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LAYING THE FOUNDATIONS FOR RECOVERY:

LATVIA

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Latvia's recovery and resilience plan

The European Commission has given a positive assessment to **Latvia's recovery and resilience plan, which will be financed by €1.8 billion in grants.**

The financing provided by the Recovery and Resilience Facility – at the heart of NextGenerationEU – will support the implementation by 2026 of crucial investment and reform measures put forward by Latvia to emerge stronger from the COVID-19 pandemic.

The Latvian plan forms part of an **unprecedented coordinated EU response to the COVID-19 crisis**, to address common European challenges by embracing the green and digital transitions, to strengthen economic and social resilience and the cohesion of the Single Market. In particular, Latvia's plan will digitalise the public and private sector, reduce territorial and social inequalities and invest in green transport solutions.

KEY MEASURES TO SECURE LATVIA'S GREEN TRANSITION

38% of the plan's total allocation for reforms and investments supports climate objectives



▶ **Overhaul of the Riga Metropolitan area transport:** creating a multimodal public transport network with a single and coherent timetable, a single price and ticket system and investing in clean transport infrastructure, including railways, trams, electric buses and cycle lanes. **€295 million**



▶ **Energy efficiency in private and public buildings:** financing a large-scale renovation initiative to increase the energy efficiency of residential buildings, public buildings and businesses. **€248 million**



▶ **Modern and green electricity networks:** investing in the green and digital transformation of electricity grids to provide adequate electricity supply infrastructure for the Latvian economy and the deployment of electric cars. **€80 million**



KEY MEASURES TO SUPPORT LATVIA'S DIGITAL TRANSITION

21% of the plan's total allocation for reforms and investments supports digital objectives



▶ **Business digitalisation:** supporting businesses in introducing digital technologies; supporting the introduction of e-commerce solutions, innovation and new products; digital mentoring. **€125 million**



▶ **Digital upskilling:** improving basic and advanced digital skills of citizens, enterprises and public administration with the aim of increasing the share of people with at least basic digital skills to 54% in 2025. **€95 million**



▶ **5G deployment:** deployment of 5G corridor infrastructure along the Via Baltica highway to promote connected automated driving, sustainable mobility and improve road safety through innovation. **€12.5 million**

KEY MEASURES TO REINFORCE LATVIA'S ECONOMIC AND SOCIAL RESILIENCE



▶ **Modernising healthcare:** investing in hospitals and healthcare service providers to strengthen the resilience of the health sector and increase the availability of integrated and high-quality healthcare services. **€158 million**



▶ **Minimum income reform:** strengthening the basic social safety net through setting the minimum income level (including for pensions) at 20% of median income and introducing annual positive indexation to adjust for changes in the cost of living.



▶ **Higher education reforms:** improving governance, the accreditation mechanism and funding principles for the higher education sector. **€82.5 million**



▶ **Support for regional development:** investing in affordable housing, industrial infrastructure, schools and roads to leverage the impact of the administrative territorial reform. **€269 million**



▶ **Reforms and investments for modernisation of public administration:** centralising administrative support functions and investing in training of staff in public administration. **€3.3 million**

IMPLEMENTATION



None of the plan's measures will do significant harm to the environment.



Stakeholders should continue to be involved in the implementation of the recovery and resilience plan to ensure ownership of reforms.



Disbursement of funds is performance-based and will reflect progress on reforms and investments set out in the plan.



Control systems will protect against serious irregularities such as fraud, corruption and double funding.