the fulfilment of the design conditions, the procedure for contestation and the time limit for contestation.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Amendments to the Construction Law that entered into force on 1 November 2025.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Improve the efficiency of the construction process while reducing potential fraud risks.
Key steps for implementing the measure	Amend CoM Regulation No. 500 of 19 August 2014 “General Construction Regulations” and special construction regulations, such as CoM Regulation No. 529 of 2 September 2014 “Construction Regulations of Buildings” and improve the regulation for recording construction works and mitigating risks to the quality of construction works.
Implementation time	-
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed

A brief description of progress for 2025 (what was done in 2025?)	Cabinet of Ministers Regulation No. 657 of 22 October 2024 “Amendments to Cabinet of Ministers Regulation No. 501 of 19 August 2014 ‘Construction Regulations for Electronic Communications Engineering Structures’”; Cabinet of Ministers Regulation No. 661 of 22 October 2024 “Amendments to Cabinet of Ministers Regulation No. 550 of 16 September 2014 ‘Construction Regulations for Hydraulic Engineering and Land Reclamation Structures’”; Cabinet of Ministers Regulation No. 660 of 22 October 2024 “Amendments to Cabinet of Ministers Regulation No. 530 of 2 September 2014 ‘Railway Construction Regulations’”; Cabinet of Ministers Regulation No. 659 of 22 October 2024 “Amendments to Cabinet of Ministers Regulation No. 631 of 14 October 2014 ‘Construction Regulations for Structures in the Internal Marine Waters, Territorial Sea and Exclusive Economic Zone of the Republic of Latvia’”; Cabinet of Ministers Regulation No. 658 of 22 October 2024 “Amendments to Cabinet of Ministers Regulation No. 661 of 24 November 2015 ‘Construction Regulations for Structures Related to Radiation Safety’”; Cabinet of Ministers Regulation No. 665 of 22 October 2024 “Amendments to Cabinet of Ministers Regulation No. 253 of 9 May 2017 ‘Construction Regulations for Certain Engineering Structures’”; Cabinet of Ministers Regulation No. 662 of 22 October 2024 “Amendments to Cabinet of Ministers Regulation No. 529 of 2 September 2014 ‘Building Regulations for Buildings’”.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Facilitate the acquisition of information on underground utilities and liability for damage to underground communications
Key steps for implementing the measure	Amend CoM Regulation No. 281 of 24 April 2012 by stipulating that data on underground engineering systems shall be depicted in the topographic plan on the basis of the data of the Information System for Restricted Territories.
Implementation time	Submission to the CoM for examination - 30.11.2025
Responsible/co-responsible institution	MoJ/MoE/SLS
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Not completed
A brief description of progress for 2025 (what was done in 2025?)	Amendments to Cabinet of Ministers' Regulations No. 281 of April 24, 2012 (24-TA-1726) have been developed and submitted for public participation. Due to the very large amount of opinions received as a result of public participation, work is underway on the amendment draft.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Facilitate the acquisition of information on underground utilities and liability for damage to underground communications
Key steps for implementing the measure	Improve the regulation of the Construction Law by limiting the liability of the construction contractor and the initiator of the construction, stipulating that they are not liable for damage to underground engineering systems which they did not and could not have had any knowledge of.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE

RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Amendments to the Construction Law that entered into force on 1 April 2026.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development
Goal (what should be achieved by the measure?)	Promote re-use of construction products
Key steps for implementing the measure	Improve the regulatory framework for construction products, promoting the re-use of construction products and the use of construction waste for re-cultivation.
Implementation time	Submission to the CoM for examination - 30.11.2025
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	12 Responsible consumption and production
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Cabinet of Ministers Regulation No. 143 of 11 March 2025 “Amendments to Cabinet of Ministers Regulation No. 156 of 25 March 2014 ‘Procedures for Market Surveillance of Construction Products’”. The regulation provides for the right to reuse construction products in non-load-bearing structures and finishing works, with the construction contractor assessing their compliance independently.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Improvement and digitisation of the deforestation process
Key steps for implementing the measure	Amend the laws and regulations in the field of construction, setting out the requirements for the insertion of a deforested landfill into the construction design, uploading to BIS, indication of the structured data required by the State Forest Service for registration in the Forest Register and for the calculation of compensation. Provide for determination of the area to be deforested on the basis of Cadastre data on forest land.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE/MoJ
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	1 Just green and digital transition

European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	In the process of developing the regulation, it was agreed that the relevant regulation would be included in the normative acts in the field of deforestation. Cabinet of Ministers Regulations No. 86 of 4 February 2025 "Amendments to the Cabinet of Ministers Regulations No. 889 of 18 December 2012 'Regulations on the Criteria for Determining, Calculating, and Compensating Deforestation'." The legal act was drafted and submitted by the Ministry of Agriculture.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Improvement and digitisation of the deforestation process
Key steps for implementing the measure	Revise CoM Regulation No. 1019 of 27 December 2011 "Cadastral Land Survey Regulations" provide for the right of a certified building specialist to mark the landfill.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Not completed
A brief description of progress for 2025 (what was done in 2025?)	Amendments to the Cabinet of Ministers' Regulations No. 1019 of December 27, 2011, "Land Cadastral Surveying Regulations" (24-TA-554) have been developed, for which objections have been received from the Latvian Association of Local and Regional Governments (LPS), and the coordination process is currently underway.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Improvement and digitisation of the deforestation process
Key steps for implementing the measure	Improve BIS functionality accordingly
Implementation time	30.12.2025
Responsible/co-responsible institution	MoE/SCCB
RRF/MFF	-
CSR	2024(3); 2025(3)

Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The service has been implemented and has been operating in the production environment of the Construction Information System since January 5, 2026.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Improve the process of "formation" of a residential property
Key steps for implementing the measure	Amend the Law on Residential Properties to allow, in the case of a new building, the possibility to assign the cadastral numbers necessary for the registration of a residential property to the groups of premises in the Cadastre and to calculate the undivided shares of the common property attached to the residential property along with the registration of the apartment building and the groups of premises in the Cadastre. If necessary, amend the law governing the regulation in the field of land register to allow simultaneous registration of an apartment house and division thereof into residential properties (can be requested at the same time, ensuring consecutive registration).
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE/MoJ
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Amendments to the Construction Law, entered into force on November 1, 2025. Is being introduced through the unified building registration process (column 95). Developed in 2025 and implemented on January 6, 2026, the unified building registration process covers everything from initiating a construction intent to registering the building in the Land Register, enabling interoperability and data exchange between extensive information systems (BIS, Cadastre IS, VVDZ). The introduction of unified building registration also means that cadastral surveying by the State Land Service is no longer required, thereby significantly reducing the previous administrative and financial burden. The process is fully digitalized and must operate on the "one-stop-shop" principle: starting with intent registration in BIS, which then automatically proceeds to Cadastre IS and subsequently to the Land Register. Data between systems is transferred automatically and sequentially, reducing administrative burdens for both residents and businesses, as well as state institutions.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Improve the process of "formation" of a residential property
Key steps for implementing the measure	Develop informative material and explanations on aspects of common property, promoting the division of apartment houses into residential properties.

Implementation time	30.12.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Amendments to the Construction Law, entered into force on November 1, 2025.
Title of the measure (incl. reforms/ investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Improve the process of "formation" of a residential property
Key steps for implementing the measure	Amend the regulatory framework, thus facilitating the commissioning of commonly-owned structure, including regulation for the prevention of unauthorised construction.
Implementation time	31.12.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2025 (what was done in 2025?)	The relevant amendments to the Law on Apartment Ownership were reviewed by the Cabinet of Ministers and submitted to Parliament. The aforementioned amendments have been adopted in the first reading in Parliament and are currently being advanced to the second reading (Nr: 1153/Lp14)
Title of the measure (incl. reforms/ investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Improve the regulation on the commonly-owned share of a residential building
Key steps for implementing the measure	Amend the Law on Residential Properties to provide for the possibility to create (establish) functionally related objects that are beyond the commonly-owned share, but that are still functionally related to a specific residential property and that separately may be an object of civil circulation (only within the owners of the residential apartment building).

Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE/MoJ
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2025 (what was done in 2025?)	The relevant amendments to the Law on Apartment Ownership were reviewed by the Cabinet of Ministers and submitted to Parliament. The aforementioned amendments have been adopted in the first reading in Parliament and are currently being advanced to the second reading (Nr: 1153/Lp14)
Title of the measure (incl. reforms/ investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Improve the legal solution for shared infrastructure
Key steps for implementing the measure	Amend the regulatory framework to create a solution for roads built by private individuals when building villages of private houses. The possible solution is to determine that the roads built during construction of villages of private houses belong to the municipality and are to be transferred thereto without compensation, at the same time providing for stipulation of a special obligation in laws and regulations for the owners of the villages of private houses to provide or finance maintenance of the roads.
Implementation time	Submission to the CoM for examination - 30.11.2025
Responsible/co-responsible institution	MoSARD/MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2025 (what was done in 2025?)	The draft law "Amendments to the Land Management Law" (24_TA-927) has been prepared, which provides for regulation regarding the ownership/jurisdiction of constructed roads and streets in the development of new building areas.
Title of the measure (incl. reforms/ investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Improve the legal solution for shared infrastructure
Key steps for implementing the measure	Given that the Civil Law provides for the right to establish a restriction on property by will, contract or law - consider the possibility of amending the regulatory framework in the field of construction by introducing the concept of shared infrastructure and providing for registration of the status

	of shared use in the Land Register (restriction of rights by law, similar to the case of red lines) at the level of law. The regulation should include an explanation of the nature of this institution, rules for its use, legal consequences, etc.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE/MoJ
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2025 (what was done in 2025?)	The relevant amendments to the Law on Apartment Ownership were reviewed by the Cabinet of Ministers and submitted to Parliament. The aforementioned amendments have been adopted in the first reading in Parliament and are currently being advanced to the second reading (Nr: 1153/Lp14)
Title of the measure (incl. reforms/ investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Increased use of electronic signature requesting entries in the Land Register
Key steps for implementing the measure	Simplify the process for making certain entries in the Land Register, strengthen protection of the bona fide acquirer. The Ministry of Justice is to set up a working group and "sort" the types of requests for corroboration that can be submitted electronically, signed with an electronic signature, possibly using the official e-address.
Implementation time	31.12.2024.
Responsible/co-responsible institution	MoJ/MoE
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	The working group concluded its active discussion phase in 2025. Amendments to the Land Register Law have been drafted and adopted. Along with changes to the legal framework governing the land register - the simplification of several processes, the scope of cases in which an individual can submit an application for registration in the land register electronically without the involvement of a sworn notary has been expanded (for example, the registration of lease rights). It is also now possible to substantiate a registration with a transaction document concluded by the parties in a language they understand (with an appropriate translation attached). Simplified solutions have also been introduced regarding the rights of a Savings and Loan Association that has received a special permit (license) issued by the Bank of Latvia under the Law on Savings and Loan Associations and in whose favor a mortgage has been registered in the land register, allowing it to delete the mortgage and related encumbrances without the involvement of a notary. The amendments promote the simplification and development of certain processes in line with the requirements

	of the modern transaction environment. At the same time, solutions have been identified that do not require amendments to regulatory enactments but can be implemented by promoting existing possibilities (for example, through informational activities). These include the option to receive consultations and sign documents with a notary online using the DigiNotārs platform, performing notarial actions remotely or in person with electronic authentication and signing tools.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Strengthening the legal status of the community of apartment owners
Key steps for implementing the measure	Amend the regulatory framework by clarifying the legal status of the community of apartment owners.
Implementation time	Submission to the CoM for examination - 30.11.2024
Responsible/co-responsible institution	MoE
RRF/MFF	-
CSR	2024(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	The relevant amendments to the Law on Apartment Ownership were adopted and entered into force on 5 January 2026. The amendments are aimed at strengthening the legal capacity of communities of apartment owners by assigning each community a unique identifier and a name, and by consolidating information regarding its representative (the residential building manager) in a single location — the newly established Register of Communities of Apartment Owners. This measure enables communities of apartment owners to be identified by third parties (e.g., financial institutions), allowing them to directly obtain loans for building renovation, while eliminating the previous administrative burden that required the formation of separate entities or the granting of powers of attorney to a legal person.
Title of the measure (incl. reforms/investments)	Reduction of administrative burden in the field of real estate development (24-TA-385)
Goal (what should be achieved by the measure?)	Simplify the land survey process for the expropriation of land in case of construction of linear structures
Key steps for implementing the measure	Amendments to laws and regulations in the field of land survey and cadastral land survey. Make the process of land separation for the construction of linear structures efficient: 1) allow a project for the division of a land parcel to serve as basis for the separation of a land area; 2) to waive the obligation to survey the residual area when a part of a land parcel belonging to a private individual is separated for the construction of a linear structure.
Implementation time	Submission to the CoM for examination - 30.11.2025
Responsible/co-responsible institution	MoJ/MoE/MoF
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-

European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Not completed
A brief description of progress for 2025 (what was done in 2025?)	The search for the most appropriate legal solution continues, along with consultations with the involved institutions, to ensure the effective allocation of land areas necessary for building construction needs.
Title of the measure (incl. reforms/ investments)	Market surveillance in the commercial banking sector
Goal (what should be achieved by the measure?)	The purpose of market surveillance is to conduct a comprehensive assessment of the competitive situation in the market, understanding the structure of the specific market and the impact of the activities of existing market participants on competition, as well as to examine in depth certain problematic aspects of the commercial banking market (consumer and legal entity lending, mobility, market barriers). It is also planned to offer proposals as part of market surveillance on how to improve competition in the commercial banking sector.
Key steps for implementing the measure	Market research, obtaining information from market participants, cooperation with other government institutions, industry societies and associations, consumer survey.
Implementation time	October 30, 2025
Responsible/co-responsible institution	CC
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	Not completed
A brief description of progress for 2025 (what was done in 2025?)	In 2025, a consumer survey on mobility in the banking sector was conducted. During Competition Law Week, a discussion was organized with industry representatives to discuss current issues in the banking sector. Information was gathered from market participants and the industry, including through requests for information, and statistical data on the activities of credit institutions was obtained from the Bank of Latvia. At the same time, the available information was systematized and materials were prepared for the KP final report. Implementation complies with the provisions of Cabinet Order No. 55 of 20 January 2024 (hereinafter referred to as the Order). The deadline for implementation specified in the Order is 30 October 2026. The implementation of the phase was not completed within the previously set deadline (October 30, 2025) because the consumer survey was not launched at the planned time (winter/spring 2025), but was actually implemented in the summer of 2025. This affected the sequence and deadlines of subsequent work. The implementation was also affected by problems in obtaining the necessary information and the processing of large amounts of information. Implementation is planned for the second quarter of 2026.
Title of the measure (incl. reforms/ investments)	Market surveillance in the commercial banking sector
Goal (what should be achieved by the measure?)	Improve competition in financial markets
Key steps for implementing the measure	1) In 2023, the Bank of Latvia commenced publishing commercial banks' lending and deposit rates, thereby improving access to information for bank customers, strengthening competition and promoting customer mobility 2) In 2023, following a dialogue with the industry, the BoL revised the regulation, contributing to reducing barriers to the development of crediting services identified by the industry. 3) The BoL's initiative to facilitate the refinancing of loans is being implemented: In 2023, work of the Refinancing Task Force led to a significant

	<p>easing of the mortgage refinancing process (already in force), thereby significantly enhancing customer mobility and competition in the financial sector. In 2024, work on easing the refinancing process for corporate loans was commenced.</p> <p>4) A new market entrant, “Indexo” bank, has been licensed in 2024.</p> <p>5) BoL regularly supports IDAL in negotiations with potential market participants for their entry into the Latvian financial market.</p> <p>6) Competition in the field of payment services will be promoted by providing non-bank payment service providers with access to the CB payment systems</p> <p>7) BoL maintains a regular dialogue with businesses, including in the regions, on access to financing, including by encouraging businesses to make greater use of small banks, which will promote competition in the market.</p>
Implementation time	2023-2024
Responsible/co-responsible institution	BoL
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>In 2025, the Bank of Latvia implemented the following measures:</p> <p>1) Nine new licenses were issued to financial sector participants. The Bank of Latvia provides regular support to companies during the pre-licensing phase, ensuring efficient and rapid licensing;</p> <p>2) The presence of credit institutions in Latvia’s regions was significantly increased (in addition 11 cities; 8 permanent service locations and 12 alternative service locations);</p> <p>3) Continuous work on developing the Cooperative Credit Union segment;</p> <p>4) A specialized credit institution license for non-bank financial institutions is being developed;</p> <p>5) The EKS (Electronic Clearing System) has been opened for the direct participation of payment and e-money institutions;</p> <p>6) Work continues on simplifying financial sector regulations at both the Latvian and EU levels.</p>
Title of the measure (incl. reforms/ investments)	On changes to the regulation of the Economic Affairs Court to improve the business environment
Goal (what should be achieved by the measure?)	Reduce administrative and regulatory burdens
Key steps for implementing the measure	1) Assessment and identification of additional competences of the Economic Affairs Court in conjunction with premises and human resources. 2) Drafting of the “Amendments to the Civil Procedure Law” and of the “Amendments to the Criminal Procedure Law”, establishing additional competence of the Economic Affairs Court.
Implementation time	2025
Responsible/co-responsible institution	MoJ
RRF/MFF	-
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-

UN SDG	-
RRF reform/ investment No.	-
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	On 26 February 2026 Parliament has adopted in 3rd reading law "Amendments to the Civil Procedure Law" and law "Amendments to the Criminal Procedure Law", which aim to expand the competence of the Economic Court (EC). The expansion of the EC's competence is part of the Ministry's targeted measures to strengthen Latvia's investment environment. The amendments add new categories of civil cases to the EC's jurisdiction and to ensure that only criminal proceedings that are in line with the purpose of the court's establishment are heard by it. The changes will bring direct benefits to businesses – the litigation process will become more efficient, specialised and predictable, thereby strengthening the security of Latvia's investment environment and the stability of the legal environment. At the same time, expanding the court's jurisdiction is inextricably linked to strengthening and expanding the court's capacity, which means increasing the number of judges, providing professional support staff, and ensuring the court's material and technical resources, including provision of appropriate court premises. To further strengthen operation of the court number of judges has been increased by 2 in 2025 and full complement of support staff has been secured. Also, a solution has been identified to provide more optimal infrastructure for the Economic Court, including the required facilities.
Title of the measure (incl. reforms/ investments)	Modernisation of the Register of Enterprises
Goal (what should be achieved by the measure?)	Reduce administrative and regulatory burdens
Key steps for implementing the measure	Data processing and services of the Register of Enterprises will be modernised
Implementation time	31.05.2026
Responsible/co-responsible institution	MoJ
RRF/MFF	RRF
CSR	2024(3); 2025(3)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	2.1.3.1.i.0
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In 2025, all necessary preparatory processes and measures were implemented in the project to ensure timely announcement of procurements and prompt conclusion of contracts. A detailed work schedule was developed, which allowed for the immediate start of the planned development work. The first delivery was delivered in November 2025. In parallel, the second development stage was also launched, the delivery of which is planned for January 2026. During the implementation of the project, regular monitoring of development work was ensured and the necessary corrective measures were taken to achieve the project objectives. During the project, a reduction in available funding was identified, as a result of which amendments were made to the project passport and approval of Cabinet Order No. 45 "On approval of the passport of the 2.1.3.1.i. investment project "Modernization of data processing and services of the Register of Enterprises".
<i>Policy Area - Promotion of investments</i>	
Title of the measure (incl. reforms/ investments)	Productivity loans for innovative companies

Goal (what should be achieved by the measure?)	Increasing investments in innovations
Key steps for implementing the measure	CoM Regulation No. 24 of January 7, 2025 has been approved, within the framework of which it is planned to start receiving project applications in the second quarter of 2025
Implementation time	2025-2029
Responsible/co-responsible institution	MoE
RRF/MFF	RRF+MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2025(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	ERAF 1.2.1.2. measure
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Measure 1.2.1.2. "Productivity loans for business innovations" is implemented in cooperation with the Latvian Science Council and the Ministry of Defence. On March 20, 2025, the Ministry of Defence opened the application process to receive an opinion confirming that the planned product is a dual-use innovative product. In turn, on May 14, 2025, the Latvian Science Council opened the application process to receive opinions. In 2025, a total of 18 positive opinions were issued (9 from the Ministry of Defence and 9 from the Latvian Science Council). The company "Altum" has made one positive decision on the provision of support.
Title of the measure (incl. reforms/ investments)	Support for the development of new products and technologies
Goal (what should be achieved by the measure?)	Increasing investments in innovations
Key steps for implementing the measure	CoM Regulation No. 663, dated October 22, 2024, has been approved; under this regulation, the selection of project applications is scheduled to begin in the first quarter of 2025
Implementation time	2025-2029
Responsible/co-responsible institution	MoE
RRF/MFF	RRF+MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2025(3)
Common EU priorities	2. Social and economic resilience, including the European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9. Manufacturing, Innovation, and Infrastructure
RRF reform/ investment No.	Third round of ERDF Measure 1.2.1.1
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	By 31 December 2025, 25 research projects aimed at the development of dual-use products were supported under the third round of measure 1.2.1.1 of the European Union's Cohesion Policy Programme 2021-2027 for EUR 13.8 million, attracting private co-financing of EUR 8.7 million. The actual funding used in 2025 was EUR 5 512 152.

Title of the measure (incl. reforms/ investments)	Support for the development of new products and technologies
Goal (what should be achieved by the measure?)	Investments for the promotion of green transition
Key steps for implementing the measure	RRF CoM Regulation No 33 approved on 9 January 2024. Within the framework of the action, the CFCA concluded contracts with 9 beneficiaries as a result of a public call for proposals.
Implementation time	2024-2026 Q2
Responsible/co-responsible institution	MoE
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2024(4); 2025(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	RRF 1.2.1.2.i. 2. measure
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	By 31 December 2025, 102 research projects aimed at developing green products were supported under the RRF 1.2.1.2.i. Investments Measure 2 for EUR 32.4 million, attracting private co-financing of EUR 16.1 million. The actual funding used in 2025 was EUR 4 817 094.
Title of the measure (incl. reforms/ investments)	Support for the digitisation of processes in commercial activity
Goal (what should be achieved by the measure?)	Investments for the promotion of digital transition
Key steps for implementing the measure	For the RRF support programme - support for digitisation of traders' processes, CoM Regulation No. 10 approved on 10.01.2023. Support is available for traders. Support programme for the promotion of digitisation of traders within the framework of the programming period 2021-2027 has been developed and is currently in the inter-institutional harmonisation process.
Implementation time	RRF funding available from 2023-2026 Q2, EU funds funding available from 2025-2029.
Responsible/co-responsible institution	MoE
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2024(4); 2025(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	RRF 2.2.1.2.i. investment and ERAF 1.2.2.1. measure
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	2. The regulations for the implementation of Measure 1.2.2.1 "Support for Process Digitalisation in Commercial Activity" under Specific Objective 1.2.2 "Harnessing the Benefits of Digitalisation for Business Development" of the European Union Cohesion Policy Programme 2021–2027 come

	into force on 30 November 2024. The project start date is 11 June 2025. LIAA the amount of funding approved in the applications as of 31 December 2025 is EUR 11 million. In 2025, the actual financing absorption of investment 2.2.1.2.i was EUR 1 913 225. Applications have been submitted for all remaining financing and the application for the event has been closed. As part of the investment, as of 31.12.2025, a total of 1257 enterprises have been supported and the financing absorbed as of 31.12.2025 is EUR 36 389 469.37.
Title of the measure (incl. reforms/ investments)	Support for the digitisation of processes in commercial activity
Goal (what should be achieved by the measure?)	Investments for the promotion of digital transition
Key steps for implementing the measure	For the RRF support programme - loans for digitisation, CoM Regulation No. 421 has been approved on 05.07.2022. Support is available for traders.
Implementation time	2023-2026 Q2
Responsible/co-responsible institution	MoE
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2024(4); 2025(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	RRF 2.2.1.4.i. investment
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Within the framework of investment 2.2.1.4.i "Financial instruments for promoting the digital transformation of merchants", 149 agreements have been concluded with merchants by December 30, 2025 for a total financing of EUR 61 482 165.
Title of the measure (incl. reforms/ investments)	Support for the digitisation of processes in commercial activity
Goal (what should be achieved by the measure?)	Increasing investments in innovations
Key steps for implementing the measure	RRF CoM Regulation No. 34 has been approved on 9 January 2024. The CFCA has concluded contracts with 8 beneficiaries through the open selection process.
Implementation time	2024-2026 Q2
Responsible/co-responsible institution	MoE
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2024(4); 2025(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	RRF 2.2.1.3.i. investment

On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	By 31 December 2025, 79 research projects aimed at developing digital products were supported under the RRF 2.2.1.3.i. investment for EUR 22.8 million, attracting private co-financing of EUR 12.1 million. The actual funding used in 2025 was EUR 5 512 152.
Title of the measure (incl. reforms/investments)	Loans (start-up and productivity loans, as well as large investment loans)
Goal (what should be achieved by the measure?)	Promote SME's access to funding
Key steps for implementing the measure	Within the framework of the programming period 2021-2027, for the support programme Start-Up Loans, CoM Regulation No. 532 was approved on 19.09.2023. Support is available for traders. Within the framework of the programming period 2021-2027, for the support programme Productivity Loans, CoM Regulation No. 28 was approved on 09.01.2024. Support is available for traders
Implementation time	2024-2029
Responsible/co-responsible institution	MoE
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2025(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	For the start - ERAF 1.2.3.3. measure For the productivity - ERAF 1.2.3.5. measure
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Measure 1.2.3.3. "Start-up, growth loans" In 2025, a total of 549 companies and 322 new companies were supported. The actual funding used in 2025 was EUR 14 425 680. Measure 1.2.3.5. "Loans for increasing productivity (investments and working capital)" supported 51 companies for a total funding of EUR 22 687 168. A total of EUR 6 821 429 was attracted in private investments in the projects. Under Cabinet of Ministers Regulation No. 503 of 6 July 2021 "Regulations on Loans with a Capital Rebate for Exporting Companies for the Support of Large Investment Projects", a total of 26 projects were approved during the first three project evaluation stages, with a combined capital rebate amounting to EUR 186 511 862.00. Cabinet of Ministers Regulation No. 667 of 11 November 2025 "Regulations on Loans with a Capital Rebate for the Support of Large Investment Projects" was developed, providing the legal framework for the implementation of the fourth and subsequent project evaluation stages.
Title of the measure (incl. reforms/investments)	Loans (start-up and productivity loans, as well as large investment loans)
Goal (what should be achieved by the measure?)	Promote SME's access to funding
Key steps for implementing the measure	06.07.2021. The CoM approved regulations No. 503, which provide for loans with a capital discount of up to 30%, but not more than EUR 10 million for large investment projects (investments over EUR 10 million). Support is available to merchants.
Implementation time	2024 and beyond
Responsible/co-responsible institution	MoE
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2025(3)

Common EU priorities	2 Social and economic resilience, including the European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, Innovation, and Infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Under Cabinet of Ministers Regulation No. 503 of 6 July 2021 “Regulations on Loans with a Capital Rebate for Exporting Companies for the Support of Large Investment Projects”, a total of 26 projects were approved during the first three project evaluation stages, with a combined capital rebate amounting to EUR 186 511 862.00. Cabinet of Ministers Regulation No. 667 of 11 November 2025 “Regulations on Loans with a Capital Rebate for the Support of Large Investment Projects” was developed, providing the legal framework for the implementation of the fourth and subsequent project evaluation stages.
Title of the measure (incl. reforms/ investments)	Guarantees (for economic operators to improve competitiveness, portfolio guarantees, short-term export credit guarantees)
Goal (what should be achieved by the measure?)	Promote SME's access to funding
Key steps for implementing the measure	Within the framework of the programming period 2021-2027, Portfolio Guarantees for Support Programme, Regulation No. 498 was approved on 5 September 2023. Guarantee support for traders is provided.
Implementation time	2024-2029
Responsible/co-responsible institution	MoE
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2025(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	ERAF 1.2.3.4. measure
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Measure 1.2.3.4 “Guarantees, portfolio guarantees for full-cycle entrepreneurship” In 2025, a total of 274 companies were supported. Private investments complementing public support (including grants, financial instruments) – EUR 176 991 688. The actual funding used in 2025 was EUR 25 263 822.
Title of the measure (incl. reforms/ investments)	Guarantees (for economic operators to improve competitiveness, portfolio guarantees, short-term export credit guarantees)
Goal (what should be achieved by the measure?)	Promote SME's access to funding
Key steps for implementing the measure	Within the framework of the programming period 2021-2027, for the support programme Guarantees for Economic Operators to Improve Their Competitiveness, CoM Regulation No. 500 was approved on 05.09.2023. Guarantee support for traders is provided.
Implementation time	2024-2029

Responsible/co-responsible institution	MoE
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2025(3)
Common EU priorities	2 Social and economic resilience, including the European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, Innovation, and Infrastructure
RRF reform/ investment No.	ERAF 1.2.2.2. measure
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Measure 1.2.2.2 was combined with measure 1.2.3.3 "Start-up, growth loans". Measure 1.2.3.3 "Start-up, growth loans" In 2025, a total of 549 companies and 322 new companies were supported. The actual financing used in 2025 was EUR 14 425 680.
Title of the measure (incl. reforms/ investments)	Guarantees (for economic operators to improve competitiveness, portfolio guarantees, short-term export credit guarantees)
Goal (what should be achieved by the measure?)	Promote SME's access to funding
Key steps for implementing the measure	CoM Regulations No. 866 of 20 December 2016, which provides for the possibility for companies to obtain short-term export credit guarantees. Guarantee support for traders is provided.
Implementation time	2024 -2028
Responsible/co-responsible institution	MoE
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2025(3)
Common EU priorities	2 Social and economic resilience, including the European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, Innovation, and Infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Within the framework of short-term export guarantees, 36 merchants were supported by issuing guarantees in the amount of EUR 10.08 million by December 30, 2025. The declared volume of transactions covered by the granted guarantees is EUR 46 million.
Title of the measure (incl. reforms/ investments)	Investments in public business infrastructure to develop industrial parks and territories in the regions
Goal (what should be achieved by the measure?)	Investments to reduce inequality, to develop the infrastructure of industrial parks and territories of national importance and to attract investors to Latvian regions outside the Riga planning region, thus promoting creation of high value-added and export-oriented jobs, as well as reducing regional development disparities between the Riga region and the remaining territory of Latvia. Objectives to be achieved and milestones: 1) by 31.12.2022, the support programme for the development of industrial parks and territories in the regions has been adopted; 2) by 31.12.2023, decisions on the award of contracts for the development of industrial parks in the regions have been sent to project applicants; 3) by July 31, 2026 Certificates of completion of construction work have been submitted for at least four industrial parks in the regions, and letters of intent or agreements have been signed with industrial park operators or potential tenants regarding non-financial investments totaling EUR 85 000 000.

Key steps for implementing the measure	1) Approval of CoM Regulation (30.08.2022); 2) Implementation of the open selection (19.10.2022-28.04.2023); 3) Conclusion of contracts and implementation of projects.
Implementation time	01.02.2020.-31.08.2026.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	RRF (CID Annex - Investment 3.1.1.3.i under "COMPONENT No. 3 REDUCING INEQUALITIES")
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2025(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities
RRF reform/ investment No.	3.1.1.3.i
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>On 13 January 2026, amendments to Cabinet Regulation No. 543 of 30 August 2022 were approved in order to ensure the successful achievement of the investment results, the full absorption of RRF funding, and the alignment of the investment implementation conditions with Amendment No. 3 to the RRF Plan (approved on 12 December 2025 by a Council Implementing Decision).</p> <p>Within the framework of the amendments, the name of the investment was revised to “Investments in public Infrastructure to develop industrial parks in the regions”; the target “creation of new jobs in the industrial parks with average salaries above the average salary in the respective economic sector” was deleted; and the target “letters of intent signed/contracts concluded” was merged with the target “construction completed of industrial parks/territories where public infrastructure is developed in the regions” into a single joint target – “industrial parks and territories in the regions” (at the same time, the deadline for achieving the merged target was set for the third quarter of 2026). In addition, the funding for Investment 3.1.1.3.i was revised, taking into account the reallocation of the remaining RRF funding in the amount of EUR 12.9 million to Investment 3.1.1.1.i.</p> <p>The implementation of four projects launched in 2024 (with RRF funding in the amount of EUR 67.1 million) has been continued, along with the monitoring of progress and implementation of the indicators to be achieved under the investment, in order to attain the objectives and results set for the investment.</p>
Title of the measure (incl. reforms/ investments)	Infrastructure to support entrepreneurship (Programme 5.1.1.1)
Goal (what should be achieved by the measure?)	<p>Investments to promote the development of public infrastructure for entrepreneurship by increasing the volume of private investment in urban functional areas through investments for the development of entrepreneurship in line with municipal development programmes.</p> <p>Achievable results:</p> <ol style="list-style-type: none"> 1) at least 46 traders benefiting from the public infrastructure developed; 2) at least EUR 60 246 387 increase in the wage fund at private traders; 3) at least EUR 74 081 929 private non-financial investments in intangible investments and fixed assets.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Approval of CoM Regulation (16.01.2024; amendments of 04.06.2024 and 22.12.2025); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee for the 1 round and 2 round (02.08.2023); 3) Launch of the selection process (Round 1 – restricted selection on May 9, 2024; Round 2 – open selection on February 21, 2024, and September 27, 2024); 4) Approval of project application evaluation criteria by the EU Funds Monitoring Committee for Round 3 (December 3, 2025); 5) commencement of the selection process (for Round 3 – open call on January 23, 2026); 6) signing of contracts and implementation of projects.
Implementation time	01.01.2021. -31.12.2029.

Responsible/co-responsible institution	MoSARD/CFCA/local governments
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2025(3)
Common EU priorities	2 Social and economic resilience, including the European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Industry, innovation, and infrastructure; 11 Sustainable cities and communities
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>On 22 December 2025, amendments to Cabinet Regulation No. 55 of 16 January 2024 were approved in order to reinforce the reallocation of funding, reduce the administrative burden on beneficiaries regarding project documentation, and establish more favourable requirements for the achievement of indicators under the third call, and align the implementation conditions of the measure with Programme Amendments No. 3 and No. 4. Within the framework of these amendments, the ERDF funding available for the measure was increased by EUR 9.2 million.</p> <p>First call: The implementation of 21 projects launched in 2024 and 2025 (with ERDF funding amounting to EUR 27.76 million) has been ensured, as well as the monitoring of progress and implementation of the indicators to be achieved under the measure, in order to achieve the objectives and results set for the measure.</p> <p>Second call: From 27 September 2024 to 28 February 2025, an additional open project selection was implemented. The implementation of 31 projects launched in 2024 and 2025 (with ERDF funding amounting to EUR 43.45 million) has been ensured, along with monitoring of the progress and implementation of the indicators to be achieved, in order to reach the objectives and results set for the measure.</p> <p>Third call: On 23 January 2026, an open project selection was launched, with the deadline for submission of project applications set for 15 May 2026..</p> <p>Indicators planned in the first and second call projects: 245 merchants benefiting from the developed public infrastructure; increase in the wage fund of private merchants amounting to EUR 41.21 million; EUR 93.38 million in private non-financial investment in intangible assets and fixed assets.</p>
Title of the measure (incl. reforms/ investments)	Capacity building of local governments and planning regions (Programme 5.1.1.2 (no flexibility funding planned))
Goal (what should be achieved by the measure?)	<p>Investments to improve the administrative capacity of planning regions and local governments in matters concerning territorial development planning and implementation, facilitating the preparation of quality project proposals for the attraction of support of the EU structural and investment funds for territorial development, including by complying with good governance principles, to strengthen the competitiveness of municipalities and ensure sustainable development of the territory's settlement and living environment.</p> <p>Achievable results:</p> <ol style="list-style-type: none"> 1) Improvement of administrative capacity ensured in at least 29 municipalities and at least 3 planning regions; 2) Capacity building events (seminars, campaigns, experience exchange or other events) for development planning and project specialists of at least 5 planning regions and municipalities organised.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Approval of CoM Regulation (31.01.2023); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (26.01.2023); 3) Commencement of restricted selection (06.03.2023); 4) Conclusion of contract (09.08.2023) and project implementation.
Implementation time	01.01.2023.-31.12.2029.

Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2025(3)
Common EU priorities	2 Social and economic resilience, including the European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Industry, innovation, and infrastructure; 11 Sustainable cities and communities
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>The implementation of the project launched on 9 August 2023 (with ERDF funding in the amount of EUR 0.38 million) has been continued, along with the monitoring of progress and implementation of the indicators to be achieved under the measure, in order to attain the objectives and results set for the measure.</p> <p>Project activities implemented in 2025: 4 capacity-building events — trainings and seminars on spatial planning issues (2 online, 2 in person).</p> <p>Training and experience-exchange event on entrepreneurship promotion and innovation development — “Current Issues and Trends in Municipal Entrepreneurship Promotion”, held in person in Jelgava.</p> <p>Study visit to Denmark (Copenhagen and Aarhus) — “Smart, Innovative and Sustainable Solutions to Urban Environment Challenges” (13–16 May), attended by 13 municipal specialists and 2 regional planning authority representatives.</p> <p>Two-day online training on the use of data analytics tools and geospatial data in territorial development planning and implementation.</p> <p>Two project progress reports and related payment claims were submitted and approved. During the project implementation period, the procurement plan was reviewed and updated.</p>
Title of the measure (incl. reforms/ investments)	Promoting competitiveness in agriculture
Goal (what should be achieved by the measure?)	Support 2 500 farms to improve their economic performance and competitiveness, as well as to promote the development of cooperation and access to funding
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Development and approval of laws and regulations for the transition period 2020-2021 2) Development of the CAP SP 2023-2027 and harmonisation thereof with the EC 2) Development and approval of laws and regulations (2023 - 2024) 3) Implementation of support actions from 2023-2029
Implementation time	2023 - 2029
Responsible/co-responsible institution	MoA/RSS; ALTUM
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2025(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure

RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>In 2025, the implementation of measures under the Latvian Rural Development Programme for 2014–2022 (hereinafter – RDP 2014–2022) was completed, which, inter alia, provided support in the form of financial instruments.</p> <p>In order to ensure efficient absorption of EAFRD funding under the measure “Investments in tangible assets” within the sub-measures “Support for investments in agricultural holdings”, “Support for investments in the creation and development of non-agricultural activities”, and “Support for investments in processing”, final amendments to the RDP 2014–2022 and related legislation were adopted:</p> <ul style="list-style-type: none"> - Cabinet Regulation No. 637 of 28 October 2025 “Amendments to Cabinet Regulation No. 769 of 23 November 2021 ‘Procedures for granting State and European Union support for rural development in the form of financial instruments’”; - Cabinet Regulation No. 591 of 7 October 2025 “Amendments to Cabinet Regulation No. 446 of 24 July 2018 ‘Regulations regarding the loan programme for economic operators in agriculture, rural development and fisheries’”. <p>Within the framework of the RDP 2014–2022:</p> <ul style="list-style-type: none"> - support in the form of financial instruments was granted in 2025 under the measure “Investments in tangible assets” as follows: <ul style="list-style-type: none"> - “Support for investments in agricultural holdings” – loan support granted to 61 farmers; - “Support for investments in the creation and development of non-agricultural activities” – loan support granted to 50 economic operators; - “Support for investments in processing” – loan support granted to 7 economic operators; - Calls were launched under the RDP 2014–2020 measure “Investments in tangible assets”, sub-measure “Support for investments in agricultural holdings” for limited target areas – 13th round (05.12.2024–06.01.2025), 14th round (14.04.2025–14.05.2025), 15th round (08.09.2025–22.09.2025) and 16th round (06.10.2025–20.10.2025), supporting approximately 400 applicants; - Calls were launched under the RDP 2014–2020 measure “Investments in tangible assets”, sub-measure “Support for investments in processing” – 13th round (14.04.2025–14.05.2025) and 14th round (08.09.2025–22.09.2025), supporting approximately 3 applicants. <p>Work continued on the development of regulatory enactments to ensure the availability of funding for farmers within the framework of the CAP Strategic Plan (CAP SP):</p> <ul style="list-style-type: none"> - Amendments were made to CAP SP interventions providing support in the form of financial instruments: LA 4.1.5 Support in the form of loans for investments and working capital in agricultural holdings, LA 4.2 Support for investments in processing, LA 4.4 Support for investments in the implementation of non-agricultural activities, LA 6 Support for young farmers for business start-up; - A draft regulation “Loans with capital rebate for agricultural and rural economic operators” (25-TA-2092) was developed and is being coordinated with sectoral ministries; - Amendments to regulatory enactments were made several times to ensure additional funding for financial instruments in the form of loans: <ul style="list-style-type: none"> - Cabinet Regulation No. 591 of 7 October 2025 (amendments to Regulation No. 446 of 24 July 2018); - Cabinet Regulation No. 464 of 22 July 2025 “Amendments to Cabinet Regulation No. 582 of 3 December 2019 ‘Procedures for implementing the State aid programme for granting loans for the acquisition of working capital in the agriculture, forestry, fisheries and aquaculture sectors’”; - Cabinet Regulation No. 639 of 28 October 2025 “Amendments to Cabinet Regulation No. 582 of 3 December 2019 ‘Procedures for implementing the State and European Union aid programme for granting loans for the acquisition of working capital in the agriculture, forestry, fisheries and aquaculture sectors’”; - Cabinet Regulation No. 746 of 9 December 2025 (amendments to Regulation No. 582 of 3 December 2019); - Amendments to Cabinet Regulation No. 113 of 7 March 2023 “General procedures for granting, administering and monitoring State and European Union support for rural and fisheries development” (24-TA-3300); - Amendments to Cabinet Regulation No. 303 of 21 May 2024 “Procedures for granting State and European Union support in the form of an open project competition for investments in tangible assets under the European Agricultural Fund for Rural Development in the 2023–2027 programming period” (25-TA-851);

	<p>- Amendments to Cabinet Regulation No. 776 of 30 November 2021 “Procedures for granting State and European Union support in the form of an open project competition under the measure ‘Investments in tangible assets’ during the transition period of the 2014–2020 programming period in 2021 and 2022” (25-TA-1981).</p> <p>Calls were launched under CAP SP measures:</p> <ul style="list-style-type: none"> - “Support for investments in agricultural holdings for competitiveness” – 2nd round (15.05.2025–16.06.2025), supporting 176 applicants; and a 2nd round for preventive actions (15.05.2025–31.12.2025 for sheep farms), supporting 18 applicants. A separate round was launched for cooperatives, supporting 13 applicants; - “Support for investments in improving animal welfare and biosecurity” – 2nd round (15.05.2025–16.06.2025), supporting 25 applicants; - “Support for investments in the use of renewable energy sources or increasing energy efficiency” – 2nd round (15.05.2025–16.06.2025), supporting 17 applicants; - “Support for investments in processing” – 2nd round (29.09.2025–29.10.2025), supporting 52 applicants; - Announcement of the next round of support under the CAP SP measure "Support for investments in small farms" – 3rd round (03.10.2025.-03.11.2025.), within the framework of which 208 project applications were approved. - Announcement of the third round of support under the CAP SP measure "Support for young farmers to start up their businesses" (01.09.2025.-30.09.2025.), during which 167 project applications were approved. - Announcement of the support round for the CAP SP measure "Support for the implementation of EIP working group projects" – 3rd round (06.02.2025.-07.04.2025.), 4th round (04.08.2025.-02.09.2025.) and 5th round (15.11.2025.-15.12.2025.), during which 63 applications were submitted, support was granted to 9 EIP working groups, and the remaining project applications are still being evaluated. - A call was launched under CAP SP intervention LA4.1.6 “Support in the form of a subsidy for partial repayment of interest”, supporting 1 270 agricultural enterprise projects. - A call was launched under CAP SP intervention LA17 “Crop, animal, sowing and planting insurance premium”, supporting 1 845 farmers.
Title of the measure (incl. reforms/investments)	Investments for the promotion of green transition
Goal (what should be achieved by the measure?)	Investments for the promotion of green transition
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Approval of the National Energy and Climate Plan; 2) Preparation of CoM Regulation "Regulations of the Public Call for Proposals Funded by the Emission Allowance Auctioning Tool "Promoting Public Awareness of the Importance and Opportunities of Climate Neutrality and Climate Resilience"", approval of CoM Regulation - Q3 2024, announcement of the selection of project proposals - Q4 2024, implementation deadline for projects approved within the framework of the call for proposals - as specified in each concluded project agreement; 3) Preparation of CoM Regulation - Regulations of the Public Call for Proposals Funded by the Emission Allowance Auctioning Tool for the period until 2028 - according to the directions for the use of funding set out in the Emission Allowance Auctioning Tool’s operational strategy (under development) and the priorities set out in the National Energy and Climate Plan; 2) According to the investments indicated in line 43 - 1) and 2), investments indicated in line 44 - 2) and 3) 4) Preparation of CoM Regulation - on the EU Cohesion Policy Programme 2021 -2027 for the action "Sewage Sludge Recycling" of the Specific Aid Objective 2.2.2.3 (2025), approval of CoM Regulation (2025), implementation of the programme (2026-2028); 5) according to investments 1) and 2), indicated in line 43, investments 2) and 3) indicated in line 44 and investments 4)-17), indicated in line 45.
Implementation time	For the EU fund actions (2025 - 2029), <i>REPowerEU</i> (2024 - 2026), the Social Climate Fund (2026 - 2032), the Emission Allowance Auctioning Tool - according to the implementation deadline set in each public call for proposals and the project implementation deadline set in each concluded project contract, the Modernisation Fund - according to the implementation deadline set in each call for proposals and the project implementation deadline set in each concluded project contract.
Responsible/co-responsible institution	MoCE, MoE
RRF/MFF	RRF+MFF

CSR	2019(3); 2020(3); 2021(1); 2022(3); 2023(3); 2024(3); 2025(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	6 Clean water and sanitation; 13 Climate action
RRF reform/ investment No.	
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>1.) In 2025, the responsible sectoral ministries and involved partners implemented the measures included in the Updated National Energy and Climate Plan 2021-2030 (hereinafter - NECP). In parallel, the Ministry of Energy and Climate Change created a NECP management tool to monitor the progress of the NECP implementation and identify risks, regularly analyzing the implementation of high-risk measures in the established working group of Deputy State Secretaries for Climate Coordination. In addition, in accordance with the Governance Regulation, Latvia submitted more than 20 reports on the progress of the NECP implementation to the reporting platforms maintained by the European Commission.</p> <p>2.) The support programme was approved by the Cabinet of Ministers Regulations No. 84 of 4 February 2025: "Regulations for the open call of projects financed by the Emissions Allowance Auctioning Instrument: "Promoting Public Awareness of the Importance and Opportunities of Climate Neutrality and Climate Resilience."" Within the framework of the call, 27 projects are being implemented. The project implementation deadline is 31 December 2026.</p> <p>3.) Amendments to the support programme were approved, increasing the available funding amount — Amendments to the Cabinet of Ministers Regulations No. 896 of 21 December 2021 "Regulations for the open call of projects financed by the Emissions Allowance Auctioning Instrument: "Reduction of Greenhouse Gas Emissions in the Transport Sector – Support for the Purchase of Zero-Emission and Low-Emission Vehicles."" Project implementation continued in the following calls: "Reduction of Greenhouse Gas Emissions in Households – Support for the Use of Renewable Energy Sources", "Reduction of Greenhouse Gas Emissions in the Transport Sector – Support for the Purchase of Zero-Emission and Low-Emission Vehicles", "Reduction of Greenhouse Gas Emissions in State-Significance Protected Architectural Monuments", "Reduction of Greenhouse Gas Emissions with Smart Urban Technologies" and "Reduction of Greenhouse Gas Emissions in Buildings of the Institutions of the Ministry of the Interior System and Municipal Police Institutions."</p> <p>4.) Sewage sludge treatment investments were initially planned to be financed from the EU funds programme. According to the Cabinet of Ministers meeting of 25 November 2025 (No. 49, §65), the respective funding of EUR 23.1 million was relocated to the implementation of health sector priorities. At the same time, the Ministry of Climate and Energy was tasked with assessing alternative sources of financing. In order to ensure the implementation of the Sewage Sludge Management Plan for 2024–2027, as well as the continued development of the municipal sewage sludge management system and compliance with EU environmental requirements, it is planned to attract alternative sources of financing for the implementation of investments.</p>
<i>Policy Area - Energy and Energy Efficiency</i>	
Title of the measure (incl. reforms/ investments)	Synchronisation with the Central European power system
Goal (what should be achieved by the measure?)	Promoting energy security
Key steps for implementing the measure	<p>1) On 2 July 2024, CoM Regulations No. 432 were approved on the European Union Recovery and Resilience Mechanism Plan 7.1.1. reforms "Energy Sector Transformation" 7.1.1.1.i. investments "Electricity Transmission System Synchronization";</p> <p>2) Implementation of electricity transmission system synchronization projects within the framework of CEF funding.</p>

Implementation time	2024-2025
Responsible/co-responsible institution	MoCE
RRF/MFF	RRF+MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4); 2025(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	7.1.1.1.i
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Work on the implementation of the investment continued and no risks of non-fulfillment were identified.
Title of the measure (incl. reforms/ investments)	Increasing the share of renewable energy in final energy consumption
Goal (what should be achieved by the measure?)	Reducing dependence on fossil fuels
Key steps for implementing the measure	<ol style="list-style-type: none"> 1.) Approval of the National Energy and Climate Plan; 2.) Improvement of regulatory framework and development of simplification of permit issuance procedures for renewable energy projects (2024-2025); 3.) Mapping of renewable energy go-to territories (2024-2025) 4.) Preparation of Cabinet regulations on the specific support objective 2.1.2 "Promotion of renewable energy - biomethane" of the European Union Cohesion Policy Programme 2021-2027 (3rd quarter of 2024), approval of Cabinet regulations (4th quarter of 2024), implementation of the programme (2025-2027); 5.) Preparation of the Cabinet of Ministers' Regulations on the specific support objective measure "Use of RES and improvement of energy efficiency in district and individual heating and cooling" of the European Union Cohesion Policy Programme 2021-2027 (3rd quarter of 2024), approval of the Cabinet of Ministers' Regulations (4th quarter of 2024), implementation of the programme (2025-2027); 6.) On 2 July 2024, Cabinet of Ministers' Regulations No. 432 were approved for the European Union Recovery and Resilience Mechanism Plan 7.1.1. reform "Energy sector transformation" 7.1.1.2.i. investment "Modernisation of electricity transmission and distribution networks"; 7.) On 2 July 2024, Cabinet of Ministers' Regulations No. 432 European Union Recovery and Resilience Mechanism Plan 7.1.1. reforms "Energy sector transformation" 7.1.1.3.i. investments "Increasing the share of biomethane in final consumption"; ; 8.) Development of the regulatory framework of the Social Climate Fund (2025), development of the Social Climate Plan (2025), implementation of investments (2026 - 2032); 9.) Cabinet of Ministers Regulations No. 35 of 12 January 2016 "Regulations of the open competition for projects financed by the Emission Allowance Auctioning Instrument "Reduction of greenhouse gas emissions in architectural monuments of national importance"" - the implementation of projects will continue within the framework of the second round of project application selection, which was announced in 2022; 10.) Cabinet of Ministers Regulations No. 35 of 12 June 2018 333 "Regulations of the open tender for projects financed by the Emissions Trading Facility "Reduction of greenhouse gas emissions with smart urban technologies"" - announcement of the second round of project application selection in August 2024, the deadline for submitting project applications until 1 November 2024, the implementation period for projects approved within the framework of the tender - in accordance with the one specified in each concluded project agreement; 11.) Cabinet of Ministers Regulation No. 150 of 1 March 2022 "Regulations of the open tender for projects financed by the Emissions Trading Facility "Reduction of greenhouse gas emissions in households - support for the use of renewable energy resources"" - implementation of activities

	<p>supported within the framework of the tender until 31 December 2024 or until the funding specified within the framework of the tender is available;</p> <p>12.) Cabinet of Ministers Regulation No. 454 of 14 July 2022 "Regulations on the open competition for projects financed by the Emissions Quota Auctioning Instrument "Reduction of greenhouse gas emissions in the lighting infrastructure of municipal public areas"" - the implementation of projects will continue within the framework of the selection of project applications, which was announced in 2022;</p> <p>13.) Preparation of the Cabinet of Ministers Regulation "Regulations on the open competition for projects financed by the Emissions Quota Auctioning Instrument "Promoting public awareness of the importance and possibilities of climate neutrality and climate resilience"", approval of the Cabinet of Ministers Regulation - 3rd quarter of 2024, announcement of the selection of project applications - 4th quarter of 2024, the implementation period of projects approved within the framework of the competition - in accordance with the provisions of each concluded project agreement;</p> <p>14.) Preparation of the Cabinet of Ministers' regulations "Regulations for the open tender for projects financed by the Emissions Quota Auctioning Instrument "Reduction of greenhouse gas emissions in the buildings of institutions of the Ministry of the Interior system and local government police institutions", approval of the Cabinet of Ministers' regulations - 3rd/4th quarter of 2024, announcement of the selection of project applications - 4th quarter of 2024, implementation period of projects approved within the framework of the tender - in accordance with that specified in each concluded project agreement;</p> <p>15.) Preparation of the Cabinet of Ministers' regulations - Regulations for open tenders for projects financed by the Emissions Quota Auctioning Instrument for the period until 2028 - in accordance with the directions for the use of funding set out in the Emissions Quota Auctioning Instrument's operational strategy (under development) and the priorities set out in the National Energy and Climate Plan;</p> <p>16.) Preparation of the Cabinet of Ministers' regulations "Regulations on the open competition for projects financed by the Modernization Fund "Promotion of the use of renewable energy resources in multi-apartment buildings, state and municipal buildings, including support for the creation of infrastructure related to their operation"", approval of the Cabinet of Ministers' regulations - 4th quarter of 2024/1st quarter of 2025, announcement of the selection of project applications - 1st/2nd quarter of 2025, approval within the framework of the competition</p> <p>17.) Cabinet of Ministers Regulation "Rules for the Competition for Projects Funded by the Modernization Fund: 'Improving Energy Efficiency and Promoting the Use of Renewable Energy Resources by Businesses in Energy Distribution, Transmission, and Production Processes'" (the title of the Cabinet of Ministers Regulation may be refined during the drafting process) Preparation, approval of Cabinet of Ministers regulations – 2025, announcement of the call for project proposals – 2025, implementation period for projects approved under the competition – as specified in each concluded project contract.</p> <p>18.) In accordance with: Cabinet of Ministers Regulation No. 896 of December 21, 2021, “Regulations for the Open Competition for Projects Funded by the Emission Allowance Auction Instrument: ‘Reduction of Greenhouse Gas Emissions in the Transport Sector – Support for the Purchase of Zero-Emission and Low-Emission Vehicles’” – implementation of activities eligible for support under the competition by December 31, 2024, or until the funding allocated for the competition is exhausted;</p> <p>Preparation of the Cabinet of Ministers’ regulations “Rules for the Open Competition for Projects Financed by the Modernization Fund: ‘Improving Energy Efficiency in the Transport Sector – Support for the Introduction of Electric Vehicles and Their Charging Infrastructure’,” approval of the Cabinet of Ministers’ regulations – 3rd quarter of 2024, Announcement of the call for project proposals – 4th quarter of 2024; Implementation period for projects approved under the competition – as specified in each signed project contract;</p>
Implementation time	EU fund initiatives (2025–2029), REPowerEU (2024–2026), Social Climate Fund (2026–2032), Emissions Allowance Auction Instrument – in accordance with the implementation deadline specified in each open call for projects and the project implementation deadline specified in each concluded project contract, Modernization Fund – in accordance with the implementation period specified in each project competition and the project implementation period specified in each concluded project contract.
Responsible/co-responsible institution	MoCE
RRF/MFF	RRF+MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4); 2025(4)
Common EU priorities	3 Energy security

European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	6) and 7) 7.1.1.2.i, 7.1.1.3.i
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>1.) In 2025, the responsible sectoral ministries and involved partners implemented the measures included in the Updated National Energy and Climate Plan 2021-2030 (hereinafter - NECP). In parallel, the Ministry of Energy and Climate Change created a NECP management tool to monitor the progress of the NECP implementation and identify risks, regularly analyzing the implementation of high-risk measures in the established working group of Deputy State Secretaries for Climate Coordination. In addition, in accordance with the Governance Regulation, Latvia submitted more than 20 reports on the progress of the NECP implementation to the reporting platforms maintained by the European Commission.</p> <p>2.) In 2024–2025, work continued on improving the regulatory framework to simplify permitting procedures for renewable energy projects. Amendments to the regulatory framework were introduced to clarify requirements for the implementation of investment projects, streamline administrative procedures, and improve coordination between institutions, thereby facilitating the development of renewable energy projects and contributing to the reduction of greenhouse gas emissions.</p> <p>3.) In 2025, a mapping of industrial development territories (interactive tool) was developed, available at https://www.meteo.lv/teritorijuriks/. The tool summarizes publicly available restrictions (and other additional information) arising from the field of nature and environmental protection, the field of defense and others mentioned in the Renewable Energy Directive. In 2025, the Ministry held bilateral meetings with all interested parties (industry, municipalities, local communities, non-governmental sector) on the need for and improvement of the tool. At the same time, it should be emphasized that the tool is currently of an informative nature, not imposing any legal obligations on any of the parties.</p> <p>4.) The biomethane support program was approved by Cabinet Regulation No. 21 of 7 January 2025 "Implementation Regulations for the Specific Support Objective 2.1.2 "Promotion of Renewable Energy Resources - Biomethane" of the European Union Cohesion Policy Programme 2021–2027" and the selection of project applications began on 10 December 2025.</p> <p>5.) The district heating support programme was approved by Cabinet Regulation No. 20 of 7 January 2025 "Regulations on the implementation of the second round of measure 2.1.1.3. "Use of renewable energy sources and increasing energy efficiency in district heating and cooling" of the specific support objective 2.1.1. "Promotion of energy efficiency and reduction of greenhouse gas emissions" of the European Union Cohesion Policy Programme 2021–2027" and the selection of project applications began on 10 December 2025.</p> <p>6.) Work on the implementation of the investment continued and no risks of non-fulfillment were identified.</p> <p>7.) Work on the implementation of the investment continued and no risks of non-fulfillment were identified.</p> <p>8.) On 2 July 2015, Latvia's Social Climate Fund Plan for 2026–2032 was approved.</p> <p>9.) Within the second round of the project call, the implementation of 5 projects continued.</p> <p>10.) Within the second round of the project call, the implementation of 27 projects continued.</p> <p>11.) Within the project call, project implementation continued. In 2025, 1 826 projects were implemented with a total funding amount of EUR 9.28 million from the Emissions Allowance Auctioning Instrument (EAAI).</p> <p>12.) Within the project call, project implementation has been completed and the monitoring of project results is ongoing.</p> <p>13.) The support programme was approved by the Cabinet of Ministers Regulations No. 84 of 4 February 2025: "Regulations for the open call of projects financed by the Emissions Allowance Auctioning Instrument: 'Promoting Public Awareness of the Importance and Opportunities of Climate Neutrality and Climate Resilience.'" Within the framework of the call, 27 projects are being implemented. The project implementation deadline is 31 December 2026.</p> <p>14.) Within the project call, the implementation of 7 projects continued.</p> <p>15.) An informative report was prepared.</p> <p>16.) The interinstitutional coordination process took place for the draft Cabinet of Ministers regulations "Regulations for the open call of projects financed by the Modernisation Fund: 'Promotion of the Use of Renewable Energy Sources in Multi-Apartment Buildings, State and Municipal Buildings, and Energy Communities.'" </p> <p>17.) The interinstitutional coordination process took place for the draft Cabinet of Ministers regulations "Regulations for the project call financed by the Modernisation Fund: 'Support for Strengthening the Capacity of Latvia's Electricity Network.'" </p>

	18.) Within the project call, project implementation continued. In 2025, 3 538 projects were implemented with a total EAAI funding amount of EUR 17.48 million. 19.) Within the project call, the implementation of 10 projects continued.
Title of the measure (incl. reforms/ investments)	Promoting energy efficiency
Goal (what should be achieved by the measure?)	Reducing dependence on fossil fuels; improving energy efficiency in the public and private sectors
Key steps for implementing the measure	1.) Approval of the National Energy and Climate Plan; 2.) Development and adoption of the legal framework for the transposition of the Energy Efficiency Directive (2024-2025) 3.) Implementation of the NECP measures (2024-2028) 4.) (1) in accordance with: Cabinet of Ministers Regulation No. 35 of 12 January 2016 "Regulations on the open competition for projects financed by the Emissions Trading Instrument "Reduction of greenhouse gas emissions in architectural monuments of national importance"" - the implementation of projects will continue within the framework of the second round of the selection of project applications, announced in 2022; (2) Cabinet of Ministers Regulation No. 333 of 12 June 2018 "Open competition for projects financed by the Emissions Trading Instrument "Reduction of greenhouse gas emissions with smart urban technologies"" regulations"" - announcement of the second round of project application selection in August 2024, deadline for submission of project applications until November 1, 2024, deadline for implementation of projects approved within the framework of the competition - in accordance with the provisions of each concluded project agreement; (3) Cabinet of Ministers Regulation No. 454 of 14 July 2022 ""Regulations of the open competition for projects financed by the Emission Allowance Auctioning Instrument ""Reduction of greenhouse gas emissions in the lighting infrastructure of public areas of municipalities"""" - implementation of projects within the framework of the selection of project applications announced in 2022 will continue; (4) Preparation of the Cabinet of Ministers' regulations ""Regulations for the open tender for projects financed by the Emissions Quota Auctioning Instrument ""Reduction of greenhouse gas emissions in the buildings of institutions of the Ministry of the Interior system and local government police institutions""", approval of the Cabinet of Ministers' regulations - 3rd/4th quarter of 2024, announcement of the selection of project applications - 4th quarter of 2024, implementation period of projects approved within the framework of the tender - in accordance with the provisions set out in each concluded project agreement; - in accordance with the directions for the use of funding set out in the Emissions Quota Auctioning Instrument's operational strategy (under development) and the priorities set out in the National Energy and Climate Plan; (5) Preparation of the Cabinet of Ministers' regulations "Regulations on the Modernization Fund-financed project competition "Improvement of energy efficiency and promotion of the use of renewable energy resources for merchants in energy distribution, transmission and production processes"" (the name of the Cabinet of Ministers' regulations may be specified during the development process), approval of the Cabinet of Ministers' regulations - 2025, announcement of the selection of project applications - 2025, implementation period of projects approved within the framework of the competition - in accordance with the provisions of each concluded project agreement."
Implementation time	2024-2028
Responsible/co-responsible institution	MoCE/ MoE
RRF/MFF	-
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4); 2025(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track

<p>A brief description of progress for 2025 (what was done in 2025?)</p>	<p>1.) In 2025, the responsible sectoral ministries and involved partners implemented the measures included in the Updated National Energy and Climate Plan 2021-2030 (hereinafter - NECP). In parallel, the Ministry of Energy and Climate Change created a NECP management tool to monitor the progress of the NECP implementation and identify risks, regularly analyzing the implementation of high-risk measures in the established working group of Deputy State Secretaries for Climate Coordination. In addition, in accordance with the Governance Regulation, Latvia submitted more than 20 reports on the progress of the NECP implementation to the reporting platforms maintained by the European Commission.</p> <p>2.) The legal framework is being improved.</p> <p>3.) Each responsible sector ministry and involved party implements NECP measures in the field of energy efficiency in accordance with their implementation deadlines and available funding.</p> <p>4.) 1. Within the second round of the project call, the implementation of 5 projects continued. 2. Within the second round of the project call, the implementation of 27 projects continued. 3. Within the project call, project implementation has been completed and the monitoring of project results is ongoing. 4. Within the project call, the implementation of 7 projects continued. 5. The interministerial coordination process took place for the draft Cabinet of Ministers regulations “Regulations for the project call financed by the Modernisation Fund: ‘Support for Strengthening the Capacity of Latvia’s Electricity Network.’”</p> <p>Ministry of Economics on the Adoption of the Energy Efficiency Directive: Has drafted amendments to building regulations that will incorporate requirements for the construction of new buildings, as well as for reconstructions (major renovations). These are: - Amendments to the Cabinet of Ministers Regulations No. 693 of 19 October 2021, “General Building Requirements Building Standard LBN 200-21” (25-TA-1187); - Amendments to the Cabinet of Ministers Regulations No. 310 of 16 June 2015, “Regulations on Latvian Building Standard LBN 231-15 ‘Heating and Ventilation of Residential and Public Buildings’” (25-TA-1380); - Amendments to the Cabinet of Ministers Regulations No. 294 of 9 June 2015, “Regulations on Latvian Building Standard LBN 261-15 ‘Internal Electrical Installation of Buildings’” (25-TA-1257). The draft projects will undergo public consultation from 12 December 2025 to 26 December 2026. Inter-institutional coordination has been initiated, within which opinions were submitted by 17 February 2026. The opinions are being processed, and the text of the drafts is being refined.</p> <p>2) An inventory of buildings has been prepared, including public, commercial, and residential buildings, ensuring compliance with the requirements of the Energy Efficiency Directive.</p>
<p>Title of the measure (incl. reforms/investments)</p>	<p>Investment 1.2.1.1.i. “Improvement of the energy efficiency of multi-apartment buildings and transition to renewable energy technologies”</p>
<p>Goal (what should be achieved by the measure?)</p>	<p>Improvement of the energy efficiency and purchase and installation of renewable energy technologies (e.g., solar panels - use for self-consumption) in multi-apartment buildings</p>
<p>Key steps for implementing the measure</p>	<p>1. Agreement of the apartment owners on their participation in the programme and development of technical documentation. 2. Project proposal to Altum. 3. Altum adopts an initial opinion on the reservation of the capital discount. 4. Suppliers are selected. 5. Altum clarifies the capital discount based on the estimate. 6. Loan application. 7. Altum's decision to grant a loan or a guarantee and a capital discount. 8. Contracting. 9. Construction works. 10. Receiving support.</p>
<p>Implementation time</p>	<p>31.08.2026</p>
<p>Responsible/co-responsible institution</p>	<p>MoE</p>
<p>RRF/MFF</p>	<p>RRF</p>

CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4); 2025(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	1.2.1.1.i.
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Project acceptance is closed on 05.09.2024. Available RRF funding EUR 57.2 million additionally attracted EUR 10 million State Treasury loan. Contracts for 136 projects have been concluded. 55 projects have been implemented by the end of 2025, the remaining 81 projects will be completed by mid-2026.
Title of the measure (incl. reforms/ investments)	Action 2.1.1.1 “Improvement of the energy efficiency in residential buildings, including by developing the ESCO market (multi-apartment, private and small apartment building complexes)”
Goal (what should be achieved by the measure?)	Improvement of the energy efficiency and purchase and installation of renewable energy technologies (e.g., solar panels - use for self-consumption) in multi-apartment buildings
Key steps for implementing the measure	The measure was approved by the CoM on December 17, 2024, and the selection of project applications within its framework will begin on April 3, 2025.
Implementation time	31 December 2029
Responsible/co-responsible institution	MoE
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4); 2025(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The acceptance of projects is closed on 13.05.2025. 392 project applications have been submitted. The available ERDF funding for the program is EUR 173 million, in addition to the program, EUR 1.5 million of state budget funding for industrially produced wood frame panels is available, and additional funds borrowed by the company Altum in the amount of EUR 38 million.
Title of the measure (incl. reforms/ investments)	Action 2.1.1.4 “Improvement of the energy efficiency in public buildings” and Action 2.1.1.7 “Optimisation of infrastructure in public institutions”
Goal (what should be achieved by the measure?)	Improvement of the energy efficiency and purchase and installation of renewable energy technologies in public buildings
Key steps for implementing the measure	The measure was approved by the Cabinet of Ministers on December 17, 2024, and the selection of project applications within its framework will begin in the second quarter of 2025.
Implementation time	31 December 2029
Responsible/co-responsible institution	MoE

RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4); 2025(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The selection of project applications closed later than planned. The selection of project applications for measure 2.1.1.4 closed on 31.10.2025. 36 projects have been approved for EUR 87.64 mill., including ERDF funding of EUR 74.49 mill.. At the same time, ERDF funding of EUR 11.94 mill. is being redistributed for the implementation of the 2nd stage of the RAKUS LOC reconstruction. The selection of project applications for measure 2.1.1.7 closed on 15.11.2025. 1 project has been approved for total eligible costs of EUR 13.05 mill., including ERDF funding of EUR 11.09 mill. (all available funding).
Title of the measure (incl. reforms/ investments)	Investment 1.2.1.4.i. “Improvement of the energy efficiency in public sector buildings, including historic buildings”
Goal (what should be achieved by the measure?)	Improvement of the energy efficiency and transition to renewable energy resources in public sector buildings providing cultural function, including in historic buildings (reduced total primary energy consumption, promoted transition to use of renewable energy sources for energy production, and reduced greenhouse gas emissions)
Key steps for implementing the measure	1) Selection of beneficiaries through a closed selection round. 2) Conclusion of contracts/agreements of the beneficiaries with the CFCA for the development of construction intent documentation. 3) Procurements for the development of construction intent documentation. 4) Development, approval, assessment of the construction intent documentation by the MoE/MoC. 5) Decision on the beneficiaries within the framework of projects of which construction will be carried out to provide energy efficiency improvement actions. 6) Construction.
Implementation time	July 31, 2026
Responsible/co-responsible institution	MoE/MoCE
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4); 2025(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	1.2.1.4.i.
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	As of January 2026, all 11 contracts/agreements have been concluded and the necessary amendments to the contracts/agreements with 7 beneficiaries regarding all available total funding have been made accordingly. Three projects are in the status “Completed”, because their implementation is not continued within the framework of the 1.2.1.4.i investment, one project has completed construction works, ensuring total primary energy savings of 146.99 MWh per year. For the remaining projects, technical documentation development/harmonisation/construction work is ongoing.

	2 amendments in Cabinet Regulations No. 443 of 8 August 2023 were adopted in the Cabinet of Ministers in 2025, supplementing/clarifying the list of supported buildings and beneficiaries of financing and ensuring additional RRF/State budget financing for implementation of projects in the amount of EUR 1.1 million.
Title of the measure (incl. reforms/investments)	Action 2.1.1.8 "Actions promoting energy efficiency actions in cultural infrastructure"
Goal (what should be achieved by the measure?)	Improvement of energy efficiency and transition to renewable energy resources, in public buildings where cultural function is provided (reduction in total primary energy consumption achieved)
Key steps for implementing the measure	The action is currently under development. CoM approval planned for Q4 2024
Implementation time	31 December 2029
Responsible/co-responsible institution	MoE/MoCE
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4); 2025(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The selection of project applications concluded on 25.09.2025. 6 projects were approved for a total cost of EUR 29.35 million, of which ERDF funding - EUR 24.91 million.
Title of the measure (incl. reforms/investments)	Action 1.2.1.2.i.1 "Improvement of energy efficiency in business (including transition to renewable energy technologies in heating)"
Goal (what should be achieved by the measure?)	Investments in the improvement of energy efficiency in business, development of renewable energy technologies and rational use of energy resources (reduced negative impacts on the environment and climate change, promoted sustainable and environmentally friendly business development)
Key steps for implementing the measure	1) Preparation for participation in the aid programme. 2) Application for a support programme (selection round). 3) If the application is approved in the selection round - loan/parallel loan application. 4) If the loan is granted - implementation of the project. 5) If the project results are achieved - application of capital allowance.
Implementation time	31 August 2026
Responsible/co-responsible institution	MoE
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4); 2025(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	1.2.1.2.i

On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	By the end of 2025, 517 contracts have been concluded with final recipients for EUR 55.5 million of RRF funding, the last selection round closed on 22.12.2025. A redistribution of EUR 8.4 million has been made. The goal of ensuring a reduction in GHG emissions of 11,498 tons of CO2 equivalent per year has been met on 20.02.2025.
Title of the measure (incl. reforms/investments)	Investment 1.2.1.5.i. "Modernisation of the electricity transmission and distribution networks"
Goal (what should be achieved by the measure?)	Investments to ensure reform of the electricity transmission and distribution modernisation (improved IT solutions, reinforcement of the distribution system and transmission infrastructure (including the electricity grid and buildings), development of an adequate and efficient electricity grid infrastructure to connect electric vehicles and distributed generation)
Key steps for implementing the measure	1) Selection of beneficiaries under a restricted selection procedure. 2) Conclusion of contracts with beneficiaries. 3) Procurements made by the beneficiary for the implementation of the supported actions. 4) Construction works, IT systems development.
Implementation time	31 May 2026
Responsible/co-responsible institution	MoE
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4); 2025(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	1.2.1.5.i
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Active work continues on implementation of activities to be supported under the two projects (JSC "Sadales tīkls" and JSC "Augstsprieguma tīkls"). Within the framework of the JSC "Augstsprieguma tīkls" project digitalisation measures of information system infrastructure and network management have been completed, within the framework of the "Jāņciems" project warehouse buildings, farm buildings, garages have been demolished, demolition of other buildings as well as reconstruction of the office building continues also in 2026, while in JSC "Sadales tīkls" project work on development and modernisation of the electricity distribution system continues, ensuring improvement of the operational safety of the electricity distribution system and quality of electricity supply and development of control and automatic control solutions for information systems, as well as increase of the capacity of the electricity system for integration of renewable energy sources. Amendments to Cabinet Regulations No. 726 of 15 November 2022 were adopted on 16 December 2025, extending the deadline for the implementation of both projects until 31.07.2026.
Title of the measure (incl. reforms/investments)	Action 2.1.1.2 "Use of RES and improvement of energy efficiency in industry and business" and Action 6.1.1.4 "Business "greening" and product development actions by promoting improvement of energy efficiency and introduction of energy-efficient technologies in enterprises"
Goal (what should be achieved by the measure?)	Investments in the improvement of energy efficiency, smart energy management and renewable energy resources in industry and economic operators, as well as ensuring transition to climate-neutral economy for economic operators in the most affected regions
Key steps for implementing the measure	The measure was approved by the CoM on March 11, 2025, and the selection of project applications within its framework will begin in the second quarter of 2025.
Implementation time	31 December 2029
Responsible/co-responsible institution	MoE

RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4); 2025(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>In 2025, the implementation regulations have been approved (Cabinet of Ministers Regulation No. 155 of 11 March 2025 "Regulations of the Support Programme for Greening Business, Use of Renewable Energy Resources and Increasing Energy Efficiency", link: https://likumi.lv/ta/id/359288). Funding has been redistributed from measure 2.1.1.2 in the amount of EUR 35.3 million. The acceptance of projects for both measures will begin on 02.03.2026.</p> <p>The company Altum will begin accepting project applications in the second quarter of 2025.</p> <p>At the same time, considering the mid-term redistribution in the EU's Cohesion Policy Program for 2021–2027, and in order to enhance energy security as well as disaster management centers and civil protection infrastructure, the funding for measure 2.1.1.2. has been reduced from EUR 43 180 956 to EUR 7 811 352.</p>
Title of the measure (incl. reforms/ investments)	Improvement of municipal buildings and infrastructure by promoting the transition to the use of renewable energy technologies and improving energy efficiency
Goal (what should be achieved by the measure?)	<p>Investments in climate targets to improve the energy efficiency of municipal buildings and infrastructure, thereby reducing annual primary energy consumption and achieving energy savings by implementing the most effective greenhouse gas emission reduction actions to improve the energy efficiency and thermal performance of municipal buildings.</p> <p>Objectives to be achieved and milestones:</p> <ol style="list-style-type: none"> 1) by 31.12.2022, CoM Regulation on the investment enters into force; 2) by 31.12.2024, contracts in the amount of at least 27 838 800 EUR have been awarded; 3) by 31.12.2025, primary energy consumption in municipal buildings and infrastructure has been reduced by at least 4,544,563 kWh/year.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Approval of CoM Regulation (08.11.2022); 2) Implementation of the public selection (20.01.2023 -22.06.2023) and the additional call (28.09.2023 -28.12.2023); 3) Conclusion of contracts and implementation of projects.
Implementation time	01.02.2020.-31.12.2025.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	RRF (CID Annex - investment 1.2.1.3.i under "COMPONENT No. 1 CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY")
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4); 2025(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	1.2.1.3.i
On-track status step	Completed

A brief description of progress for 2025 (what was done in 2025?)	<p>Within the framework of RRF in 1.2.1.3.i investment the implementation of 44 projects in the amount of EUR 25.5 million RRF continued in 2025 and as of 31.12.2025. 34 projects were completed. The completed projects achieved a reduction in total primary energy of at least 4 544 563.00 kWh/year.</p> <p>The set goals have been achieved and the measure is considered completed.</p>
Title of the measure (incl. reforms/investments)	Improvement of the energy efficiency of municipal buildings (Programme 2.1.1.6 (all 3 classes))
Goal (what should be achieved by the measure?)	<p>Investments to promote the green transition to improve the energy efficiency of municipal buildings and directly related infrastructure thereto within the framework of Round 1 of the action, in order to reduce annual primary energy consumption and save energy by introducing the most efficient actions to improve the energy efficiency and thermal performance of municipal buildings, whereas, within the framework of Round 2 of the action - to improve the energy efficiency of infrastructure for public water services by reducing annual primary energy consumption and increasing the use of technologies requiring renewable energy resources.</p> <p>Achievable results:</p> <ol style="list-style-type: none"> 1) public buildings with improved energy efficiency in the area of at least 27,454 m²; 2) additional renewable energy generation capacity of at least 2 MW; 3) reduction of total primary energy consumption of at least 1,400 MWh/year.
Key steps for implementing the measure	<p>For Round 1:</p> <ol style="list-style-type: none"> 1) Approval of CoM Regulation (16.07.2024); 2) Approval of the of the exception of the evaluation criteria of project proposals with regard to the application of the single criteria and single selection criteria in the EU Funds Supervisory Committee (23.04.2024); 3) Commencement of the restricted selection (Q3 2024); 4) Conclusion of contracts and implementation of projects. <p>For Round 2:</p> <ol style="list-style-type: none"> 1) Development of CoM Regulation and commencement of harmonisation on the TAP (30.07.2024); 2) Approval of CoM Regulation (Q4 2024); 3) Examination of the evaluation criteria of project proposals by the Thematic Sub-Committee (25.07.2024); 4) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (September 2024); 5) Commencement of the public selection (Q4 2024); 6) Conclusion of contracts and implementation of projects. <p>For Round 3:</p> <ol style="list-style-type: none"> 1) Development of CoM Regulation and commencement of harmonisation on the TAP (Q1 2026); 2) Approval of CoM Regulation (Q2 2026); 3) Examination and approval of the evaluation criteria of project proposals by the Thematic Sub-Committee (Q1 2026); 4) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (Q2 2026); 5) Commencement of the public selection (Q3 2024); 6) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2021.-31.12.2027.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4); 2025(4)
Common EU priorities	3 Energy security
European Pillar of Social Rights	-

UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>1st round: the implementation of three projects launched in 2025 (with ERDF funding of EUR 2.46 million) was ensured, as well as monitoring of the progress and implementation of the indicators to be achieved in the measure, in order to achieve the objectives and results set in the measure.</p> <p>2nd round: from 27.11.2024. to 27.02.2025. an open selection of project applications was implemented. The implementation of nine projects launched in 2025 (with ERDF funding of EUR 2.32 million) was ensured, as well as monitoring of the progress and implementation of the indicators to be achieved in the measure, in order to achieve the objectives and results set in the measure.</p> <p>3rd round: The criteria for evaluating project applications were reviewed by the thematic subcommittee on 18.12.2025 and are under review by the EU Funds Monitoring Committee (review of the criteria in the written procedure was initiated on 15.01.2026). Draft Cabinet regulations on the implementation regulations for the third round of project application selection for measure 2.1.1.6 "Improvement of energy efficiency of municipal buildings" have been developed and on 21.11.2025. its coordination with the Ministry of Finance (25-TA-908) has begun.</p>
Title of the measure (incl. reforms/ investments)	Establishment of shore power connections for service of Ro-Ro passenger ships in the Port of Liepāja
Goal (what should be achieved by the measure?)	Reducing dependence on fossil fuels
Key steps for implementing the measure	The Liepāja Special Economic Zone Authority will provide shore power supply within the framework of the Connecting Europe Facility (hereinafter referred to as - CEF) project "Providing safe berthing of Ro-Ro ferries in the Port of Liepāja" (project acronym 22-LV-TG-LPXRORO, subject ID - CEF-T-2022-COMPGEN-MARP-WORKS, project No. 101122785).
Implementation time	As at 31 December 2027,
Responsible/co-responsible institution	LSEZ Authority, MoCE, MoT
RRF/MFF	-
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4); 2025(4)
Common EU priorities	Meeting the target indicators defined in Article 9 of Regulation (EU) 2023/1804 of the European Parliament and of the Council of 13 September 2023 on the deployment of alternative fuels infrastructure with regard to shore-side electricity supply in seaports; 3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The project "Providing of safe berthing of ro-ro Ferries in the port of Liepaja" was started on 1 October 2023, duration 51 months, completion at the end of 2027. In 2021-2027 financing period the projects are under the direct supervision of CINEA, whereby the beneficiary provides progress reports to the CINEA. No signals of implementation risks or problems have been received from the CINEA.
Title of the measure (incl. reforms/ investments)	Establishment of shore power connections for service of Ro-Ro passenger ships in the port of Ventspils

Goal (what should be achieved by the measure?)	Reducing dependence on fossil fuels
Key steps for implementing the measure	The Port of Ventspils plans to establish a shore power connection for Ro-Ro passenger ships at No. Pier 16 by 2028. Total number of connections from 2 to 3 (number of connections will be clarified during the projecting). Total capacity of the connections - 4,000 kW.
Implementation time	2028
Responsible/co-responsible institution	FVA, MoCE, MoT
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2024(4); 2025(4)
Common EU priorities	Meeting the target indicators defined in Article 9 of Regulation (EU) 2023/1804 of the European Parliament and of the Council of 13 September 2023 on the deployment of alternative fuels infrastructure with regard to shore-side electricity supply in seaports; 3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	On 20 March 2025, a contract was concluded with the Central Finance and Contracting Agency for the implementation of Project No. 3.1.1.6/1/24/I/001 "Renovation of the Vessel Traffic Management Centre of the Freeport of Ventspils and Electrification of Berths," and in 2025, within the framework of the project, two procurement procedures were completed: "Construction supervision services for the installation of onshore power supply connection points for vessels calling at Berth No. 16" and "Installation of onshore power supply connection points for vessels calling at Berth No. 16."
<i>Policy Area - Affordable Housing</i>	
Title of the measure (incl. reforms/ investments)	Establishing a financing fund for the construction of low-rent housing
Goal (what should be achieved by the measure?)	Promote access to low-rent housing that meets building standards and energy efficiency requirements for households in regions that cannot afford market housing due to insufficient income
Key steps for implementing the measure	Programme implementation: 1) Q4 2024. - Projects approved for construction of 300 apartments in total 2) Q3 2026. - Projects approved for construction of 467 apartments in total 3) Q3 2026. - 300 apartments built
Implementation time	2022 - 2026
Responsible/co-responsible institution	MoE
RRF/MFF	RRF
CSR	2019(3); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities
RRF reform/ investment No.	3.1.1.4.i., 3.1.1.7.i

On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>Under investments 3.1.1.4.i. and 3.1.1.7.i., as of 24 February 2026, a total of 10 loan agreements have been concluded for the construction of 676 apartments in the regions. One additional project (60 apartments) has been approved and is currently in the process of concluding a loan agreement. Furthermore, seven additional projects, comprising 556 apartments, are under evaluation.</p> <p>In 2025, 178 apartments were commissioned (in Valmiera and Jelgava).</p> <p>In 2025, additional funding in the amount of EUR 59 931 480 was secured for the continuation of the programme, enabling the construction of approximately 670 additional apartments in the regions.</p>
Title of the measure (incl. reforms/ investments)	Access to social housing for particularly disadvantaged people (Measure 4.3.1.3 of the European Union's Cohesion Policy Program for 2021–2027: “Renovation of social housing or construction of new social housing”)
Goal (what should be achieved by the measure?)	To ensure access to housing conforming to decent living conditions for the lowest income groups and to reduce queues in municipalities for renting such housing
Key steps for implementing the measure	<p>Programme implementation:</p> <ol style="list-style-type: none"> 1) The 1st selection round concluded Q1 2024; 2) The 2nd selection round will be announced around the first half of 2025 after the approval of the amendments to the Operational Programme by the European Commission
Implementation time	2022 - 2029
Responsible/co-responsible institution	MoE
RRF/MFF	MFF
CSR	2019(3); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	1 Poverty alleviated; 9 Manufacturing, innovations and infrastructure; 10 Reduced inequality; 11 Sustainable cities and communities
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In 2025, two selection rounds were conducted within the framework of the measure: an additional (second) call under the first round, within which project applications were received and approved for the renovation of an additional 600 existing apartments across Latvia, as well as the second-round selection, within which project applications were received and approved for the construction of 471 new apartments nationwide. Concurrently, in 2025, on the basis of the relevant amendments to the EU Cohesion Policy Programme for 2021–2027, the total available ERDF funding for the support programme was increased to EUR 70 252 500, thereby enabling the provision of social housing to at least 1 952 persons by the end of 2029.
Title of the measure (incl. reforms/ investments)	Support actions to ensure accessibility of the housing environment for persons with disabilities
Goal (what should be achieved by the measure?)	Provide support for the adaptation of housing for 250 persons with disabilities who have reduced mobility, improve employment opportunities and access to services, thereby contributing to quality of life and respect for human rights
Key steps for implementing the measure	<p>RRF 3.1.2.1.i, Round 2 investments (within the framework of CoM Regulation No. 512 of 05.09.2023):</p> <ol style="list-style-type: none"> 1) By 31 March 2024 - selection of a specific target group to improve the physical accessibility of housing. 2) By 31 August 2026 - ensured accessibility to housing environment for 250 persons with disabilities.
Implementation time	2023-2026 Half-year I

Responsible/co-responsible institution	MoW/ local governments
RRF/MFF	RRF
CSR	2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Social protection and inclusion
UN SDG	1 Poverty alleviated; 9 Manufacturing, innovations and infrastructure; 10 Reduced inequality; 11 Sustainable cities and communities
RRF reform/ investment No.	3.1.2.1.i. Investment “Measures to promote accessibility of public services and employment for persons with disabilities”
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Implementation of the investment continues - the planned implementation deadline is 31.08.2026. Housing adaptation has been provided for 88 persons so far, or 35% of the planned number (250).
<i>Policy Area - Sustainability of Transport</i>	
Title of the measure (incl. reforms/ investments)	Rail Baltica project implementation
Goal (what should be achieved by the measure?)	The railway project with high strategic importance as it will improve military mobility in the region and contribute significantly to the security of the Baltic States by facilitating smoother military mobility and logistics for allied troops seeking to deploy in the region from their bases in Poland and Germany, and as part of the EU military network.
Key steps for implementing the measure	1) Completion of the detailed technical design of the mainline 2) Commencement of construction of the mainline 3) Development of the control-command and signalling subsystem 4) Electrification of railway line 5) Construction and construction supervision of Riga Central Station and Riga Airport Station
Implementation time	2014-2030
Responsible/co-responsible institution	MoT
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2025(1)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights; 4 Building defence capabilities
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 10 Reduced inequality; 11 Sustainable cities and communities
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2025 (what was done in 2025?)	<p>The southern section of Rail Baltica mainline in Latvia (between Misa and the Lithuanian border) is 45 kilometres long and divided into 11 construction permits. By the end of 2025, works were active under seven permits, covering more than 30 kilometres, where core construction activities and railway embankment works are underway.</p> <p>Of the approximately 250 hectares requiring deforestation, around 116 hectares have already been cleared, with a further 84 hectares in progress. Unexploded ordnance scanning has been completed across almost the entire area of the first four permits, resulting in the detection and neutralisation of 100 explosive objects.</p>

	<p>Further momentum was achieved with the signing of notices to proceed between Eiropas Dzelzceļa līnijas and the main line contractor ERB Rail, enabling construction to begin under three additional permits covering 19.62 kilometres. Initial works include site clearance, embankment construction, access and maintenance roads, culverts and drainage systems.</p> <p>At the same time, progress continues at Latvia's major passenger hubs. On the southern side of Riga Central Station, construction accelerated following the approval of Recovery Fund financing in spring 2025. Major works, including roofing, glazing, facade elements and engineering systems, are scheduled for completion by September 2026, with temporary commissioning planned by the end of that year.</p>
Title of the measure (incl. reforms/investments)	Specific support objective 6.2.1 of the priority axis "Sustainable Transport System" under the Operational Program "Growth and Employment" for the 2014–2020 EU funding period "Ensuring a competitive and environmentally friendly TEN-T rail network by promoting its safety, quality, and capacity" – Implementation of Measure 6.2.1.2 "Modernization and Construction of Railway Infrastructure." EU Cohesion Policy Program for 2021–2027, Priority 3.1 "Sustainable TEN-T Infrastructure," Specific Support Objective 3.1.1 "Develop sustainable, climate-resilient, smart, safe, and multimodal TEN -T infrastructure" under Measure 3.1.1.3 "Development of railway infrastructure within the Trans-European Transport Network," Project No. 3.1.1.3/1/24/I/001 "Modernization of Railway Passenger Infrastructure, Phase 2" and No. 3.1.1.3/1/24/I/001 "Modernization of railway infrastructure to increase train speeds, Phase 2"
Goal (what should be achieved by the measure?)	Number of stations with elevated platforms Total length of reconstructed or upgraded railway lines
Key steps for implementing the measure	45 stations and stops 100 km
Implementation time	12.2026.
Responsible/co-responsible institution	SJSC "Latvijas dzelzceļš" (LDz), MoT
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2025 (what was done in 2025?)	<p>Within the framework of the project "Modernisation of Railway Passenger Infrastructure, Phase 2", in 2025 construction works were actively carried out throughout the whole year.</p> <p>Project status as of 31 December 2025:</p> <ul style="list-style-type: none"> • Design stage – 2 stations; • Construction stage – 35 stations; • Temporary exploitation – 15 stations; • Final exploitation– 16 stations. <p>Within the framework of the project "Railway Infrastructure Modernization for Increasing Train Speeds, Phase 2," in 2025 the output target was achieved – the total length of reconstructed or modernized railway lines reached 100 km, representing 69.85% of the planned volume.</p>
Title of the measure (incl. reforms/investments)	Implementation of the action 3.1.1.1 "Improvement of rail transport and energy efficiency in public passenger transport" and action 3.1.1.3 "Development of rail infrastructure in the trans-European transport network" of the Policy Objective 3 "A more Connected Europe through better mobility" of the EU Cohesion Policy Programme 2021-2027.

Goal (what should be achieved by the measure?)	Length of new or upgraded railway track - TEN-T New or upgraded railway stations and stops
Key steps for implementing the measure	TBC km TBC stations and stops
Implementation time	12.2029
Responsible/co-responsible institution	SJSC "Latvijas dzelzceļš", MoT
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 10 Reduced inequality; 11 Sustainable cities and communities
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>Within the framework of the project, it is planned to construct and modernise at least 20 stations/stopping points accordance with the Cabinet of Ministers Regulations No. 598 of 7 October 2025. Five "design and build" procurements have been announced, of which the results of three procurements have been published in the EIS, and two procurements are at the evaluation stage. The preparation of the procurement documentation for the Engineering Consultant has been initiated, and it is planned to announce it in the first quarter of 2026.</p> <p>In addition, at least 3 more stations and stopping points are planned to be modernised under the project "Development of Integrated Infrastructure in the Riga Railway Node (RIX – RCS – Aizkraukle direction)".</p> <p>In 2025, procurement planning and organisation activities were carried out (3 procurements were announced, of which 1 is currently at the bid evaluation stage).</p>
Title of the measure (incl. reforms/ investments)	Implementation of the actions related to 1.1.1.1.i.2 and 1.1.1.1.i.3 of the investment 1.1.1.1.i. "Competitive Rail Passenger Transport in the Riga City Public Transport System" of reform 1.1.1.r. "Greening of the Riga Metropolitan Area Transport System" of the reform and investment axis 1.1 "Emission Reduction in the Transport Sector" of the EU RRF plan Component 1 "Climate Change and Environmental Sustainability"
Goal (what should be achieved by the measure?)	Length of electrified railway lines and upgraded existing railway lines for passenger transport
Key steps for implementing the measure	100 km
Implementation time	08.2026
Responsible/co-responsible institution	SJSC (VAS) "Latvijas dzelzceļš", MoT
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2025(4)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 10 Reduced inequality; 11 Sustainable cities and communities
RRF reform/ investment No.	1.1.1.r, 1.1.1.1.i
On-track status step	On-track

A brief description of progress for 2025 (what was done in 2025?)	In 2025, active construction works are underway within the framework of the project “Modernisation and Development of the Electrified Railway Network.” Project progress: - Design – 0 construction cases; - Author’s supervision – 17 construction cases; - Fulfilment of preconditions for commencement of construction – 17 construction cases; - Construction works – 17 construction cases; - Commissioned – 1 construction case (Daugava Bridge). The project is planned to be completed in 2026, in accordance with the deadline set by the Cabinet of Ministers Regulations.
Title of the measure (incl. reforms/investments)	Purchase of emission-free battery trains
Goal (what should be achieved by the measure?)	Purchase zero-emission battery trains to promote sustainable and diversified urban mobility
Key steps for implementing the measure	1) Procurement 2) Engineering supervision 3) Commissioning and operation
Implementation time	2025-2029
Responsible/co-responsible institution	MoT
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2025(4)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2025 (what was done in 2025?)	1)Project application submitted to CFLA on December 19, 2025 (Agreement on the implementation of the project was concluded on February 23, 2026). 2)Results announced in the tender "Supply of new battery electric multiple units (BEMUs) for passenger transport" (ID: AD 2022/3) on October 13, 2025. 3) On December 11, 2025, a contract was signed with the ŠKODA TRANSPORTATION - ŠKODA VAGONKA Consortium for the manufacture and delivery of BEMUs. The contract provides for the purchase of 16 rolling stock units. Currently, Cohesion Fund financing has been approved for the purchase of 9 rolling stock units. 4) Consultations with suppliers announced on 27.11.2025. AD_2025/10_APSPRIEDE for the planned procurement of "Engineering (technical supervision) services for the supply of battery electric multiple units (BEMUs)". 19.12.2025 Comments from potential suppliers have been reviewed, and no significant changes to the procurement documentation are planned. 5) On 8 December 2025, ATD issued Order No. 2.3/58/2025 establishing the management of the BEMU project. ATD invited representatives from interested parties to be delegated to the BEMU project management structure: SM, AS Pasažieru vilciens, VAS Latvijas dzelzceļš.
Title of the measure (incl. reforms/investments)	Development of a unified public transport ticket information system
Goal (what should be achieved by the measure?)	Improve the functionality of the unified public transport ticket information system to: - comply with the principles of a modular technical solution and microservices architecture,

	<ul style="list-style-type: none"> - be adapted to the principle of "mobility as a service", - be compatible and integrated with all the possible types of transport, - be adapted with the data re-use service components it contains and the requirements of the Latvian transport sector's national access point.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Procurement 2) IS improvement 3) Integration and e-services improvement 4) Introduction of unified ticketing
Implementation time	2025-2028
Responsible/co-responsible institution	MoT
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2022(4); 2023(4)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure;
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>Road Transport Administration (hereinafter - RTA) has prepared a project application proposal for the 'Development of the Single Public Transport Information System', which has been submitted to the Ministry of Smart Administration and Regional Development (hereinafter – MoEPRD), the Ministry of Transport, the Ministry of Defence, the Ministry of Culture, the Data State Inspectorate, the Latvian Association of Local and Regional Governments and the Central Statistical Bureau for approval, as required by Cabinet Regulation No 368.</p> <p>The project funding will be allocated from the European Union's cohesion policy programme 2021. – 2027. According to the decision of MoEPRD, the RTA project is included in the list of projects of phase 1.</p> <p>During the reporting period, a description of the development activity was drawn up for the project 'Development of the Single Public Transport Information System' and, in accordance with Cabinet Regulation No 368 of 4 July 2023 on the procedure for monitoring the development and elimination of information systems and the information and communication technology resources and services necessary for their operation, was sent for approval to the authorities referred to in the Cabinet Regulation. Approvals received:</p> <ul style="list-style-type: none"> • Central Statistical Bureau – approved on 16.10.2025; • Ministry of Culture - approved on 14.10.2025; • Data State Inspectorate - approved on 13.10.2025; • Latvian Association of Local and Regional Governments - approved on 7.10.2025; • Ministry of Transport – approved on 13.11.2025; • Ministry of Defence – approved on 21.11.2025 <p>Approval from MoEPRD is still in process.</p> <p>On 2 April 2025, a call for tenders (AD2025/5) was launched for the maintenance, development and implementation of the Single public transport ticketing system (SPTTS) and related components, the establishment of the single public transport information system platform and user support. The procurement was completed and on 27 June 2025 the procurement commission adopted a decision to award the contract to LLC 'Codex'. On 4 August 2025, the contract 1.18.6/106/2025 'Maintenance, development, implementation of change requests, development of the single public transport ticketing system and related components, development of the single public transport information system platform and user support' was concluded. In order to ensure a full connection of regional public transport to the SPTTS, to ensure data quality and to reduce manual work, RTA has identified priority works to be carried out and, within the framework of the above-mentioned agreement, descriptions of work tasks are prepared, labour intensity assessments are carried out and development of the SPTTS is carried out.</p>

Title of the measure (incl. reforms/investments)	Greening transport energy
Goal (what should be achieved by the measure?)	Diversification of fossil fuel imports; Reducing dependence on fossil fuels
Key steps for implementing the measure	1) Development and adoption of the legal framework (Transport Energy Law and subordinate CoM Regulation) - 2024-2025; 2) CoM CoM Regulation No. 896 of 21 December 2021 “Regulations of the Public Call for Proposals Funded by the Emission Allowance Auctioning Tool “Reduction in Greenhouse Gas Emissions in the Transport Sector - Support for the Purchase of Emission-free and Low-emission Vehicles”” - implementation of activities to be supported under the call for proposals until 31 December 2024 or while the funding under the call for proposals is available; 3) Preparation of CoM Regulation “Regulations of the Public Call for Proposals Funded by the Modernisation Fund “Increasing Energy Efficiency in the Transport Sector - Support for the Introduction of Electric Vehicles and Their Charging Infrastructure””, approval of CoM Regulation - Q3 2024, announcement of the selection of project proposals - Q4 2024, time limit for the implementation of the projects approved under the call for proposals - as specified in each concluded project agreement;
Implementation time	2024-2027
Responsible/co-responsible institution	MoCE
RRF/MFF	-
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2025(4)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights; 3 Energy security
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	1.) The Transport Energy Law entered into force on January 1, 2026. In 2025, draft Cabinet regulations under the responsibility of the Ministry of Climate and Energy were improved. The approval of the regulations is planned for spring 2026. 2.) Within the project call, project implementation continued. In 2025, 3,538 projects were implemented with a total funding amount of EUR 17.48 million from the Emissions Allowance Auctioning Instrument (EAAI). 3.) Within the project call, the implementation of 10 projects continued.
Title of the measure (incl. reforms/investments)	Purchase of zero-emission vehicles for local government functions and services
Goal (what should be achieved by the measure?)	Investments to reduce inequalities, to improve the delivery of local government functions and services, focusing on the mobility of learners while improving the accessibility of the school network, as well as to green public sector transport in Latvia by investing in zero-emission vehicles. Objectives to be achieved and milestones: 1) by 31.12.2022, local governments have adopted a support programme for the purchase of electric buses for the performance of municipal functions and related services; 2) by 31.12.2024, civil contracts or agreements on granting the right to implement projects for the purchase of zero-emission vehicles for the performance of local government functions and execution of the administrative tasks worth at least 8,300,000 EUR in total; 3) by 31.12.2025, 15 zero-emission electric vehicles have been purchased and delivered to local authorities as beneficiaries of funding for municipal transport for learners.
Key steps for implementing the measure	1) Approval of CoM Regulation (25.10.2022); 2) Implementation of the public selection (21.11.2022-28.02.2023) and the additional call (28.03.2023-28.06.2023); 3) Conclusion of contracts and implementation of projects.

Implementation time	01.02.2020.-31.12.2025.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	RRF (CID Annex - Investment 3.1.1.6.i under "COMPONENT No. 3 REDUCING INEQUALITIES")
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2025(4)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights; 3 Energy security
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	3.1.1.6.i
On-track status step	Completed
A brief description of progress for 2025 (what was done in 2025?)	Based on Amendment No. 3 to the RRF Plan (approved on 12 December 2025 by a Council Implementing Decision), the name of the investment was revised to "Purchase of Electric School Buses". The implementation of 14 projects launched in 2023 (with RRP funding in the amount of 7.1 million <i>euro</i>) has been continued (as of 31 December 2025, 13 projects have been completed, while under one contract the project activities have been completed and the compliance verification process for the delivery of one bus is still ongoing), along with the monitoring of progress and implementation of the indicators to be achieved under the investment, in order to attain the objectives and results set for the investment. This includes monitoring the achievement of the 2025 target – within the completed projects, 18 zero-emission vehicles intended for the transportation of pupils have been delivered.
Title of the measure (incl. reforms/ investments)	Promoting the use of zero-emission vehicles in municipalities (Programme (TPTP) 6.1.1.6 (without flexibility in funding indicators and finances))
Goal (what should be achieved by the measure?)	Investments for local governments for the promotion of purchase of zero-emission vehicles, facilitating the transition to a climate-neutral economy. Achievable results: 1) at least 31 zero-emission vehicles purchased to implement municipal functions and provide services; 2) users of new or upgraded public transport - at least 99 694 annually.
Key steps for implementing the measure	1) Approval of CoM Regulation (23.01.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (16.11.2023); 3) Commencement of public selection (29.02.2024); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2021.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA/local governments
RRF/MFF	MFF (JTF)
CSR	2019(3); 2020(3); 2022(4); 2023(4); 2025(4)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights; 3 Energy security
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	From 26 September 2024 to 31 January 2025, an additional call under the open project application selection was implemented.

	The implementation of 12 projects launched in 2024 and 2025 (with JTF funding in the amount of EUR 6.48 million) has been ensured (as of 31 December 2025, three projects have been completed), along with the monitoring of progress and implementation of the indicators to be achieved under the measure, in order to attain the objectives and results set for the measure. As of 31 December 2025, within the completed projects, 11 zero-emission vehicles have been delivered, which are planned to transport 26 343 users per year.
Title of the measure (incl. reforms/investments)	NEW MEASURE: Environmentally friendly improvements to Riga's public transportation system
Goal (what should be achieved by the measure?)	To promote a shift in travel habits within the Riga metropolitan area by creating a public transportation system that is competitive with private transportation, including, in conjunction with micromobility, restructuring traffic flows and creating alternative routes, as well as providing motorists with the option to transfer to public transport, including rail, thereby helping to reduce the negative environmental impact of transportation.
Key steps for implementing the measure	National indicators: 1. Eight mobility hubs have been built at railway stations; 2. A 2.2-kilometer extension of the tram line and a 0.3-kilometer extension of the trolleybus line, both related to the construction of the "Šķirotava" mobility hub, have been completed; 3. A transport hub and related infrastructure, including a dispatch center building in the city of Riga, have been constructed.
Implementation time	2024-31.07.2026
Responsible/co-responsible institution	MoT
RRF/MFF	-
CSR	2025(4)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	1.1.1.2.i.2.
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	4 projects with an implementation deadline by 31 July 2026: 1. Municipality of Adazi - one environmentally friendly mobility point "Carnikava". Completed. 2. Riga municipality - 6 environmentally friendly mobility points in Riga: "Bolderaja", "Dauderi", "Sarkandaugava", "Šķirotava", "Zemitani", and "Ziemeļblazma". Most major works have been completed. 3. Saulkrasti municipality - 1 environmentally friendly mobility point "Saulkrasti". In process. 4. Riga municipal limited liability company "Rigas satiksme": an extension of the tram line of 2.2 km and an extension of the trolley bus line of 0.3 km related to the mobility point "Šķirotava" (major works completed), transport hub (completed), and dispatch point in Riga (completed).
Title of the measure (incl. reforms/investments)	NEW MEASURE: Multimodal public transport network (Station 2.0) (construction of mobility hubs)
Goal (what should be achieved by the measure?)	Promote the development of a multimodal public transport network with rail as the backbone of the public transport system, by establishing public transport hubs while simultaneously promoting micromobility as part of overall mobility.
Key steps for implementing the measure	National targets: 1. At least 5 projects have been implemented by June 30, 2026, under the first selection round; 2. At least 20 projects have been implemented by December 31, 2029, under the first and second rounds; 3. In the event that flexibility funding is allocated, a total of at least 25 projects have been implemented by December 31, 2029.
Implementation time	1. Implementation of projects approved in the first call for proposals by June 30, 2026: 2. Implementation of projects approved in the second call for proposals by December 31, 2029.
Responsible/co-responsible institution	MoT/ CFCA

RRF/MFF	-
CSR	2025(4)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	2.3.1.2. pasākums
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	1. The first cut-off 28.12.2020-28.02.2020, 9 projects approved. At the end of 2025, one mobility point completed, two mobility points are in the completion process, and others will be completed according to schedule. Risks are not identified. 2. The second cut-off is published with the application submission deadline by 9 March 2026.
<i>Policy Area - Digital Infrastructure</i>	
Title of the measure (incl. reforms/ investments)	Digital transformation of public administration, including local governments
Goal (what should be achieved by the measure?)	1) Objectives of the reform "Modernisation and digital transformation of government processes and services": - modernise public administration services by digitally transforming them and focusing on important public administration functions, processes and services that have not yet been digitally transformed or are being newly developed or substantially strengthened; - provide for qualitative and quantitative service metrics as defined in the conceptual model of the public administration service delivery system. 2) Objectives of the reform "Improving the efficiency and interoperability of the use of public ICT resources": - transform the approach to ICT provision in public administration by centralising in competence centres the provision of common ICT shared services in support of multiple institutions; - develop centralised public administration platforms, information systems and shared services and consolidate computing infrastructure services by automating and streamlining delivery processes to facilitate cross-border access to public administration services and consolidating public administration computing and data storage infrastructure services. 3) Objectives of the reform "Development of the economy's data and digital services economy": - ensure the availability and sharing of public and private sector data and services, laying the foundations for the development of a data and platform economy, interoperability with European data spaces and data sharing within the EU; - develop the capacity of the different public sector sectors to manage, share and publish for re-use the datasets they hold.
Key steps for implementing the measure	1 Approval of CoM Regulation - 14.07.2022 2) Approval of the Project Passport by the CoM - from 14.07.2022 3) Harmonisation of the ICT solution descriptions to be developed under the project from 14.07.2022 4) Conclusion of project implementation agreements and implementation of projects.
Implementation time	14.07.2022. - 31.08.2026.
Responsible/co-responsible institution	MoSARD
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2021(1); 2022(1); 2023(1)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-

UN SDG	9 Manufacturing, innovations and infrastructure; 16 Peace, justice, good governance
RRF reform/ investment No.	Reforms: 2.1.1.; 2.1.2.; 2.1.3. Investments: 2.1.1.1.i.; 2.1.2.1.i.; 2.1.2.2.i; 2.1.3.1.i.
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Overall, agreements for the implementation of all 43 projects planned under the respective investments have been concluded. All milestones set up to the fourth quarter of 2025 have been achieved. The implementation of the projects will be completed by 31 May 2026.
Title of the measure (incl. reforms/ investments)	Investment 2.1.2.1.i “Centralised platforms and systems for administration” of the reform 2.1 and investment axis "Digital transformation of public administration, including local governments" of component 2 "Digital transformation" of the RRF plan
Goal (what should be achieved by the measure?)	Digital transformation of public order and security processes, pre-trial and trial proceedings, ruling enforcement and supervisory processes, and related services, including the development of e-Justice. Improvements of the electronic pre-trial, trial and ruling enforcement process are foreseen, reducing both pre-trial and trial periods and ensuring accessibility and transparency of information. The main aim of the improvements is to make administrative, civil, criminal, administrative offence proceedings and ruling enforcement process faster, cheaper, more efficient, more transparent and safer.
Key steps for implementing the measure	The project aims to improve electronic case pre-trial, trial and ruling enforcement, ensuring information availability in the electronic domain to all the participants involved in the proceedings. Activities: 1) improvement of the existing E-file platform sharing solutions; 2) development of new E-file platform sharing solutions; 3) improvement of the Court Information System (CIS); 5) development of the E-file portal; 6) improvement of the State Probation Service Probation Client Accounting System (PLUS) and data exchange on the E-file platform; 7) development of the Prison Administration system (IIS) and data exchange on the E-file platform; 8) development of the Register of State Ensured Legal Aid (RSELA) and the State Compensation Register (SCR) and data exchange on the E-file platform
Implementation time	04.08.2023.-31.05.2026.
Responsible/co-responsible institution	MoJ/MoSARD
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2021(1); 2022(1); 2023(1)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 16 Peace, justice, good governance
RRF reform/ investment No.	2.1.2.1.i
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The project was granted additional funding for the implementation of additional activities, as a result of which amendments to the passport of the project "E-case programme — improvement of investigation and litigation procedures — stage 2" were approved on October 14, 2025 and December 22, 2025. In 2025, key achievements relate to the development of digital services, the improvement of data exchange and the development of systems to ensure more efficient management of justice, probation, prisoner supervision and legal aid processes.
Title of the measure (incl. reforms/ investments)	Action title: "Implementation of the European Maritime Single Window System ESWe".

Goal (what should be achieved by the measure?)	Investments in promotion of digital transition: ensure that all Latvian ports have the same rules harmonised with all the other EU Member State ports for the provision of the information required for a vessel to call at a port, in particular by ensuring that the same data sets can be reported to the maritime single window system of each EU Member State in the same way and to the same extent, as well as facilitating the transfer of information between declarants, controlling authorities and port service providers at the port of call, in addition to information exchange with other Member States.
Key steps for implementing the measure	1) Pre-selection of the project and CoM approval (Q1 2025) 2) Project implementation (Q1 2025 - Q4 2027)
Implementation time	2024 -2027
Responsible/co-responsible institution	MoT
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2022(1); 2023(1)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2025 (what was done in 2025?)	Phase 1 - done. Cabinet Order No. 174 of 26 March 2025 has been adopted and has entered into force, entitled: “On the approval of the Project Passport of the project ‘Implementation of the European Maritime Single Window Environment (EMSWe)’ under Measure 1.3.1.1 ‘Development of ICT solutions and services and creation of opportunities for the private sector’ of Specific Objective 1.3.1 ‘Harnessing the benefits of digitalisation for citizens, businesses, research organisations and public authorities’ of the European Union Cohesion Policy Programme for 2021–2027.” By virtue of the aforementioned Order, the Project Passport has been approved and the legal basis for the commencement of project implementation has been established in accordance with the applicable regulatory framework. Phase 2 – implementation commenced. On 9 July 2025, an agreement was concluded between the Ministry of Transport and the Central Finance and Contracting Agency regarding the implementation of the European Union Fund project No. 1.3.1.1/1/25/I/005 “Implementation of the European Maritime Single Window Environment (EMSWe)”, thereby ensuring the launch of the project in accordance with the approved Project Passport and the applicable financing conditions. For the purpose of ensuring effective project implementation, the necessary project staff have been recruited, namely an ICT Systems Analyst and a Procurement Specialist. Furthermore, Payment Request No. 1 has been prepared and submitted for the reimbursement of project staff remuneration and preparatory activity costs in accordance with the approved project budget and financing plan.
Title of the measure (incl. reforms/ investments)	Investment 2.4.1.2.i "Development of broadband or ultra-high performance "last mile" network infrastructure" of the reform and investment axis "Digital Infrastructure Transformation" of the EU RRF plan 2.4
Goal (what should be achieved by the measure?)	Promote investments in regional development and reduce regional disparities; provide access to broadband connections with ultra-high capacity networks to 6200 households, businesses, hospitals, educational institutions, etc., proportionally in all planning regions.
Key steps for implementing the measure	1) Development of regulatory framework finalised in 2023. 2) 2024 project selection and evaluation. 3) Indicatively in September 2024, CFCA will conclude contracts with the implementers of investment projects.
Implementation time	2022-30.06.2026.
Responsible/co-responsible institution	MoT/ CFCA
RRF/MFF	RRF
CSR	2019(3); 2020(3); 2021(1); 2022(1); 2023(1)

Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 10 Reduced inequality; 11 Sustainable cities and communities
RRF reform/ investment No.	2.4.1.2.i
On-track status step	On-track
A brief description of progress for 2024 (what was done in 2024?)	In 2023, the regulatory framework was developed, and in 2024, following the launch of project selection, five contracts were concluded for Recovery and Resilience Facility (RRF) funding totalling EUR 16 235 769 (one project in each planning region). The initiative aims to provide very high-capacity broadband networks with download speeds of at least 300 Mbps to 6 200 households, businesses, hospitals, educational institutions and other public buildings. As of 31 December 2025, access has been provided to 1 582 households. According to Cabinet of Ministers Regulation No. 753 of 12 December 2023, the initially available RRF funding for the 2.4.1.2.i “last-mile” broadband investment projects amounted to EUR 16 500 000. Amendments introduced by Cabinet of Ministers Regulation No. 386 of 25 June 2025 reallocated the remaining EUR 264 231 to other digital transformation projects.
<i>Policy Area - Transition to Circular Economy</i>	
Title of the measure (incl. reforms/ investments)	Support for the promotion of circular economy
Goal (what should be achieved by the measure?)	Introducing the principles of the circular economy and promoting the recycling of sewage sludge
Key steps for implementing the measure	1) Preparation of CoM regulations for the implementation of measure 2.2.2.3 "Sewage sludge processing" of the European Union cohesion policy for 2021-2027 (1st quarter of 2025), approval of Cabinet regulations (2nd quarter of 2025), implementation of investments (2026-2029).
Implementation time	2026 - 2029
Responsible/co-responsible institution	MoCE
RRF/MFF	MFF
CSR	2024(4); 2025(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	6 Clean water and sanitation; 13 Climate action
RRF reform/ investment No.	-
On-track status step	Not completed
A brief description of progress for 2025 (what was done in 2025?)	Sewage sludge treatment investments were initially planned to be financed from the EU funds programme. According to the Cabinet of Ministers meeting of 25 November 2025 (No. 49, §65), the respective funding of EUR 23.1 million was reallocated to the implementation of health sector priorities. At the same time, the Ministry of Climate and Energy was tasked with assessing alternative sources of financing. In order to ensure the implementation of the Sewage Sludge Management Plan for 2024–2027, as well as the continued development of the municipal sewage sludge management system and compliance with EU environmental requirements, it is planned to attract alternative sources of financing for the implementation of investments.
Title of the measure (incl. reforms/ investments)	Support for sustainable agricultural practices in farming
Goal (what should be achieved by the measure?)	Promote sustainable development and efficient management of natural resources such as water, soil and air, including by reducing dependence on chemicals. 75% of the areas applied for support are managed with sustainable practices

Key steps for implementing the measure	1) Development and approval of laws and regulations for the transition period 2020-2021 2) Development of the CAP SP 2023-2027 and harmonisation thereof with the EC 2) Development and approval of laws and regulations (2023 - 2024) 3) Implementation of support actions from 2023-2029
Implementation time	2023.-2029.g
Responsible/co-responsible institution	MoA/RSS; SPPS (State Plant Protection Service)
RRF/MFF	MFF
CSR	2024(4); 2025(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	6 Clean water and sanitation; 13 Climate action; 14 Life in the water; 15 Life on Earth
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	For the 2024 financial year, a total of EUR 122.94 million was paid for the implementation of sustainable agricultural practices, i.e. under area-based eco-schemes and agri-environmental support, including EU funding of EUR 89.94 million under the European Agricultural Guarantee Fund (EAGF), EUR 25.07 million under the European Agricultural Fund for Rural Development (EAFRD), and EUR 7.93 million in national co-financing and additional funding. According to data provided by the Rural Support Service, in the 2024 financial year 88% of the areas applied for basic income support were managed using sustainable practices. For the 2025 financial year, a total of EUR 133.75 million was paid for the implementation of sustainable agricultural practices, i.e. under area-based eco-schemes and agri-environmental support, including EU funding of EUR 92.45 million under the EAGF, EUR 24.12 million under the EAFRD, and EUR 17.18 million in national co-financing and additional funding. According to data provided by the Rural Support Service, in the 2025 financial year 79% of the areas applied for basic income support were managed using sustainable practices. For the 2026 financial year (the 2025 calendar year), payments for area-based eco-schemes and agri-environmental support will be made by June 30, 2026.

See also other measures that promote the transition to a circular economy, such as investments to promote the green transition, etc.

Policy Area - Public Administration Efficiency

Title of the measure (incl. reforms/ investments)	Improvement of the efficiency of public administration
Goal (what should be achieved by the measure?)	The first action line "Unified and Efficient Public Administration" of the Modernisation Plan for Public Administration 2023-2027 (approved by the CoM CoM decision No. 240 of 8 May 2023) provides for that the improvement of the efficiency and effectiveness of public administration will be promoted through the implementation of the following actions: 1) Established performance monitoring system for public administration authorities, with the aim of further regular assessment of the performance of public administration authorities in areas such as human resources, expenditure, data-driven policy-making and service provision; 2) Improved internal control system to carry out priority internal audits on making the institutional processes more efficient and the achievement of nationally important objectives and interdepartmental internal audits; 3) A single information portal has been developed to provide the public with accessible information on public administration performance.

Key steps for implementing the measure	<ol style="list-style-type: none"> 1. Information on making the institutional processes more efficient has been integrated into the authorities' strategies and annual reports; 2. 2.1 Conduct an assessment of the internal control system; 2.2 Continue to carry out simultaneous internal audits of similar processes in line with the risk assessment in the relevant line authorities; 2.3 Ensure mutual cooperation and, where possible, interdepartmental internal teams; 3. A single information portal on government performance and policy results is up and running.
Implementation time	<ol style="list-style-type: none"> 1. 2023-2024 2. 2024-2025 3. 2024-2025
Responsible/co-responsible institution	<ol style="list-style-type: none"> 1. State Chancellery, MoF 2. MoF, State Chancellery 3. State Chancellery, MoF
RRF/MFF	-
CSR	2019(4)
Common EU priorities	-
European Pillar of Social Rights	Fair working conditions
UN SDG	8 Decent work and economic growth; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2025 (what was done in 2025?)	<p>In order to evaluate the functioning of the internal control system, promote inter-institutional cooperation, and promote the evaluation of resources used in the processes or functions, tasks or public service delivery of institutions or structural units with the aim of reducing the administrative and bureaucratic burden, as well as to consider other opportunities to increase the efficiency of processes and expenditure, which may reduce costs and improve performance, the Cabinet of Ministers issued Order No. 308 of 29 May 2025 "On common priorities to be audited in public administration in 2025 and 2026". Based on the order of the Cabinet of Ministers, inter-institutional audits are carried out, and recommendations are made aimed at improving operational efficiency, optimizing processes, and improving internal regulations.</p> <p>In addition, a methodological guide for internal auditors has been developed, which is dedicated to reducing administrative and bureaucratic burdens and evaluating the effectiveness of expenditures. The guide consists of five thematic chapters and four annexes, covering both theoretical foundations and practical tools (examples) that auditors can adapt to the specific audit objective and context.</p> <p>In 2025, strategic planning guidelines for public administration institutions were updated, including confirmation that prior to the approval of the institution's current operational strategy (IDS) or before its update, the State Chancellery cooperates with the ministry's contact person and ensures that the IDS includes measures to improve the organization's efficiency, including reducing the administrative burden on the institution. Before the IDS implementation assessment (during the preparation of the annual report), the State Chancellery, in cooperation with the ministry's contact person, ensures that a data-based approach is applied to the assessment of the institution's operational efficiency. The State Chancellery has started closer cooperation with ministries, promoting a data-based approach to the development and assessment of the IDS. The public administration monitoring system will collect and analyze information on the performance indicators of institutions, which will meet the needs of both institutional managers and sectoral policy planners for data-driven decision-making.</p> <p>The Cabinet of Ministers approved Order No. 902 of 23 December 2025 "On approval of project passports for the data analysis area of measure 1.3.1.1. "Development of ICT solutions and services and creation of opportunities for the private sector" under the specific support objective 1.3.1. "Reaping the benefits of digitalization for citizens, enterprises, research organizations and public institutions" of the European Union Cohesion Policy Programme 2021–2027". With this order, the Cabinet of Ministers approved the passport of the project "Single information portal for public administration activities and policy results" (Annex 3) and the project costs in the amount of EUR 250 000 (European Regional Development Fund</p>

	funding in the amount of EUR 212 500 and state budget funding in the amount of EUR 37 500), included the project in the 1.3.1.1. in the list of projects to be supported by the measure and determined the State Chancellery as the project applicant and responsible for the implementation of the project and the achievement of the results (including financial, result and benefit indicators) planned in the project passport. The State Chancellery has implemented a public procurement for the development of a description of the business processes and technical specifications of the data portal and a contract for the performance of these works will soon be concluded with the winner of the competition.
Title of the measure (incl. reforms/investments)	Governance and improvement of the efficiency of state capital companies
Goal (what should be achieved by the measure?)	1. Improve the amount of information available to the public; 2. Reduce conflicts of interest and publish binding information; 3. Improve the oversight and efficiency of state capital companies by implementing OECD guidelines
Key steps for implementing the measure	1. Amendments to the law (2020–2024) 2. Amendments to Cabinet regulations (2020, 2022) 3. Guidelines developed (2020–2024)
Implementation time	1.-3. 2019-2024. g.
Responsible/co-responsible institution	State Chancellery
RRF/MFF	-
CSR	2019(4)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2025 (what was done in 2025?)	In 2019 and 2021, with the support of the European Commission SRSS (TSI), two studies titled “State Ownership Policy Review” (Parts 1 and 2) were carried out. The recommendations of these studies led to the introduction of several improvements in the governance of state and municipal capital companies. In 2025, extensive amendments to the Law on the Governance of Capital Shares and Capital Companies of a Public Person were submitted to the <i>Saeima</i> , continuing the implementation of effective corporate governance measures for capital companies. On 19 June 2025, amendments to the Law on the Governance of Capital Shares and Capital Companies of a Public Person were also adopted, introducing a specific procedure under which public persons may sell capital shares owned by them through a public offering of securities, namely by listing them on a stock exchange. On 25 June 2025, the Cabinet of Ministers approved Regulation No. 392 “Procedure for Determining the Number and Remuneration of Management Board and Supervisory Board Members in the Management of Capital Shares of a Public Person”. These regulations further strengthen the remuneration framework and promote a shared understanding of targeted, results-based incentives for management that serve the public interest. In 2025, work continued on the development of new guidelines for determining remuneration, as well as guidelines for the development of strategies, and preparations were undertaken for the introduction of a new information system for the management of state capital shares.
Title of the measure (incl. reforms/investments)	Management and improvement of the efficiency of municipal capital companies
Goal (what should be achieved by the measure?)	1. Improve the amount of information available to the public; 2. Improve the supervision of municipal capital companies

Key steps for implementing the measure	1. Amendments to the law (2020-2024) 2. Guidelines developed (2020-2024)
Implementation time	1.-2. 2019-2024. g.
Responsible/co-responsible institution	MoSARD, State Chancellery
RRF/MFF	-
CSR	2019(4)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	Delayed
A brief description of progress for 2025 (what was done in 2025?)	In 2019 and 2021, with the support of the European Commission SRSS (TSI), two studies titled “State Ownership Policy Review” (Parts 1 and 2) were carried out. The recommendations of these studies led to the introduction of several improvements in the governance of state and municipal capital companies. In 2025, extensive amendments to the Law on the Governance of Capital Shares and Capital Companies of a Public Person were submitted to the <i>Saeima</i> , continuing the implementation of effective corporate governance measures for capital companies. On 19 June 2025, amendments to the Law on the Governance of Capital Shares and Capital Companies of a Public Person were also adopted, introducing a specific procedure under which public persons may sell capital shares owned by them through a public offering of securities, namely by listing them on a stock exchange. On 25 June 2025, the Cabinet of Ministers approved Regulation No. 392 “Procedure for Determining the Number and Remuneration of Management Board and Supervisory Board Members in the Management of Capital Shares of a Public Person”. These regulations further strengthen the remuneration framework and promote a shared understanding of targeted, results-based incentives for management that serve the public interest. In 2025, work continued on the development of new guidelines for determining remuneration, as well as guidelines for the development of strategies, and preparations were undertaken for the introduction of a new information system for the management of state capital shares.
Title of the measure (incl. reforms/ investments)	Improvement of the framework for prevention of the conflict of interest
Goal (what should be achieved by the measure?)	Provide training for judges on corruption issues
Key steps for implementing the measure	1) The 2024 training programme includes also training on the issues identified in the "Current MLTPF risks in the National Risk Assessment. MLTPF risks in real estate transactions". 2) The following potential training topics are included in the Judicial Academy's programme "Professional Development for Experienced Judges": - criminal cases concerning property criminal offences, which may constitute a predicate offence for Section 195 of the CC; - current issues on money laundering; - prevention of money laundering in administrative proceedings; - corruption offences.
Implementation time	2024-2028
Responsible/co-responsible institution	JA “Justice Academy” project
RRF/MFF	RRF
CSR	2019(4)

Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	16 Peace, justice, good governance
RRF reform/ investment No.	6.2.1.3.i
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>On corruption issues, the following lessons were held in 2025:</p> <p>1. 11.04.2025. Current issues in the application of the OECD Convention. 11 Judges, 1 Assistant Judge; The training also included issues such as: - has Latvia fulfilled the OECD Convention requirement that each Party take such measures as may be necessary to establish its jurisdiction over the bribery of foreign officials if the offence was committed in whole or in part in its territory (Article 4 of the Convention)? - has Latvia fulfilled the requirement of the OECD Convention to criminalise the promise of bribe?</p> <p>2. 10.06.2025. The problem of the classification of a criminal offence provided for in Section 195 of the Criminal Law in conjunction with the composition of the criminal offence provided for in Sections 193, 193.1 and 195.1 of the Criminal Law. 9 judges, 29 assistant judges.</p> <p>3. on October 22, 2025, the seminar “Law on Prevention of conflict of interest in theory and practice” was held for new judges and a small group - 6 new judges took part.</p> <p>4. 07.11.2025. Current developments in money laundering – 8 judges, 14 assistant judges.</p>
Title of the measure (incl. reforms/ investments)	Learning from Iceland's experience as a small state in the fight against corruption
Goal (what should be achieved by the measure?)	To learn about Iceland's experience in preventing corruption, including the legal framework for prevention of the conflict of interest, its application, application problems and possible solutions, the corruption risk prevention/mitigation system, integrity promotion actions, and involvement of private sector in the prevention of corruption. (improve the anti-corruption system in Latvia, including by improving the conflict of interest risk management, corruption risk management system, contribute to reducing the risks of political corruption and increase involvement of private sector in the prevention of corruption.)
Key steps for implementing the measure	In-person visit to Iceland
Implementation time	2025
Responsible/co-responsible institution	Corruption Prevention and Combating Bureau
RRF/MFF	-
CSR	2019(4)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	Completed

A brief description of progress for 2025 (what was done in 2025?)	<p>In March 2025, representatives of KNAB met with representatives of the Prime Minister's Office, Ministry of Finance and Economic Affairs, Icelandic National Commissariat and Road Administration during a visit to Iceland supported by EEA and Norway Grants Latvia. The visit explored Iceland's experience in preventing conflicts of interest, corruption and its risks, promoting integrity and involving the private sector in the fight against corruption.</p> <p>"In Latvia, we are carrying out a large-scale reform of conflict of interest regulation. Iceland's experience and examples as a small country strengthened our confidence that the reform we have initiated is feasible and similar ideas have already been successfully implemented in Iceland," said Sandijs Vectēvs, Deputy Head of the KNAB for Strategy and Policy Planning, after the visit.</p> <p>Latvia and Iceland are small countries with a small population, therefore the examples learned during the visit will help improve Latvia's practice of preventing conflicts of interest, preventing corruption and promoting integrity.</p> <p>https://www.facebook.com/KNAB.LV/posts/pfbid0kQaHXNhiaHMEiNHkgsFLty7k8EQmZHvcvspHWsZJ9XwgATM4i7bDQwSmpefqzrfG1</p>
Title of the measure (incl. reforms/ investments)	Learning from Norway's experience as a country with traditionally high scores on various corruption measurements
Goal (what should be achieved by the measure?)	<p>Learn from Norwegian experience on conflict of interest risk management, corruption risk management system in institutions and state-owned enterprises, problem of political corruption and ways to tackle it, strategic analysis-based planning of anti-corruption activities at national level and involvement of private sector in the prevention of corruption. (improve the anti-corruption system in Latvia, including by improving the conflict of interest risk management, corruption risk management system, contribute to reducing the risks of political corruption and increase involvement of private sector in the prevention of corruption.)</p>
Key steps for implementing the measure	<p>In-person visit to Norway</p>
Implementation time	<p>2025</p>
Responsible/co-responsible institution	<p>Corruption Prevention and Combating Bureau</p>
RRF/MFF	<p>-</p>
CSR	<p>2019(4)</p>
Common EU priorities	<p>-</p>
European Pillar of Social Rights	<p>-</p>
UN SDG	<p>16 Peace, justice, good governance</p>
RRF reform/ investment No.	<p>-</p>
On-track status step	<p>Not completed</p>
A brief description of progress for 2025 (what was done in 2025?)	<p>Due to the passing of the organizing contact person, the on-site visit to Norway did not take place.</p>
<p><i>Other reforms/investments aimed at implementing common EU priorities as referred to in Article 13 of Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on effective coordination of economic policies and multilateral surveillance of budgetary surveillance and repealing Council Regulation (EC) No. 1466/97</i></p>	
<p><i>Just green and digital transition</i></p>	
Title of the measure (incl. reforms/ investments)	Local Government Adaptation to Climate Change (Program 2.1.3.1, Phases 1 and 2)
Goal (what should be achieved by the measure?)	<p>Investments for the promotion of green transition to support infrastructure creation and renovation activities aimed at adaptation of municipalities to climate change and reduction of climate change-caused disaster risk.</p> <p>Achievable results:</p> <p>1) Actions implemented in 10 national and local strategies focusing on climate change adaptation;</p>

	<p>2) 21 ha area of green infrastructure created or upgraded to adapt to climate change;</p> <p>3) Protection of shoreline and river banks, and lake coasts against the flood newly created or reinforced.</p>
Key steps for implementing the measure	<p>Round 1:</p> <p>1) Approval of Cabinet of Ministers regulations (May 7, 2024);</p> <p>2) Approval of project application evaluation criteria by the EU Funds Monitoring Committee (November 22, 2023);</p> <p>3) Launch of the open call for proposals (June 26, 2024);</p> <p>4) Signing of contracts and project implementation.</p> <p>Round 2:</p> <p>1) Approval of amendments to the Cabinet of Ministers' regulations (February 10, 2026);</p> <p>2) Approval of project application evaluation criteria by the EU Funds Monitoring Committee (January 29, 2026);</p> <p>3) Launch of the open call for proposals (March 9, 2026);</p> <p>4) Signing of contracts and project implementation.</p>
Implementation time	<p>Phase 1:</p> <p>January 1, 2021–December 31, 2027</p> <p>Phase 2:</p> <p>January 1, 2021–December 31, 2029</p>
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>On 10.02.2026, amendments to Cabinet Regulation No. 284 of 07.05.2024 were approved, supplementing them with the conditions for the implementation of the second round of project application.</p> <p>1st round: implementation of 23 projects starting in 2025 (with ERDF funding of EUR 33.04 million) has been ensured (one project completed as of 31.12.2025), as well as monitoring of the progress in order to achieve the objectives and results set in the measure is ensured.</p> <p>2nd round: project application evaluation criteria were reviewed by the thematic subcommittee on 18.12.2025 and approved by the Monitoring Committee on 29.01.2026. It is planned to announce the selection in near future.</p>
Title of the measure (incl. reforms/ investments)	Flood and coastal erosion actions of national importance (Programme 2.1.3.2)
Goal (what should be achieved by the measure?)	<p>Investments for the promotion of green transition to renovate, rebuild and construct infrastructure in flood risk areas of national importance which prevents flood risk, reduce flooding and coastal erosion.</p> <p>Achievable results:</p> <p>1) Protection of shoreline and river banks, and lake coasts against the flood newly created or reinforced in the length of 15 km;</p> <p>2) 91 ha of green infrastructure created or upgraded to adapt to climate change;</p> <p>3) number of residents benefiting from flood defence measures – 20 272;</p> <p>4) number of residents having access to new or improved “green” infrastructure – 20 006.</p>
Key steps for implementing the measure	<p>For Round 1:</p> <p>1) Approval of the CoM Regulation (27.06.2023);</p>

	<p>2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (30.06.2023);</p> <p>3) Commencement of the restricted selection (24.07.2023);</p> <p>4) Conclusion of contract and project implementation.</p> <p>For Round 2:</p> <p>1) Approval of the CoM Regulation (30.04.2024);</p> <p>2) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (15.03.2024);</p> <p>3) Commencement of the restricted selection (13.06.2024);</p> <p>4) Conclusion of contracts and implementation of projects.</p>
Implementation time	<p>For Round 1: 01.01.2023-31.12.2025</p> <p>For Round 2: 01.01.2023-31.12.2029</p>
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>1st round: the implementation of the project launched in 12.12.2023 (with ERDF funding of EUR 14.4 million) was ensured, as well as monitoring the progress and implementation of the indicators to be achieved in the measure, in order to achieve the objectives and results set in the measure. The project activities were actually completed in December 2025, ensuring that a 6.4 km long coastline was strengthened, green infrastructure was created in an area of 7.88 ha, and 4 000 residents were protected against floods.</p> <p>2nd round: The implementation of the limited selection of project applications announced on 13.06.2024 (the project application must be submitted after receiving an invitation, but no later than by 01.03.2026), within which three project applications have been submitted by 31.12.2025 (as of 31.12.2025 one project application is still in the evaluation process). By 11.02.2026 one project in Ventspils has been completed, thus protecting 16 464 residents against floods. Supervision of the implementation of two projects launched in 2025 (with ERDF funding of EUR 3.6 million) has been ensured.</p>
Title of the measure (incl. reforms/ investments)	Development of wastewater and sludge management systems to reduce pollution (Program 2.2.1.1, Round 1, 2, and 3)
Goal (what should be achieved by the measure?)	<p>Investments for the promotion of green transition to support the development and renovation of wastewater and sludge treatment infrastructure in agglomerations subject to stricter requirements in the coming years, including to improve the efficiency of water management services, provide adequate infrastructure capacity, improve operational efficiency and reduce pollution.</p> <p>Achievable results:</p> <p>1) at least 15 enterprises (including micro, small, medium and large enterprises) supported;</p> <p>2) number of residents benefiting from improved quality and efficiency of wastewater treatment (having regard to the base value 656 710) - at least 713 510.</p> <p>3) In the third round—residents for whom the efficiency of public water services has been improved.</p>
Key steps for implementing the measure	<p>Round 1:</p> <p>1) Approval of Cabinet of Ministers regulations (May 7, 2024);</p> <p>2) Approval of project application evaluation criteria by the EU Funds Monitoring Committee (February 29, 2024; amendments May 22, 2024);</p>

	<p>3) Launch of the open call for proposals (June 19, 2024); 4) Signing of contracts and project implementation.</p> <p>Round 2:</p> <p>1) Approval of Cabinet of Ministers regulations (July 1, 2025); 2) Approval of exceptions to project application evaluation criteria by the EU Funds Monitoring Committee (June 9, 2025); 3) Launch of the restricted selection process (July 10, 2025); 4) Contract signing and project implementation.</p> <p>Round 3:</p> <p>1) Approval of Cabinet of Ministers regulations (July 22, 2025); 2) Approval of project application evaluation criteria by the EU Funds Monitoring Committee (September 16, 2025); 3) launch of the open call for proposals (October 22, 2025); 4) signing of contracts and project implementation.</p>
Implementation time	01.01.2021.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	6 Clean water and sanitation; 9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>1st round: From 28.12.2024 to 28.03.2025 the second call for open selection of project applications was implemented. The implementation of 17 projects launched in 2025 (for ERDF funding of EUR 30.4 million) was ensured, as well as monitoring of the progress in order to achieve the objectives and results set in the measure is ensured.</p> <p>2nd round: On 01.07.2025 Cabinet Regulation No. 406 "Implementation Regulations for the Second Round of Project Application Selection for the Measure 2.2.1.1. "Development of Wastewater and Sludge Management System for Pollution Reduction" of the Specific Support Objective 2.2.1. of the European Union Cohesion Policy Programme 2021–2027" were approved. Exception to the project application evaluation criteria regarding the application of common criteria and common selection criteria was approved by the Monitoring Committee on 09.06.2025. From 10.07.2025 to 10.09.2025 limited selection of project applications was implemented (project applicant SIA "Rīgas ūdens"). The implementation of the project starting in 2025 (with ERDF funding of EUR 22.3 million) has been ensured, as well as monitoring of the progress in order to achieve the objectives and results set in the measure is ensured.</p> <p>3rd round: On 22.07.2025 Cabinet Regulation No. 471 "Implementation Regulations for the Third Round of Project Application Selection under the Specific Support Objective 2.2.1. "Promoting Sustainable Water Management" of the European Union Cohesion Policy Programme 2021–2027 2.2.1. Measure 2.2.1.1. "Development of Wastewater and Sludge Management System for Pollution Reduction"" were approved. The project application evaluation criteria were approved by the Monitoring Committee on 16.09.2025. The implementation of the open project application selection announced on 22.10.2025 continues (with the project application submission deadline of 02.03.2026).</p>
Title of the measure (incl. reforms/ investments)	Waste sorting, recycling and recovery (Programme 2.2.2.1 (all 3 rounds))

Goal (what should be achieved by the measure?)	Investments for the promotion of green transition to support the establishment of new waste treatment facilities and the development of regional waste management systems in line with the priorities set out in the regional waste management plans, thus contributing to the transition to a circular economy. Achievable results: 1) Ensured additional waste treatment capacity of 60 000 t/year: Round 1 – 30 000 t/year; Round 2 – 30 000 t/year; 2) 8 enterprises supported (including micro, small, medium and large enterprises): Round 1 - 3 traders; Rounds 2, 3 - 5 traders; 3) volume of recycled waste 205 000 t/year: Round 1 – 102 500 t/year; Round 2 – 102 500 t/year; 4) Increase in volume of sorted waste: Round 2 - by 500 t/year.
Key steps for implementing the measure	Phase 1: 1) Approval of Cabinet of Ministers regulations (March 26, 2024); 2) Approval of project application evaluation criteria by the EU Funds Monitoring Committee (November 22, 2023); 3) Launch of the open call for proposals (May 2, 2024); 4) Signing of contracts and project implementation. Rounds 2–3: 1) Development of Cabinet of Ministers regulations and commencement of coordination with the TAP (3rd quarter of 2024); 2) Approval of Cabinet of Ministers regulations (4th quarter of 2024); 3) Review of project application evaluation criteria by the thematic subcommittee (Q3 2024); 4) Approval of project application evaluation criteria by the EU Funds Monitoring Committee (Q4 2024); 5) Launch of open or restricted selection procedures for each round separately (Q1–Q2 2025); 6) Contract signing and project implementation.
Implementation time	Phase 1: July 1, 2023–December 31, 2029 Phases 2–3: January 1, 2023–December 31, 2029
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4); 2025(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 12 Responsible consumption and production; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	1st round: The implementation of nine projects launched in 2024 and 2025 (with CF funding of EUR 20 million) has been ensured (as of 31.12.2025, one project has been completed, establishing a waste processing facility with a capacity of 11,660 t/year), as well as monitoring the progress and implementation of indicators to be achieved in the measure, in order to achieve the objectives and results set in the measure. 2nd round: Amendments (04.11.2025) to the Cabinet of Ministers' Regulations No. 892 of 17.12.2024 were approved to specify the funding available in the second and third selection rounds. From 29.01.2025. to 29.04.2025. the first call for open selection of project applications was implemented. The implementation of eight projects launched in 2025 (with CF funding of EUR 9.11 million) was ensured, as well as monitoring of the progress and implementation of the indicators to be achieved in the event in order to achieve the goals and results set in the event. The implementation of the second call for open selection of project applications announced on 12.11.2025 was continued (with the deadline for submitting project applications on 12.02.2026).

	<p>3rd round: Amendments (04.11.2025) to the Cabinet of Ministers' Regulations No. 892 of 17.12.2024 were approved to specify the funding available in the second and third selection rounds.</p> <p>From 09.05.2025. to 11.08.2025. the first call for limited selection of project applications was implemented. The implementation of four projects launched in 2025 (for CF funding in the amount of 16.36 million EUR) was ensured, as well as monitoring of the progress and implementation of indicators to be achieved in the measure in order to achieve the goals and results set in the measure. As of 11.02.2026. a total of six contracts have already been concluded (for CF funding in the amount of EUR 20.87 million). Implementation of the second call for the announced limited selection of project applications (with the deadline for submitting project applications on 17.03.2026) continued.</p>
Title of the measure (incl. reforms/investments)	Separate waste collection (Programme 2.2.2.2 (both rounds))
Goal (what should be achieved by the measure?)	<p>Investments for the promotion of green transition to develop separate waste collection system, preparation for re-use, recycling and recovery.</p> <p>Achievable results:</p> <ol style="list-style-type: none"> 1) 4 enterprises supported (including micro, small, medium and large enterprises); 2) 9 500 t/year increase in sorted waste: Round 1 – 4 750 t/year; Round 2 – 4 750 t/year.
Key steps for implementing the measure	<p>For Round 1:</p> <ol style="list-style-type: none"> 1) Approval of the CoM Regulation (26.03.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (18.12.2023); 3) Commencement of the public selection (15.05.2024); 4) Conclusion of contracts and implementation of projects. <p>For Round 2:</p> <ol style="list-style-type: none"> 1) Development of CoM Regulation and commencement of harmonisation on TAP (03.04.2024); 2) Approval of the CoM Regulation (Q3 2024); 3) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (04.06.2024); 4) Commencement of the public selection (Q3 2024); 5) Conclusion of contracts and implementation of projects.
Implementation time	<p>For Round 1: 03.04.2024-31.12.2025</p> <p>For Round 2: 01.01.2023-31.12.2027</p>
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4); 2025(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 12 Responsible consumption and production; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	1st round: The implementation of 11 projects launched in 2024 and 2025 (with CF funding of EUR 1.6 million) has been ensured (as of 31.12.2025, two projects have been completed, final payments have been submitted for the remaining 9 projects by the end of 2025, the review of which may

	<p>take several months), as well as monitoring of the progress and implementation of indicators to be achieved in the measure in order to achieve the objectives and results set in the measure. As of 11.02.2026, a total of six projects have already been completed.</p> <p>2nd round: On 18.03.2025 amendments to the Cabinet of Ministers' Regulations No. 602 of 10.09.2024 were approved to ensure the redistribution of unused funding in the first round to the second round.</p> <p>On 08.07.2025 amendments to the Cabinet of Ministers' Regulations No. 602 of 10.09.2024 were approved to ensure the redistribution of the 4th round of ERDF funding of EUR 916 629 of measure 2.2.3.6. "Implementation of air pollution reduction measures by improving household heating systems" to the 2nd round of measure 2.2.2.2 (to ensure financing for project applications submitted in the selection round that complied with the selection regulations and were rejected due to the limited amount of funding).</p> <p>From 15.10.2024. to 31.01.2025. an open selection of project applications was implemented. The implementation of 14 projects launched in 2025 (with CF funding of EUR 3.06 million) has been ensured, as well as monitoring of the progress and implementation of the indicators to be achieved in the measure, in order to achieve the objectives and results set in the measure.</p>
Title of the measure (incl. reforms/investments)	Actions to promote environmental education for public awareness and skills development (Programme 2.2.3.2)
Goal (what should be achieved by the measure?)	<p>Investments for the promotion of green transition to promote general public awareness and education on biodiversity and climate issues and general environmental processes, improve public environmental awareness by investing in the improvement and development of the infrastructure of national park nature centres (which are also tourist attractions), providing modern content and methods to raise public awareness on biodiversity, climate issues and general environmental processes.</p> <p>Achievable results:</p> <ol style="list-style-type: none"> 1) 4 cultural and tourism sites supported; 2) Total number of visitors to cultural and tourism sites supported – 201 000.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Approval of CoM Regulation (09.07.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (02.11.2023, amended on 11.06.2024); 3) Commencement of the restricted selection (09.08.2024); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2023.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4); 2025(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>On 20.05.2025, amendments to the Cabinet of Ministers' Regulation No. 449 of 09.07.2024 were approved, specifying the target territory for implementation, amount of finance, as well as other conditions, in order to ensure the fastest possible implementation of projects.</p> <p>The implementation of the limited selection of project applications announced on 09.08.2024 (with the deadline for submitting project applications on 30.06.2026) continued, within which two project applications were submitted by 31.12.2025. The implementation of both projects launched in 2025 (for ERDF funding of EUR 8.1 million) was ensured.</p> <p>In 2026, amendments are planned to be made to the implementing Cabinet of Ministers' Regulations, increasing the funding available for the event by EUR 2 million.</p>

Title of the measure (incl. reforms/investments)	Actions to promote and preserve biodiversity (Programme 2.2.3.3)
Goal (what should be achieved by the measure?)	Investments for the promotion of green transition to improve nature conservation and biodiversity through the development of nature management plans for specially protected nature areas, as well as the implementation of conservation and management actions for specially protected nature areas in <i>Natura 2000</i> sites, including habitat restoration and establishment of infrastructure to reduce anthropogenic pressures, implementation of species conservation plans, creation of green infrastructure elements outside <i>Natura 2000</i> sites. Achievable results: 1) 76 004 ha of <i>Natura 2000</i> sites covered by protection and restoration actions; 2) 11 061 ha of degraded ecosystems restored.
Key steps for implementing the measure	Rounds 1, 2: 1) Approval of CoM Regulation (26.03.2024, amendments of 04.06.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (05.12.2023); 3) Commencement of the selection (for Round 1 - restricted selection on 26.04.2024; for Round 2 - public selection on 29.04.2024); 4) Conclusion of contracts and implementation of projects. Rounds 3, 4: 1) Development of CoM Regulation and commencement of harmonisation on TAP (Q3 2024); 2) Approval of CoM Regulation (18.02.2025); 3) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (05.02.2025); 5) Start of the selection process (Round 3 – limited selection on March 21, 2025; Round 4 – open selection on April 1, 2025); 6) Conclusion of contracts and implementation of projects.
Implementation time	Rounds 1, 2: 01.01.2023-31.12.2027 Rounds 3, 4: 2025-2029
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action; 15 Life on Earth
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	1st round: The implementation of the agreement concluded on 03.09.2024 (for ERDF funding in the amount of EUR 2.5 million) has continued, as well as monitoring the progress and implementation of the indicators to be achieved in the measure, in order to achieve the objectives and results set in the measure. 2nd round: The implementation of eight contracts concluded in 2024 and 2025 (for ERDF funding of EUR 1.69 million) for the development of ten Natura 2000 nature protection plans has been ensured, as well as monitoring of the progress and implementation of the indicators to be achieved in the measure in order to achieve the objectives and results set in the measure. 3rd round:

	<p>On 18.02.2025 Cabinet Regulation No. 107 "Implementation regulations for the third and fourth selection rounds of project applications under the specific support objective 2.2.3. "Improving nature protection and biodiversity, "green" infrastructure, especially in urban areas, and reducing pollution" of the European Union Cohesion Policy Programme 2021–2027, measure 2.2.3.3 "Measures to promote and preserve biodiversity"" was approved. The criteria for evaluating project applications were approved by the Monitoring Committee of EU funds on 05.02.2025. The implementation of the limited selection of project applications announced on 21.03.2025 (with a project application submission deadline of 30.12.2027) has been ensured, within which one project application has been submitted by 31.12.2025. The implementation of the project launched in 2025 (with ERDF funding of EUR 8.3 million) has been ensured, within which the Natura 2000 area of 16 028.17 ha will be restored and protected and degraded ecosystems of 4 900.98 ha will be restored.</p> <p>4th round:</p> <p>On 18.02.2025 Cabinet Regulation No. 107 "Implementation regulations for the third and fourth selection rounds of project applications under the specific support objective 2.2.3. "Improving nature protection and biodiversity, "green" infrastructure, especially in urban areas, and reducing pollution" of the European Union Cohesion Policy Programme 2021–2027, measure 2.2.3.3 "Measures to promote and preserve biodiversity"" was approved.</p> <p>The criteria for evaluating project applications were approved by the Monitoring Committee of EU funds on 05.02.2025.</p> <p>From 01.04.2025. to 30.09.2025. an open selection of project applications was implemented, within the framework of which 12 project applications were submitted, on 05.12.2025. decisions were sent out, approving nine projects with conditions, but rejecting three project applications due to insufficient funding. The evaluation process of submitted project applications will continue until 31.12.2025.</p>
Title of the measure (incl. reforms/ investments)	Development of environmental monitoring for the provision harmonised environmental and climate data information (Programme 2.2.3.4 (MoSARD has only Round 1))
Goal (what should be achieved by the measure?)	<p>Investments for the promotion of green transition to provide the public and institutions with timely, high-quality and comprehensive information on changes in the state of the environment by developing the functioning of the national environmental monitoring and control system and implementing systematic, regular and targeted monitoring and measurements of the state of the environment.</p> <p>Achievable results:</p> <ol style="list-style-type: none"> 1) Air pollution monitoring systems installed in 2 air quality zones; 2) Investments made in new or upgraded disaster monitoring, preparedness, warning and response systems for natural disasters in the amount of EUR 10 875 000; 3) Climate and environmental monitoring provided at 242 sites.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Approval of CoM Regulation (13.07.2023); 2) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (01.06.2023); 3) Launch of the restricted selection (11.08.2023); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2023.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4); 2025(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2025 (what was done in 2025?)	The implementation of both contracts concluded on 05.02.2024 (for ERDF funding in the amount of EUR 9.24 million) has continued, as well as monitoring the progress and implementation of the indicators to be achieved in the measure, in order to achieve the objectives and results set in the measure.
Title of the measure (incl. reforms/ investments)	Actions to reduce air pollution in municipalities (Programme 2.2.3.5 (two rounds; no flexibility funding planned))
Goal (what should be achieved by the measure?)	Investments for the promotion of green transition to reduce the negative impact of air pollution on the environment and human health by implementing actions to reduce air pollution in accordance with the Riga State City, Liepāja State City and Rēzekne State City Air Quality Improvement Action Programmes. Outcome to be achieved: number of residents benefiting from air quality actions – 49 872.
Key steps for implementing the measure	1) Approval of CoM Regulation (16.01.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (06.10.2023); 3) Commencement of the restricted selection (for Round 1 - 18.03.2024; for Round 2 - Q1 2025); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2021.-31.12.2028.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action; 15 Life on Earth
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	Round 1: The implementation of both contracts concluded in 07.2024 (for ERDF funding in the amount of EUR 4.23 million in the territories of the Riga and Liepāja State Cities) continued, as well as monitoring the progress and implementation of the indicators to be achieved in the measure in order to achieve the goals and results set in the measure. Round 2: From 31.03.2025 to 30.05.2025, a limited selection of project applications was implemented, within the framework of which the Rēzekne City project was submitted. The implementation of the project launched in 2025 (with ERDF funding of EUR 0.85 million) has been ensured.
Title of the measure (incl. reforms/ investments)	Implementation of actions to reduce air pollution by improving household heat supply systems (Programme 2.2.3.6 (five rounds))
Goal (what should be achieved by the measure?)	Investments for the promotion of green transition to reduce the negative impact of air pollution on the environment and human health by replacing combustion appliances used for heat supply in the residential houses, improving the efficiency of individual heat supply systems by introducing heat supply equipment and technologies that significantly reduce air pollution, including by connecting residential houses to efficient district heating systems in cities. Achievable results: 1) Number of residents benefiting from air quality actions – 2 966; 2) PM2.5 particle emission reduced by at least 50 t/year.
Key steps for implementing the measure	1) Approval of CoM Regulation (04.04.2023; amendments of 21.05.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (26.01.2023);

	3) Commencement of the public selection (for Round 1 - 26.05.2023; for Round 2 - 26.07.2023; for Round 3 - 26.09.2023; for Round 4 - 01.03.2024); 4) Conclusion of contracts and implementation of projects.
Implementation time	07.04.2023.-31.12.2027.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>22.07.2025. amendments to the Cabinet of Ministers' Regulations No. 169 of 04.04.2023 were approved, in order to redirect the unused funding in the 1st, 2nd, 3rd and 4th calls to organize additional calls, as well as to simplify the conditions.</p> <p>25.11.2025. amendments to the Cabinet of Ministers' Regulations No. 169 of 04.04.2023 were approved, in order to reallocate funding to the fifth call of the measure in the amount of EUR 1 309 176 from the 2nd round of measure 2.1.1.6. "Increasing the energy efficiency of municipal buildings", at the same time specifying (increasing) the result indicator of the measure's projects "number of residents benefiting from air quality measures".</p> <p>Call 1 (connections to district heating systems): The implementation of four projects initiated in 2024 (with ERDF funding of EUR 0.074 million) continued (as of 31.12.2025, one project was completed), as well as monitoring the progress and implementation of the indicators to be achieved in the measure in order to achieve the objectives and results set in the measure. As of 17.02.2026, all projects were completed.</p> <p>Call 2 (installation of heat pumps): The implementation of 148 projects initiated in 2023 and 2024 (with ERDF funding of EUR 1.77 million) continued (as of 31.12.2025, 142 projects were completed), as well as monitoring the progress and implementation of the indicators to be achieved in the measure in order to achieve the objectives and results set in the measure. As of 17.02.2026, 143 projects were completed.</p> <p>3rd call (pellet boilers for households): The implementation of 74 projects initiated in 2024 (with ERDF funding of EUR 0.4 million) continued (as of 31.12.2025, 72 projects were completed), as well as monitoring the progress and implementation of the indicators to be achieved in the measure in order to achieve the objectives and results set in the measure. As of 17.02.2026, all projects were completed.</p> <p>4th call (various heat supply improvement measures): The implementation of 229 projects initiated in 2024 and 2025 (with ERDF funding of EUR 2.08 million) continued (as of 31.12.2025, 209 projects were completed), as well as monitoring the progress and implementation of the indicators to be achieved in the measure in order to achieve the objectives and results set in the measure. As of 17.02.2026, 216 projects were completed.</p> <p>Call 5 (various heat supply improvement measures): From 01.08.2025 to 16.09.2025 an open selection of project applications was implemented: as of 31.12.2025 245 projects (for ERDF funding of EUR 2.07 million) were being implemented (of which 31 projects were completed), while 556 projects were in the evaluation or contract conclusion</p>

	<p>process. As of 17.02.2026 536 contracts were concluded for the implementation of projects in the amount of EUR 4.82 million ERDF, of which 102 projects were completed. 262 projects were in the evaluation or contract conclusion process.</p> <p>Within the framework of the measure, projects completed in 2025 have reached 1 883 residents benefiting from air quality measures and achieved 16.15 t of PM2.5 emission reductions.</p>
Title of the measure (incl. reforms/investments)	Reducing air pollutant emissions from heat supply (Programme 2.2.3.7.)
Goal (what should be achieved by the measure?)	<p>Investments to promote the green transition to reduce the negative impacts of air pollution on the environment and human health by improving operation of the combustion appliances used for district heat supply used by public service providers through the introduction of technical solutions that reduce air emissions of dust (particles).</p> <p>Outcome to be achieved: number of residents benefiting from air quality actions – 76 552.</p>
Key steps for implementing the measure	<p>1) Approval of the CoM' regulations (06.02.2024);</p> <p>2) Approval of the criteria for evaluating project applications by the EU Funds Monitoring Committee (26.09.2023);</p> <p>3) Launch of open selection (12.03.2024);</p> <p>4) Conclusion of contracts and implementation of projects.</p>
Implementation time	14.01.2021.-31.12.2027.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The implementation of seven contracts concluded in 2024 and 2025 (for ERDF funding of EUR 2.40 million) has been ensured (as of 31.12.2025, three projects have been completed), as well as monitoring of the progress and implementation of the indicators to be achieved in the measure in order to achieve the objectives and results set in the measure. In 2025, the number of residents benefiting from air quality measures reached 29 349 and the annual reduction of dust particle emissions amounted to 19.27 t per year. As of 17.02.2026, 4 projects have been completed.
Title of the measure (incl. reforms/investments)	Abandonment of peat use in energy (Programme (TPTP) 6.1.1.1 (Round 5)
Goal (what should be achieved by the measure?)	<p>Round 1: Investments to promote the green transition, with the aim of conducting research on historic peat extraction sites, identify energy generation from peat combustion facilities and explore alternatives, and, based on the information obtained, promote the attraction of investments for the remediation of historic peat extraction sites and the replacement of peat combustion facilities with technologies utilizing other renewable energy resources .</p> <p>Round 2: Replace or retrofit peat-fired heat generation facilities, promoting the transition to renewable energy resources and zero-emission technologies, and discontinuing the use of peat as a fuel resource for the provision of public heat supply services.</p> <p>Round 3: Revitalize state-owned historic peat extraction sites managed or held by A/S “Latvijas valsts meži,” restoring the ecosystems of bogs, forests, and water bodies. Revitalization is planned for an area of 7 000 ha, ensuring a reduction in greenhouse gas (GHG) emissions. Concurrently, an inventory of historic peat extraction sites covering 10 175 ha was conducted.</p> <p>Round 4:</p>

	<p>Historical peat extraction sites owned by municipalities were revitalized by restoring forest, bog, and waterbody ecosystems across 150 ha, resulting in a reduction of GHG emissions of 190 t CO₂ equivalent per year.</p> <p>Round 5: Revitalization of historic peat extraction sites owned by private individuals, restoring forest, bog, and waterbody ecosystems, as well as establishing perennial plantings. Revitalization is planned for an area of 4 950 ha, ensuring a reduction in GHG emissions of 42,208 t CO₂ equivalent per year.</p>
Key steps for implementing the measure	<p>For Round 1:</p> <ol style="list-style-type: none"> 1) Approval of the CoM Regulation (09.07.2024); 2) Approval of exception of the evaluation criteria of project proposals with relation to application of the unified criteria and unified selection criteria by the EU Funds Supervisory Committee (23.04.2024); 3) Commencement of the restricted selection (08.08.2024); 4) Conclusion of contracts and implementation of projects. <p>For Round 2:</p> <ol style="list-style-type: none"> 1) Approval of Cabinet of Ministers regulations (June 25, 2025); 2) Approval of project application evaluation criteria by the EU Funds Monitoring Committee (May 12, 2025); 3) Launch of the restricted selection process (July 23, 2025); 4) Signing of contracts and project implementation. <p>For Round 3:</p> <ol style="list-style-type: none"> 1) Approval of Cabinet of Ministers regulations (July 1, 2025); 2) Approval of project application evaluation criteria by the EU Funds Monitoring Committee (June 30, 2025); 3) Launch of the restricted selection process (July 29, 2025); 4) Conclusion of contracts and project implementation. <p>For rounds 4–5:</p> <ol style="list-style-type: none"> 1) Drafting of Cabinet of Ministers regulations and initiation of the coordination process for TAP rounds 3 and 4 combined (public consultation launched in the fourth quarter of 2025); 2) Approval of Cabinet of Ministers regulations for rounds 4 and 5 (March 10, 2026); 3) Review of project application evaluation criteria by the thematic subcommittee (December 18, 2025); 4) Approval of project application evaluation criteria by the EU Funds Monitoring Committee for each round separately; 5) Launch of open and restricted selection procedures for each round separately (Q1–Q3 2026); 6) Contract signing and project implementation.
Implementation time	<p>Round 1: January 1, 2024 – December 31, 2026</p> <p>Round 2: January 1, 2025 – December 31, 2029</p> <p>Round 3: April 1, 2025–December 31, 2030</p> <p>Round 4–5: January 1, 2026–December 31, 2030</p>
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF (JTF)
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4); 2025(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-

UN SDG	7 Affordable and renewable energy; 11 Sustainable cities and communities; 13 Climate action
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>1st round: The implementation of the agreement concluded with the Vidzeme Planning Region on 02.12.2024 (for JTF funding in the amount of 1.91 million EUR) continued, as well as monitoring the progress and implementation of the indicators to be achieved in the measure, in order to achieve the objectives and results set in the measure.</p> <p>2nd round: On 25.06.2025 Cabinet Regulation No. 394 "Implementation regulations for the second round of project application selection for the specific support objective 6.1.1. "Mitigating the economic, social and environmental consequences of the transition to climate neutrality in the most affected regions" of the European Union Cohesion Policy Programme 2021–2027" for measure 6.1.1.1 "Phase-out of the use of peat in energy"" was approved. The project application evaluation criteria were approved by the EU Funds Monitoring Committee on 12.05.2025. From 23.07.2025. to 23.09.2025. a limited selection of project applications was implemented, therefore projects of the Līvāni and Preiļi municipalities were submitted. The evaluation of the submitted project applications was ensured, on 26.01.2026. the evaluation continues and 1 contract was concluded (for JTF financing in the amount of EUR 0.45 million). With the approval of the regulations governing the implementation of the 4th and 5th rounds, the financing in the 2nd round will be EUR 0.87 million JTF, EUR 0.15 million municipal financing in accordance with the actually requested.</p> <p>3rd round: On 01.07.2025 Cabinet Regulation No. 407 "Implementation of the third round of project application selection for the measure 6.1.1.1. "Phase-out of the use of peat in energy" of the specific support objective 6.1.1.1 of the European Union Cohesion Policy Programme 2021–2027 "Mitigating the economic, social and environmental consequences of the transition to climate neutrality in the most affected regions" of the third round of project application selection" were approved. Project application evaluation criteria approved by the Monitoring Committee of EU funds on 30.06.2025. Provided on 29.07.2025. implementation of the initiated limited selection of project applications (with the deadline for submitting project applications until 31.12.2026), within the framework of which the project of JSC "Latvijas valsts meži" has been submitted (its evaluation process is being implemented as of 31.12.2025).</p> <p>4th, 5th round: Draft Cabinet Regulations "Implementation regulations for the fourth and fifth rounds of project application selection for measure 6.1.1.1. "Phase-out of the use of peat in energy" of the specific support objective 6.1.1. of the European Union Cohesion Policy Programme 2021–2027 "Mitigating the economic, social and environmental consequences of the transition to climate neutrality in the most affected regions"" have been developed (Public participation started on 14.10.2025, but its interinstitutional coordination started on 25.11.2025; on 05.02.2026. the third coordination cycle started with the deadline for providing opinions on 12.02.2026). The criteria for evaluating project applications were reviewed by the thematic Subcommittee on 18.12.2025 (and the review of the 4th round of criteria by the Monitoring Committee for EU Funds began on 25.01.2026).</p>
Title of the measure (incl. reforms/ investments)	Development of ICT solutions and services and creation of opportunities for the private sector (Programme 1.3.1.1 (without flexibility in funding indicators and finances))
Goal (what should be achieved by the measure?)	<p>Investments in promotion of digital transition to develop public information and communication technology solutions and services and to promote digitisation of the private sector and creation of new services.</p> <p>Achievable results:</p> <ol style="list-style-type: none"> 1) Value of the digital services, products and processes developed for enterprises – EUR 73 591 656; 2) At least 17 public sector bodies supported for the development of digital services, products and processes; 3) At least 769 users (economic operators, institutions) which have transformed their processes on the basis of the digitised newly created or significantly improved public digital processes, including - users as data users and data providers, users who have developed their digital products on the basis of public administration solutions or by integrating with public platforms and information systems.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Approval of the CoM Regulation (04.06.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (09.02.2024); 3) Commencement of the pre-selection of projects (23.02.2024);

	4) Commencement of the restricted selection (after the approval of the first CoM CoM decision on project implementation, Q4 2024); 5) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2024.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2023(1); 2024(3)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The implementation of the limited project selection launched on 30 January 2025 has been ensured (with the project application submission deadline set for 31 December 2026), within which six project applications had been submitted by 31 December 2025. The implementation of six projects commenced in 2025 (with ERDF funding amounting EUR 16.7 million) has been ensured, along with monitoring the progress and implementation of the indicators to be achieved within the measure, in order to attain the objectives and results set for the measure. Information as of 11 February 2026: Amendments No. 5 (TAP case ID: 26-TA-116) to the European Union Cohesion Policy Programme for 2021–2027 are being proposed, providing for the reallocation of funding to the Ministry of Health (Latvian Oncology Centre), including EUR 1.3 million from Measure 1.3.1.1. Accordingly, amendments to the implementation regulations of Measure 1.3.1.1 (TAP case ID: 26-TA-96) are also being proposed.
Title of the measure (incl. reforms/ investments)	Development of public open space (Programme 5.1.1.3 (no flexibility funding planned))
Goal (what should be achieved by the measure?)	Investments for the development of public open space in urban functional territories to improve the quality of the living environment and increase public safety. Achievable result: newly created or renovated open areas (public territories) in the urban environment in the area of at least 132 944 m2.
Key steps for implementing the measure	1) Approval of the CoM Regulation (06.06.2023); 2) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (07.03.2023); 3) Commencement of the public selection (25.07.2023); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2021.-31.12.2026.
Responsible/co-responsible institution	MoSARD/CFCA/local governments
RRF/MFF	MFF
CSR	-
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2025 (what was done in 2025?)	The implementation of 48 projects launched in 2024 and 2025 (with ERDF funding amounting to EUR 26.73 million) has been ensured (as of 31 December 2025, nine projects have been completed), as well as the monitoring of the progress and implementation of the indicators to be achieved under the measure, in order to attain the objectives and results set for the measure.
Title of the measure (incl. reforms/investments)	Smart local governments (Programme 5.1.1.4 (no flexibility funding planned))
Goal (what should be achieved by the measure?)	Investments in promotion of the development of smart local governments by introducing smart solutions for the performance of autonomous functions and the management tasks they entail. Achievable results: 1) At least five smart solutions for the implementation of municipal functions and the provision of municipal services have been developed in the planning regions; 2) At least 10% decrease in the cost of the beneficiary's service per customer (<i>euro</i>) or energy consumption (megawatt-hours) or time consumption (hours) in at least five municipalities.
Key steps for implementing the measure	1) Approval of the CoM Regulation (27.06.2023); 2) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (03.02.2023); 3) Commencement of the restricted selection (08.07.2024); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2021.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA/local governments
RRF/MFF	MFF
CSR	2019(4)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	On 4 February 2025, amendments to Cabinet Regulation No. 350 of 27 June 2023 were adopted. These amendments introduce a legal framework for instances where the project applicant or partner is a provider of public water management or district heating services. Implementation is underway for 10 projects launched in 2025 (with an ERDF allocation of EUR 15.53 million), alongside the monitoring of progress toward performance indicators to ensure the achievement of the specific objectives and results defined for the measure.
Title of the measure (incl. reforms/investments)	Support for the development of public infrastructure necessary for business, promoting the transition to a climate-neutral economy (Programme (TPTP) 6.1.1.3 (without flexibility in funding indicators and finances))
Goal (what should be achieved by the measure?)	Investments in the development of public infrastructure for business, mitigating negative socio-economic impacts in regions most affected by the transition to a climate-neutral economy. Achievable results: 1) 33 traders benefiting from the developed public infrastructure; 2) 486 jobs created by the traders benefiting from the developed public infrastructure; 3) EUR 35 451 833 private non-financial investments in intangible investments and fixed assets.
Key steps for implementing the measure	1) Approval of Cabinet of Ministers regulations (October 17, 2023; amendments on March 12, 2024, and November 11, 2025); 2) Approval of project application evaluation criteria by the EU Funds Monitoring Committee for Round 1 (June 16, 2023); 3) Launch of the open call for proposals (for Round 1 – December 27, 2023, and September 27, 2024); 4) Approval of project application evaluation criteria by the EU Funds Monitoring Committee for Round 2 (December 9, 2025);

	5) Launch of the open call for proposals (for Round 2 – December 17, 2025); 6) Signing of contracts and implementation of projects.
Implementation time	01.01.2021.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA/local governments
RRF/MFF	MFF (JTF)
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(3)
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	8 Decent work and economic growth; 9 Manufacturing, innovations and infrastructure; 11 Sustainable cities and communities; 13 Climate action; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>On 11 November 2025, amendments to Cabinet Regulation No. 593 of 17 October 2023 were approved in order to reinforce the reallocation of funding, increasing the measure's funding by EUR 14.69 million. At the same time, more favourable requirements were established for beneficiaries regarding the minimum indicator values to be achieved in the second call, as well as reducing restrictions on project documentation.</p> <p>From 27 September 2024 to 14 February 2025, the second round under the first call of the open project selection was carried out. The implementation of 20 projects launched in 2024 and 2025 (with JTF financing amounting to EUR 41.6 million) was ensured, along with monitoring of progress and implementation of the indicators to be achieved under the measure, in order to fulfil the objectives and results set for the measure.</p> <p>Indicators planned in the first-round projects: 123 merchants benefiting from the developed public infrastructure; 375 newly created jobs; EUR 29.23 million in private non-financial investment in intangible assets and fixed assets.</p> <p>On 17 December 2025, the open project selection for the second call was launched, with the deadline for submission of project applications set for 15 April 2026.</p>
Title of the measure (incl. reforms/ investments)	Restoration of habitats or wetland ecosystems of EU importance (Programme (TPTP) 6.1.1.7)
Goal (what should be achieved by the measure?)	<p>Investments in promotion of restoration of habitats or wetland ecosystems of EU importance or the renaturalisation of historical peat extraction sites in specially protected areas for the promotion of biodiversity and provision of ecosystem services.</p> <p>Achievable results:</p> <ol style="list-style-type: none"> 1) 1 500 ha of rehabilitated land (i.e., investments made in the restoration of habitats of EU importance or the renaturalisation of historical peat extraction sites); 2) At least 4 046 ha of degraded ecosystem restored.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Approval of the CoM Regulation (28.05.2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (29.01.2024); 3) Commencement of the restricted selection (05.07.2024); 4) Conclusion of the contract and implementation of the project.
Implementation time	01.01.2024.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF (JTF)

CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4); 2025(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	13 Climate action; 15 Life on Earth
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The implementation of the project launched on 12.11.2024 (with JTF funding of EUR 6 million) (contract with JSC "Latvijas valsts meži"), as well as monitoring of the progress and implementation of the indicators to be achieved in the event, has been continued in order to achieve the goals and results set in the event.
Title of the measure (incl. reforms/ investments)	Strengthening the capacity of rescue services, in particular modernisation of the infrastructure and material and technical base of the State Fire and Rescue Service
Goal (what should be achieved by the measure?)	Policy Area - Climate Change and Adaptation to Climate Change (RRF) The investment aims to ensure equally efficient, rapid and high quality work of disaster management services throughout Latvia by improving cooperation and coordination of services involved in disaster response and management. Its scope is to build 9 Disaster Management Centres, bringing together all services involved in disaster management under one roof.
Key steps for implementing the measure	On 5 July 2022, the Informative Report was approved and implementation of project was commenced
Implementation time	2022 - 2026
Responsible/co-responsible institution	MoI
RRF/MFF	RRF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 16 Peace, justice, good governance
RRF reform/ investment No.	1.3.1.1.i.
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	7 out of 9 objects have been completed and put into service.
Title of the measure (incl. reforms/ investments)	Disaster risk reduction actions
Goal (what should be achieved by the measure?)	Policy objective - A greener and more resilient low-carbon Europe, with a net transition to a carbon-free economy, promoting a just transition to clean energy, green and blue investments, circular economy, climate change mitigation and adaptation thereto, risk prevention and management and sustainable urban mobility (ERDF). The objective of the action is to invest in the development and strengthening of the technical capacity of the SFRS for disaster management, expansion of prevention actions, implementation of ICT solutions and the improvement of the overall responsiveness: a) in purchase of specialised fire-fighting and rescue vehicles; b) in construction of a repair base for specialised vehicles; c) in formation and implementation of a disaster loss database; d) in formation and implementation of an early warning system; e) in arrangement of stationary and mobile practical training rooms (Safety Classrooms).

Key steps for implementing the measure	On 17 October 2023, CoM Regulation No. 596 “Regulations On Implementation of the First Round of Selection of the Project Proposals of Action 2.1.3.3 “Actions for Disaster Risk Reduction” of the Specific Aid Objective 2.1.3 "Promoting Climate Change Adaptation, Risk Prevention and Disaster Resilience” of the EU Cohesion Policy Programme 2021-2027” was adopted and entered into effect on 20 October 2023; On 20 February 2024, CoM Regulation No. 118 “Regulations On Implementation of the Third Round of Selection of the Project Proposals of Action 2.1.3.3 “Actions for Disaster Risk Reduction” of the Specific Aid Objective 2.1.3 "Promoting Climate Change Adaptation, Risk Prevention and Disaster Resilience” of the EU Cohesion Policy Programme 2021-2027” was adopted and entered into effect on 27 February 2024; Drafting of the CoM Regulation of the Second Round of Action 2.1.3.3 (to be provisionally approved in 2025), as well as drafting of the CoM Regulation of the Fourth Round (to be provisionally approved in 2027) is currently underway.
Implementation time	2023 -2029
Responsible/co-responsible institution	MoI
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovations and infrastructure; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The project of the first project application selection round of 2.1.3. specific objective “Promote adaptation to climate change, prevention of risks and resilience to disasters” within the activity “Disaster risk reduction measures” has been completed. The implementing regulation of the second project application selection round of 2.1.3. specific objective “Promote adaptation to climate change, prevention of risks and resilience to disasters” within the activity “Disaster risk reduction measures” has been adopted on July 8, 2025 and came into force on 12 July 2025. In 2025, a project application was submitted to the Central Finance and Contracting Agency and then consequently approved, deliveries of the technique are taking place. The third project application selection round of 2.1.3. specific objective “Promote adaptation to climate change, prevention of risks and resilience to disasters” within the activity “Disaster risk reduction measures” continues, a project application has been submitted to the Central Finance and Contracting Agency in 2025, the development of the construction project in minimal composition has been started, design and construction works has been carried out, as well as procurement of engineering consultants has been organized. The implementing regulation of the fourth project application selection round of 2.1.3. specific objective “Promote adaptation to climate change, prevention of risks and resilience to disasters” within the activity “Disaster risk reduction measures” has been adopted on July 22, 2025 and came into force on 26 July 2025. In 2025, the project was transferred to the program's 3.2.1.5. measure “Construction of Disaster Management Centers”. The project is being implemented in 11 objects.
Title of the measure (incl. reforms/ investments)	EU Cohesion Policy programmes 2021 -2027 under the Action 2.1.1.5 “Climate-neutral solutions in the educational programmes, environment and infrastructure of vocational educational institutions and colleges” of the Specific Aid Objective 2.1.1 “Promoting energy efficiency and reducing greenhouse gas emissions”
Goal (what should be achieved by the measure?)	Modernisation and improvement of the infrastructure of vocational educational institutions and colleges under the Ministry of Education and Science (hereinafter referred to as - vocational educational institutions), including investments in smart energy management, environmentally friendly long-term management solutions for energy saving or extraction from renewable energy sources, and environmentally friendly educational institution demonstration, benchmarking initiatives, with priority support for activities where primary energy savings of at least 30% are planned to be achieved.
Key steps for implementing the measure	A draft CoM Regulation on the implementation of the action will be submitted to the CoM in August. Drafting and harmonisation of regulations for the selection and commencement of the selection is scheduled for Q4. Commencement of implementation of projects is scheduled for Q4.

Implementation time	2024 -2029
Responsible/co-responsible institution	AI - MoES
RRF/MFF	MFF
CSR	2020(3); 2021(1); 2022(1); 2022(3); 2023(1); 2023(3); 2024(4); 2025(4)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	7 Affordable and renewable energy; 9 Manufacturing, innovations and infrastructure; 13 Climate action; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In 2025, the implementation of the 2.1.1.5. SAMP project was launched in 23 vocational education institutions. Contracts were concluded for the implementation of an Energy Monitoring System and a data collection platform, as well as for the implementation of a Building Management Data and Process Digitalization and a Digital Building Passport platform in 23 vocational education institutions. A technical preliminary study was carried out and the development of technical documentation for the modernization of heating infrastructure in three objects was initiated. Pilot projects for the purchase and installation of solar panels were launched in 4 vocational education institutions.
Title of the measure (incl. reforms/ investments)	Action 1.1.1.6 "Digitisation of scientific activities and participation in the European Open Science Cloud (purchase of EOSC market place services)" of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 "Strengthening research and innovation capacities and introducing advanced technologies into the overall R&D system"
Goal (what should be achieved by the measure?)	To provide Latvian researchers with secure, modern and convenient access and sharing of quality-managed research data, access to data processing tools and digital research services, ensure Latvia's inclusion in the European Research Area, interdisciplinary and international cooperation, and the use of the potential of big data and artificial intelligence by establishing and implementing the EOSC national hub and sharing services for data use.
Key steps for implementing the measure	The CoM Regulation is in drafting process. The TAP is expected to be published at the beginning of September. The project will be implemented by the Single Service Centre
Implementation time	2025 - 2029
Responsible/co-responsible institution	MoES/SSC (Single Service Centre)
RRF/MFF	MFF
CSR	2019(3); 2020(3); 2021(1); 2023(1); 2024(3)
Common EU priorities	1 Just green and digital transition
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	On 1 July 2025, the Cabinet of Ministers approved the Cabinet Regulations for measure 1.1.1.6. The beneficiary has submitted the project application in the Cohesion Policy Funds Management Information System (KPVIS) managed by the Central Finance and Contracting Agency (CFLA), and the project evaluation is currently in progress.
<i>Social and economic resilience, incl. European Pillar of Social Rights</i>	
Title of the measure (incl. reforms/ investments)	Development of infrastructure of pre-school educational institutions (Programme 4.2.1.7 (without flexibility in funding indicators and finances))
Goal (what should be achieved by the measure?)	Investments for the promotion of service efficiency improvement and delivery in the regions to develop the infrastructure of municipal pre-school educational institutions to create new places for pre-school children, to promote access to municipal pre-school education services, including for

	socially and economically disadvantaged groups, in line with the principle of equal access. Achievable results: 1) Teaching capacity of new or upgraded childcare (pre-school) facilities - at least 1603 persons; 2) Number of annual users of new or upgraded childcare (pre-school) facilities - 1523 persons.
Key steps for implementing the measure	1) Approval of CoM Regulation (06.06.2023) and amendments to the CoM Regulation on the allocation of additional funding (Q3 2024); 2) Approval of the evaluation criteria of project proposals by the EU Funds' Supervisory Committee (11.04.2023); 3) Commencement of the public selection (19.07.2023); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2021.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2019(2)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Social protection and inclusion
UN SDG	1 Poverty alleviated; 4 Quality education; 9 Manufacturing, innovations and infrastructure; 10 Reduced inequality; 11 Sustainable cities and communities; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The implementation of 11 projects launched in 2024 and 2025 (with ERDF funding in the amount of EUR 38.79 million) has been ensured (as of 31 December 2025, one project has been completed), along with the monitoring of progress and implementation of the indicators to be achieved under the measure, in order to attain the objectives and results set for the measure.
Title of the measure (incl. reforms/ investments)	Childcare services (Programme 4.3.6.6 (without flexibility in funding indicators and finances))
Goal (what should be achieved by the measure?)	Investments to support municipalities in the purchase of private pre-school education and childcare services to promote work-life balance and equal opportunities for all families. Achievable results: 1) At least 864 children have received support; 2) At least 821 children have received pre-school education services for a period of one to three years.
Key steps for implementing the measure	1) Approval of the CoM Regulation (10.10.2023); 2) Approval of the evaluation criteria of project proposals by the EU Funds Supervisory Committee (27.09.2023); 3) Commencement of the public selection (07.11.2023); 4) Conclusion of contracts and implementation of projects.
Implementation time	01.01.2021.-31.12.2029.
Responsible/co-responsible institution	MoSARD/CFCA/local governments
RRF/MFF	MFF
CSR	2019(2)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Fair working conditions; Social protection and inclusion

UN SDG	1 Poverty alleviated; 4 Quality education; 9 Manufacturing, innovations and infrastructure; 10 Reduced inequality; 11 Sustainable cities and communities; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The implementation of seven projects launched in 2024 (with ESF+ funding in the amount of EUR 11.34 million) has been continued, along with the monitoring of progress and implementation of the indicators to be achieved under the measure, in order to attain the objectives and results set for the measure.
Title of the measure (incl. reforms/ investments)	Investment 6.2.1.3.i. "Establishment of a single training centre for judges, judicial officers, public prosecutors, assistant public prosecutors and specialised investigators (in interdisciplinary matters) to improve their skills" of reform and investment axis 6.2 "Identification of money laundering, investigation of economic crimes, modernisation of judicial processes and implementation of preventive actions" of component 6 "Rule of Law" of the RRF plan
Goal (what should be achieved by the measure?)	The aim is to establish a unified training centre for the development of the qualifications of judges, judicial officers, public prosecutors, assistant public prosecutors and investigators (in interdisciplinary matters essential for effective administration of justice) (hereinafter referred to as - interdisciplinary investigators) (the Academy of Justice) as the basis for a sustainable and stable system, providing the possibility to plan, develop and implement training programmes (hereinafter referred to as - the Programme) in the long term.
Key steps for implementing the measure	1) Entry into effect of the Law and other legislative acts related to the Justice Training Centre 2) Development of new Programmes 3) Adoption and implementation of the Programmes 4) Established Justice Training Centre. Adaptation of premises and provision of equipment for the Justice Training Centre
Implementation time	21.11.2022.-30.06.2026.
Responsible/co-responsible institution	MoJ
RRF/MFF	RRF
CSR	2019(2); 2019(4); 2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education; 8 Decent work and economic growth; 16 Peace, justice, good governance
RRF reform/ investment No.	6.2.1.3.i
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In 2025, the Judicial Academy began its work. The adaptation and equipping of the the Judicial Academy building was completed. Within the framework of the project, training of the target audience continues, implementing the developed training programs.
Title of the measure (incl. reforms/ investments)	Action 4.3.5.5 "Access to justice" of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 4.3.5 "Improve equitable and timely access to quality, sustainable and affordable services; improve social protection systems, including promoting access to social protection; improve access to, efficiency and resilience of long-term care services"
Goal (what should be achieved by the measure?)	Establish a developed system of state-provided legal aid, expanding access to the justice system for vulnerable persons, providing for timely and accessible legal aid to prevent the failure to address legal issues from adversely affecting people's social and economic situation and exposing them to the risk of poverty and/or social exclusion.

Key steps for implementing the measure	The Court Administration implements ESF+ project No. 4.3.5.5/1/24/I/001 "Access to Justice". The project includes the following activities: 1. Reforming and streamlining the state-provided legal aid system to support vulnerable and victimised persons, ensuring their timely access to justice; 2. Solutions for timely identification and resolution of legal problems; 3. Development of existing and new information technologies and digital solutions to better ensure the rights of socially vulnerable persons, including more effective cooperation between authorities; 4. Actions to inform the target group about the receipt of state-provided legal aid services in order to increase the target group's competence and understanding of the importance of timely resolution of legal disputes, as well as to inform about the training of persons involved in the state-provided legal aid system to improve their competences and skills; 5. Project management and ensuring project implementation; 6. Compliance with the project's communication and visual identity requirements.
Implementation time	03.06.2024.-30.06.2027.
Responsible/co-responsible institution	MoJ
RRF/MFF	MFF
CSR	2019(4); 2020(2)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market; Social protection and inclusion
UN SDG	10 Reduced inequality; 16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In 2025, training sessions for professionals continued in a number of programmes on state-provided legal assistance, mediation, recent developments in criminal proceedings, communication with victims. The outcome indicator is provisionally close to being achieved: – 473 unique individuals trained and the result indicator is provisionally achieved: 473 certificates issued. On September 17-18th, 2025, a discussion cycle “Prospects for Development of State ensured legal aid and State compensation for victims” was organised in Riga. The aim of the event was to promote cooperation between public entities involved in the provision of legal aid and victim support at both national and cross-border levels. A strategy for the information campaigns and the implementation plan for the project was developed, one campaign was organized both for state ensured legal aid, including mediation, and for state compensation for victims.
Title of the measure (incl. reforms/ investments)	RRF investment 5.2.1.1.i Research, development and consolidation grants, round 1 "Anti-Money Laundering Grant" (AIZID)
Goal (what should be achieved by the measure?)	Strengthen the anti-money laundering and fintech knowledge capacity in Latvia to promote safe and quality development of the financial sector and related industries.
Key steps for implementing the measure	1) 6 specialised study modules created by 31.12.2024; 2) by 30.06.2024 150 students have completed specialised study modules; 3) by 31.12.2024 20 prepared academic staff members; 4) by 30.06.2026 - number of analytical studies on the competitiveness of the Latvian financial sector and development opportunities in the international context; 5) by 30.06.2024 - 6 number of specialised expertise studies 6) by 30.06.2024 - 4 scientific publications.
Implementation time	2023 - 2026

Responsible/co-responsible institution	MoES/RTU
RRF/MFF	RRF
CSR	2019(1); 2020(3); 2020(4); 2023(1); 2024(3); 2025(1)
Common EU priorities	-
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education
RRF reform/ investment No.	5.2.1.1.i
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>Within the framework of Phase 1 of the investment, the project is being implemented in accordance with the planned timeline. Number of students who have completed specialised study modules in the fields of anti-money laundering and financial technologies – 166 (by 31 December 2025).</p> <p>Within the project, contracts have been concluded with seven Latvian higher education institutions for the implementation of the study modules. Number of annual comprehensive analytical studies on the competitiveness of Latvia's financial sector and its development opportunities in an international context – by 31 December 2025, one study has been completed, and two studies are currently under development.</p> <p>Number of specialised expert studies contributing to the development of evidence-based, data-driven and internationally comparative sectoral policy or legal regulation – by 31 December 2025, two studies have been completed, and four studies are in progress.</p> <p>Number of scientific publications – by 31 December 2025, one publication has been completed, and work continues on three additional publications.</p>
Title of the measure (incl. reforms/ investments)	RRF investment 5.2.1.1.i Research, development and consolidation grants, round 2 "Consolidation and Governance Change Implementation Grants" (AIZID)
Goal (what should be achieved by the measure?)	Implement structural changes in higher educational institutions and scientific institutes to promote excellence and efficiency in the quality and resource investments in higher education and science and international competitiveness.
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) 150 Academic Career Agreements and 45 internal R&D grant agreements signed by 30.09.2024; 2) 315 Academic Career and 90 internal R&D grant agreements signed by 31.05.2026; 3) - at least four consolidation plans introduced by 31.05.2026; 4) - 100% of state-founded higher educational institutions have introduced the new governance model by 31.05.2026.
Implementation time	2023 - 2026
Responsible/co-responsible institution	MoES / state-founded universities and research institutes
RRF/MFF	RRF
CSR	2019(2); 2020(3); 2024(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Equal opportunities and access to the labour market
UN SDG	4 Quality education; 16 Peace, justice, good governance
RRF reform/ investment No.	5.2.1.1.i
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>Within the framework of Phase 2 of the investment, the projects are being implemented in accordance with the planned timeline. By 31 December 2025:</p>

	429 academic career contracts have been signed; 98 internal research and development grant agreements have been concluded. As of 31 December 2025, work is ongoing on the implementation of seven consolidation plans.
Title of the measure (incl. reforms/investments)	Action 1.1.1.9 "Postdoctoral research" of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 "Strengthening research and innovation capacity and transfer of advanced technologies into the overall R&D system"
Goal (what should be achieved by the measure?)	Develop the skills and increase the scientific capacity of young scientists by providing career entry opportunities for young scientists in scientific institutions and companies, as well as the improvement of research competences, renewal of human resources and increase in the number of qualified specialists through research that contributes to the achievement of the objectives of the Latvian Smart Specialisation Strategy or to the development of areas of specialisation. At least 41 new research jobs are planned to be created in the supported entities by 31 December 2029.
Key steps for implementing the measure	CoM Regulation No. 35 of 9 January 2024. The project implementer within the action is the Latvian Council of Science (LCS). Within two months of the conclusion of the project implementation agreement, the LCS shall announce the first call for research proposals.
Implementation time	2024-2029
Responsible/co-responsible institution	MoES/LCS
RRF/MFF	MFF
CSR	2019(2); 2020(3); 2024(3); 2025(5)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	Fair working conditions
UN SDG	8 Decent work and economic growth; 9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The evaluation of research applications from the first selection round and the conclusion of contracts continued in 2025, and two additional research application selection rounds were announced. In total, 145 research applications were approved across the three selection rounds.
Title of the measure (incl. reforms/investments)	Action 1.1.1.3 "Translational research" of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 "Strengthening research and innovation capacities and transfer of advanced technologies into the overall R&D system"
Goal (what should be achieved by the measure?)	The aim of the action is to support the implementation of translational and collaborative research, including interdisciplinary researches, which drive the development of specialisation areas of the Latvian Smart Specialisation Strategy (hereinafter referred to as - RIS3), with a view to increase the capacity and exportability of the innovation system of the Latvian economy in line with the RIS3 strategy
Key steps for implementing the measure	CoM Regulation No. 407 of 25 June 2024, open call for proposals, implementer - scientific institution or trader. The total eligible public funding planned and available for round 1 of selection of the project proposals shall not exceed EUR 32 855 348. The total eligible public funding planned for round 2 of selection of the project proposals does not exceed EUR 29 372 182.
Implementation time	2024-2029
Responsible/co-responsible institution	MoES/CFCA
RRF/MFF	MFF
CSR	2020(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure

RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In July 2025, the first round of project applications for the 1.1.1.3. "Industry-Driven Research" was completed, with 176 projects submitted and 58 projects approved for a total eligible public funding of EUR 33 446 541.
Title of the measure (incl. reforms/ investments)	Action 1.1.1.2 "RIS3 Research and Innovation Centres" of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 "Strengthening research and innovation capacities and introducing advanced technologies into the overall R&D system"
Goal (what should be achieved by the measure?)	The aim of the action is to support the establishment, improvement or development of research infrastructure that contributes to the development of a centre of excellence in one or more of the areas of Latvia's smart specialisation strategy, in line with the performance and strategic specialisation of the research institution, with a view to increasing the capacity of the Latvian innovation system in line with the RIS3 strategy.
Key steps for implementing the measure	1) CoM Regulation No. 88 approved on 4 February 2025; 2) Announcement of the selection of project applications 2nd quarter of 2025.
Implementation time	2025 - 2029
Responsible/co-responsible institution	MoES/CFCA
RRF/MFF	MFF
CSR	2020(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	On February 4, 2025, the Cabinet of Ministers approved the Cabinet Regulations for Measure 1.1.1.2. Project implementation began on April 1, 2025. Twelve projects by scientific institutions are being implemented.
Title of the measure (incl. reforms/ investments)	Action 1.1.1.5 "Full participation of Latvia in the Horizon Europe programme, including by ensuring a comprehensive range of support instruments and linking with the development of RIS3 specialisation areas" (Round 1) of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 "Strengthening research and innovation capacities and introducing advanced technologies into the overall R&D system"
Goal (what should be achieved by the measure?)	The aim of the action is to promote international cooperation in research and to link it with the development of specialisation areas of the Latvian Smart Specialisation Strategy (hereinafter referred to as - RIS3), including strengthening the capacity of the National Contact Point to ensure investments for participation in European Partnerships in line with Latvia's strategic priorities (including the implementation of joint research projects), as well as ensuring synergy mechanisms with other EU research programmes, including by refinancing projects above the quality threshold in the "Horizon Europe" programme reserve.
Key steps for implementing the measure	CoM Regulation No. 810 of 19.12.2023. The project is implemented by the MoES. Project implementation in progress (contract 03.06.2024)
Implementation time	2025 - 2029
Responsible/co-responsible institution	MoES/LCS
RRF/MFF	MFF
CSR	2020(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-

UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	National Contact Point experts have participated in European Commission information days, programme committees, events organised by NordForsk, as well as various training activities. To ensure further dissemination of information to scientific institutions, the National Contact Point has organised events and provided consultations, as well as developed and delivered the training course “Horizon Europe” for newcomers. Support has been provided to associations for the preparation of 16 above-threshold project proposals under the “Horizon Europe” programme. The project funding has been increased by EUR 4.9 million to ensure Latvia’s participation in the programmes of the European Space Agency.
Title of the measure (incl. reforms/ investments)	Action 1.1.1.5 “Full participation of Latvia in the Horizon Europe programme, including by ensuring a comprehensive range of support instruments and linking with the development of RIS3 specialisation areas” (Round 2) of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 “Strengthening research and innovation capacities and introducing advanced technologies into the overall R&D system”
Goal (what should be achieved by the measure?)	The aim of the action is to promote international cooperation in research and to link it with the development of specialisation areas of the Latvian Smart Specialisation Strategy (hereinafter referred to as - RIS3), including strengthening the capacity of the National Contact Point to ensure investments for participation in European Partnerships in line with Latvia's strategic priorities (including the implementation of joint research projects), as well as ensuring synergy mechanisms with other EU research programmes, including by refinancing projects above the quality threshold in the "Horizon Europe" programme reserve.
Key steps for implementing the measure	CoM Regulation No. 810 of 19.12.2023. The project will be implemented by the Latvian Council of Science (LCS). During August 2024, development of the project selection documents and announcement of selection is underway (CFCA).
Implementation time	2025 - 2029
Responsible/co-responsible institution	MoES/CFCA
RRF/MFF	MFF
CSR	2020(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	The call for project proposals is open until 31 December 2026. By the end of 2025, six project implementation agreements have been concluded and project implementation has commenced with a total available funding of 13.5 million <i>euro</i> . Of all projects, three are being implemented in the RIS3 area “Biomedicine, Medical Technologies and Pharmacy” and three in “Photonics and Smart Materials, Technologies and Engineering Systems.”
Title of the measure (incl. reforms/ investments)	Action 1.1.1.5 “Full participation of Latvia in the Horizon Europe programme, including by ensuring a comprehensive range of support instruments and linking with the development of RIS3 specialisation areas” (Round 3) of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 “Strengthening research and innovation capacities and introducing advanced technologies into the overall R&D system”
Goal (what should be achieved by the measure?)	Promote international research cooperation and linkages with the specialisation area of the Latvian Smart Specialisation Strategy (hereinafter referred to as - RIS3), as well as the development of interdisciplinary RIS3 specialisation areas, including by increasing the participation of scientific institutions in the Horizon Europe programme.
Key steps for implementing the measure	CoM Regulation No. 502 of 23.07.24 Public project selection. Development of the project selection documents is underway (CFCA).
Implementation time	2025 - 2029

Responsible/co-responsible institution	MoES/CFCA
RRF/MFF	MFF
CSR	2020(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In 2025, 14 project applications were approved and project implementation was launched with a total available funding of EUR 15.78 million. In 2025, support was provided for the preparation of 223 above-threshold evaluated project proposals under Horizon Europe.
Title of the measure (incl. reforms/ investments)	Action 1.1.1.7 "Innovation grants for students" of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 "Strengthening research and innovation capacities and introducing advanced technologies into the overall R&D system"
Goal (what should be achieved by the measure?)	The aim of the event is to promote student innovation applications that develop students' innovation capacity and initiative, including entrepreneurial skills, address problems of relevance to industry, society or parts of society, and strengthen university-student collaboration with business. By 31 December 2029, the following monitoring indicators shall be achieved: private investment (including grants, financial instruments) complementing public support – EUR 1 650 000.
Key steps for implementing the measure	The implementation rules for Measure 1.1.1.7, "Innovation Grants for Students," have been approved (No. 82)
Implementation time	2025-2029
Responsible/co-responsible institution	MoES
RRF/MFF	MFF
CSR	2020(3); 2025(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	On 4 February 2025, the Cabinet of Ministers Regulations for Measure 1.1.1.7 were adopted. During the period from 6 March 2025 to 6 May 2025, a selection of project applications took place, in which 6 project applications were submitted for a total amount of EUR 10.8 million. From 7 May 2025 to 6 August 2025, the project evaluation took place, during which all 6 project applications were approved, and contracts were concluded in September/October 2025 (2 contracts were concluded at the beginning of 2026). In 2025, amendments to the Cabinet of Ministers Regulations for Measure 1.1.1.7 were initiated in order to reallocate the remaining funding of EUR 5.47 million, which resulted from the project selection process, to Measure 1.1.1.3 "Industry-driven Research".
Title of the measure (incl. reforms/ investments)	Action 1.1.1.8 "Doctoral Grants" of the EU Cohesion Policy Programme 2021-2027, Specific Aid Objective 1.1.1 "Strengthening research and innovation capacities and transfer of advanced technologies into the overall R&D system"
Goal (what should be achieved by the measure?)	Objective of the action is to strengthen the human capital capacity for research and development in smart specialisation areas needed for economic growth and transformation.

	The target group is PhD students. The following monitoring indicators are to be achieved by 31 December 2029: output indicator - 66 research jobs created in supported entities (in full-time equivalent terms);
Key steps for implementing the measure	CoM Regulation No. 811 of 19 December 2023. The projects are implemented by Daugavpils University; Latvian Academy of Culture, Latvian University of Biosciences and Technologies; University of Latvia, the Riga Stradiņš University, Riga Technical University, Ventspils University College.
Implementation time	2025-2029
Responsible/co-responsible institution	MoES/CFCA
RRF/MFF	MFF
CSR	2020(3)
Common EU priorities	2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In January 2025, the evaluation process of project applications was completed. From the end of January to mid-March, 7 contracts were concluded for the implementation of doctoral grant projects, under which at least 276 doctoral students from 10 higher education institutions will receive support. Overall, during 2025, doctoral grant agreements were concluded with 95 doctoral students (34% of the 276 grants planned within the measure).
Title of the measure (incl. reforms/ investments)	Measure 6.1.1.2 of the European Union Cohesion Policy Programme 2021-2027 "Development of research for the sustainable use of natural resources in the context of environmental and climate objectives"
Goal (what should be achieved by the measure?)	The goal is to establish a research platform and center of excellence, within which the implementation of research and innovation projects will be supported for the development of research capacity and competencies, accelerating the transfer of knowledge and technology, the implementation of pilot and demonstration projects, and the introduction of new research-based ideas to ensure progress towards a climate-neutral economy and mitigate risks related to climate change in the regions most affected.
Key steps for implementing the measure	1) CoM Regulation No. 746 of 26.11.2024; 2) Selection announced, deadline for project submission 10.04.2025.
Implementation time	2025-2029
Responsible/co-responsible institution	MoES/CFCA
RRF/MFF	MFF (JTF)
CSR	-
Common EU priorities	1 Just green and digital transition; 2 Social and economic resilience, incl. European Pillar of Social Rights
European Pillar of Social Rights	-
UN SDG	9 Manufacturing, innovation and infrastructure; 13. Climate action
RRF reform/ investment No.	-
On-track status step	On- track

A brief description of progress for 2025 (what was done in 2025?)	On September 10, 2025, an agreement was signed on the implementation of the JTF project. Cooperation agreements were signed with the project's cooperation partners, as well as 8 companies (representing all regions of Latvia); the implementation of the activities supported by the project has begun; a financing plan has been agreed; the first meeting of the advisory working group of peat and related industry companies took place on January 8, 2026. An Information Center and research mapping were established: www.kudrajupetijumi.lv
Energy security	
<i>See policy area "9.1.8 Energy and energy efficiency"</i>	
Building defence capabilities	
Title of the measure (incl. reforms/investments)	Defence Capability Enhancement
Goal (what should be achieved by the measure?)	The Defence Capability Enhancement 2024-2028, required to develop package of actions of the National Armed Forces, primarily aimed at overcoming national threats.
Key steps for implementing the measure	1) Cabinet of Ministers Order No. 632 of July 23, 2024, "National Armed Forces Development Plan for 2025–2036"; 2) Cabinet of Ministers Order No. 633 of July 23, 2024, "On Funding for the Ministry of Defense's Long-Term Commitment Measure 'Long-Term Contracts of the National Armed Forces'"; 3) Cabinet of Ministers Order No. 730-DV of November 4, 2025, "Amendments to Cabinet of Ministers Order No. 633 of July 23, 2024, 'On Financing the Ministry of Defense's Long-Term Commitment Measure 'Long-Term Contracts of the National Armed Forces'".
Implementation time	2024-2036
Responsible/co-responsible institution	MoD
RRF/MFF	-
CSR	-
Common EU priorities	4 Building defence capabilities
European Pillar of Social Rights	-
UN SDG	16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	In accordance with Cabinet Order No. 730-DV of 04.11.2025 "Amendments to Cabinet Order No. 633 of 23 July 2024 "On financing for the Ministry of Defence's long-term commitment measure "National Armed Forces Long-term Contracts"" (NR) in 2025, funding for the Ministry of Defence's long-term commitment measure "National Armed Forces Long-term Contracts" was provided to facilitate the accelerated development of the NAF's combat capabilities, which are being developed as a priority, in accordance with the geopolitical situation.
Title of the measure (incl. reforms/investments)	Defence Capability Enhancement
Goal (what should be achieved by the measure?)	Enhancing defense capabilities for 2024–2028 is necessary to develop a set of measures for the National Armed Forces that is primarily aimed at countering threats to the state.
Key steps for implementing the measure	4) Paragraph 4 of the Informative Report "On Additional Measures Necessary to Enhance Combat Capabilities That Meet the Conditions of the National Exception Clause," contained in Minutes No. 39, dated September 23, 2025 (outside the SAFE instrument).
Implementation time	2026 - 2028

Responsible/co-responsible institution	MoD
RRF/MFF	-
CSR	2025(1)
Common EU priorities	4 Building defence capabilities
European Pillar of Social Rights	-
UN SDG	16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	First progress expected in 2026.
Title of the measure (incl. reforms/ investments)	Defence Capability Enhancement
Goal (what should be achieved by the measure?)	Enhancing defense capabilities for 2024–2028 is necessary to develop a set of measures for the National Armed Forces that is primarily aimed at countering threats to the state.
Key steps for implementing the measure	5) February 5, 2026, Council Decision No. 5804/26 "IMPLEMENTING DECISION of the Council on making financial assistance available to Latvia in accordance with Regulation (EU) 2025/1106".
Implementation time	2026-2028
Responsible/co-responsible institution	MoD
RRF/MFF	-
CSR	2025(1)
Common EU priorities	4 Building defence capabilities
European Pillar of Social Rights	-
UN SDG	16 Peace, justice, good governance
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	First progress expected in 2026.
Title of the measure (incl. reforms/ investments)	NEW MEASURE: Enhancing the cybersecurity of ICT solutions and services (Program 3.2.1.3.; previously 1.3.1.3.)
Goal (what should be achieved by the measure?)	Investments in enhancing the cybersecurity of government information and communication technology (ICT) solutions and services to ensure and promote the resilience of ICT systems against growing cyber threats. Expected result: enhanced cybersecurity for at least seven ICT solutions.
Key steps for implementing the measure	1) Approval of Cabinet of Ministers regulations (May 27, 2025); 2) Approval of project application evaluation criteria by the EU Funds Monitoring Committee (June 9, 2025); 3) Launch of the limited selection process (July 10, 2025); 4) Signing of contracts and implementation of projects.

Implementation time	01.06.2025-31.12.2029
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2025(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	<p>On 27 May 2025, Cabinet Regulation No. 320, “Regulations for the Implementation of Measure 1.3.1.3 “Strengthening cybersecurity for ICT solutions and services” under Specific Objective 1.3.1 of the European Union Cohesion Policy Programme for 2021–2027 “Reaping the advantages of digitalisation for citizens, companies, research organisations and public authorities”” was approved.</p> <p>The list of supported projects was approved on 7 October 2025 by Cabinet Order No. 656 “On the Approval of the List of Projects under Measure 1.3.1.3 “Strengthening cybersecurity for ICT solutions and services” under Specific Objective 1.3.1 of the European Union Cohesion Policy Programme for 2021–2027: “Reaping the advantages of digitalisation for citizens, companies, research organisations and public authorities””.</p> <p>An exception regarding the application of the common eligibility criterion and the common selection criterion in the project evaluation criteria was approved by the EU Funds Monitoring Committee on 9 June 2025.</p> <p>From 10 July 2025 to 9 December 2025, a limited project selection was carried out, within which seven project applications were submitted. As of 31 December 2025, one contract was concluded (with ERDF funding of EUR 1.49 million); the remaining project applications are in the contract-signing or evaluation process.</p>
Title of the measure (incl. reforms/ investments)	NEW MEASURE: Development of dual-use infrastructure (Program 3.2.1.4.; previously 5.1.1.8.)
Goal (what should be achieved by the measure?)	<p>Investments in regions in dual-use roads and related infrastructure suitable for civilian and, if necessary, military or civil defense purposes, to enhance the safety of Latvia’s population and infrastructure and to promote military mobility.</p> <p>Target result: total length of dual-use roads constructed – at least 16 km.</p>
Key steps for implementing the measure	<ol style="list-style-type: none"> 1) Approval of Cabinet of Ministers regulations (May 27, 2025); 2) Approval of project application evaluation criteria by the EU Funds Monitoring Committee (June 9, 2025); 3) Launch of the limited selection process (June 20, 2025); 4) Contract signing and project implementation.
Implementation time	01.06.2025-31.12.2029
Responsible/co-responsible institution	MoSARD/CFCA
RRF/MFF	MFF
CSR	2025(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track

A brief description of progress for 2025 (what was done in 2025?)	On 27 May 2025, Cabinet Regulation No. 316 "Implementation Rules for Measure 5.1.1.8 "Development of Dual-Use Infrastructure" under Specific Objective 5.1.1 "Promoting Integrated Social, Economic and Environmental Development of Local Areas and the Development of Cultural Heritage, Tourism and Security in Urban Functional Areas" of the European Union Cohesion Policy Programme 2021–2027" was approved. An exception regarding the application of the common eligibility and common selection criteria for project evaluation was approved by the EU Funds Monitoring Committee on 9 June 2025. From 20 June 2025 to 20 August 2025 a limited project selection was carried out, during which one project application was submitted. The implementation of the contract concluded with State Joint Stock Company "Latvijas Valsts ceļi" on 13 October 2025 (for ERDF funding amounting to EUR 13.81 million) has been ensured, as well as the monitoring of the progress and implementation of the indicator to be achieved under the measure, in order to attain the objectives and results set for the measure.
Title of the measure (incl. reforms/investments)	NEW MEASURE: Adaptation and equipping of facilities (shelters) for civil protection purposes (Program 5.2.1.1.; previously 5.1.1.9.)
Goal (what should be achieved by the measure?)	Investments in the reconstruction or renovation of existing facilities listed in the Cabinet of Ministers' order on facilities (shelters) that can be adapted and equipped for civil protection purposes, adapting them for the establishment of Category III shelters designed to protect people from hazardous factors by mitigating the effects of external blast waves and debris resulting from disasters, military invasions, or war. Expected result: at least 500 facilities adapted and equipped for civil protection purposes.
Key steps for implementing the measure	1) Approval of Cabinet of Ministers regulations (May 27, 2025); 2) Approval of project application evaluation criteria by the EU Funds Monitoring Committee (June 9, 2025); 3) Launch of the limited selection process (June 11, 2025); 4) Signing of contracts and implementation of projects.
Implementation time	01.06.2025-31.12.2029
Responsible/co-responsible institution	MoSARD/CFCA/ local governments
RRF/MFF	MFF
CSR	2025(1)
Common EU priorities	-
European Pillar of Social Rights	-
UN SDG	-
RRF reform/ investment No.	-
On-track status step	On-track
A brief description of progress for 2025 (what was done in 2025?)	On 27 May 2025, Cabinet Regulation No. 318 "Implementation Rules for Measure 5.1.1.9 "Adaptation and Equipment of Facilities (Shelters) for Civil Protection Purposes" under Specific Objective 5.1.1 "Promoting Integrated Social, Economic and Environmental Development of Local Areas and the Development of Cultural Heritage, Tourism and Security in Urban Functional Areas" of the European Union Cohesion Policy Programme 2021–2027" was approved. The Ministry of the Interior carried out a pre-selection of projects (facilities/shelters to be adapted and equipped for civil protection purposes). The list of supported projects (facilities) was approved by Cabinet Order No. 316 of 3 June 2025 "On Facilities (Shelters) to Be Adapted and Equipped for Civil Protection Purposes." An exception regarding the application of the common eligibility and common selection criteria for project evaluation was approved by the EU Funds Monitoring Committee on 9 June 2025. From 11 June 2025 to 30 September 2025 a limited project selection was carried out, during which 68 project applications were submitted. As of 31 December 2025, 45 contracts (with ERDF funding amounting to EUR 8.82 million) had been concluded, while the remaining project applications are in the process of contracting or evaluation. As of 11 February 2026, a total of 57 contracts had already been concluded.

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