

# PPP policy

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The beginning of the PPP idea in Latvia can already be found in the end decade (second half) of the 20th century, while a targeted implementation of PPP development policy was begun with the adoption of "Concession Law" in January 20, 2000 and validation of the conception of concession promotion (attraction of private capital for the performance of state functions) in April 16, 2002.

Along with the validation of the conception of concession promotion (attraction of private capital for the performance of state functions) the Ministry of Economics and its supervised agency "Latvian Investment and Development Agency" (LIDA) were designated as responsible state institutions for elaborating the PPP policy and promoting the PPP.

In order to eliminate the major problems identified in the conception affecting the PPP use in Latvia, the Cabinet of Ministers by order of March 23, 2005 No 188 maintained the policy planning document "Guidelines for Promoting Latvia and Private Partnership" that determined the government policy, basic principles, objectives and priorities for PPP promotion in 2005-2009 as well as by order of November 16, 2005 No 736 "On Action Plan for Implementing Guidelines for Promoting Latvia and Private Partnership in 2006-2009" affirmed the action plan for implementing the guidelines in 2006-2009.

Since 2004, the Ministry of Economics and LIDA have promoted the start-up of PPP implementation as well as actively organized different meetings and provided consultations for the representatives of the public, private and non-government sector on issues related to PPP implementation, thus contributing to the PPP development in Latvia.

In 2005, LIDA also started the preparatory work of five PPP pilot projects to create a good practice and evaluate possible obstacles in PPP implementation. The pilot projects were chosen in different sectors as well as with different possible PPP models. On the basis of the implementation practice of the pilot projects mentioned above, the production of a various PPP standard documentation and the development of guidelines begun.

On the basis of the identified obstacles in the laws and regulations in the PPP implementation practice as well as to improve the PPP legal framework and in order to coordinate the Latvian legislation with new directives of the European Parliament and the Council (2004/17/EC coordinating the procurement procedures of entities operating in the water, energy, transport and postal services and 2004/18/EC coordinating the procurement procedures of entities operating in the construction, supply and services sectors), in 2005 there was started the work at developing a new PPP regulatory coverage. The developed Law on Public-Private Partnership was adopted by the Saeima on June 18, 2009 and entered into force on October 1, 2009.

Upon reviewing the Law on Public-Private Partnership in the Cabinet of Ministers, a decision was adopted on handing over the function of PPP policy development from the Ministry of Economics, including from LIDA, to the Ministry of Finance, simultaneously handing over the financial resources and human resources designated for this function. Hence (since June 1, 2009) the Ministry of Finance is the leading national regulatory authority responsible for the PPP policy development and coordinating its implementation.

In order to improve the cooperation between competent PPP bodies, on January 19, 2007 there was established an advisory PPP council operating as an advisory and coordinating body and having the objective of promoting a unified development of the PPP policy and its implementation.

<https://www.fm.gov.lv/en/ppp-policy>