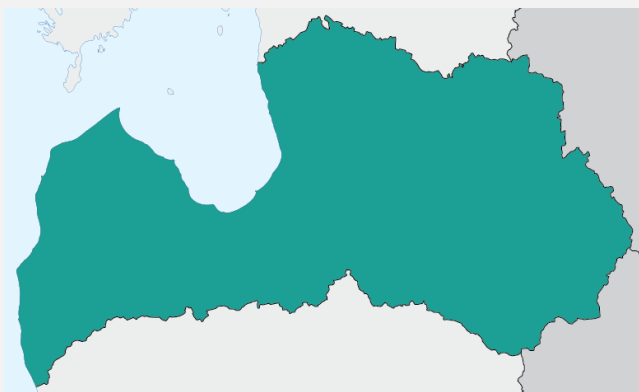


EUROPEAN STRUCTURAL AND INVESTMENT FUNDS¹



LATVIA

With a budget of EUR 454 billion for 2014-2020, the European Structural and Investment Funds (ESI Funds) are the European Union's main investment policy tool. The ESI Funds combine five Funds: European Regional Development Fund (ERDF); European Social Fund (ESF); Cohesion Fund (CF); European Agricultural Fund for Rural Development (EAFRD); and the European Maritime and Fisheries Fund (EMFF). Latvia, together with 19 other Member States, will also benefit from the Youth Employment Initiative (YEI).

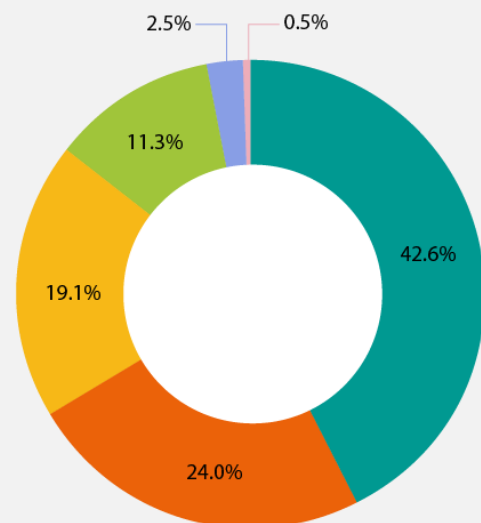
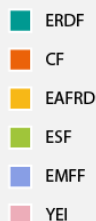


Categories of regions for the ERDF, ESF and EAFRD 2014-2020
 ■ Less developed regions (GDP/head < 75% of EU-27 average)

Through three national and regional programmes, Latvia has been allocated **EUR 5.63 billion** from ESI Funds over the period 2014-2020. With a national contribution of **EUR 1.27 billion**, Latvia has a total budget of **EUR 6.9 billion** to be invested in various areas, from creating **jobs** and **growth** to promoting **innovation** as well as protecting the **environment** and supporting **social inclusion**.

ESI FUNDS BUDGET FOR LATVIA (2014-2020)

- EUR 2.4 billion through the ERDF
- EUR 1.35 billion through the CF
- EUR 1.08 billion through the EAFRD
- EUR 639 million through the ESF
- EUR 140 million through the EMFF
- EUR 29 million through the YEI



¹ Data included in this factsheet have been extracted from the ESIF Open Data platform which is accessible online at <https://cohesiondata.ec.europa.eu/> Data on target achievements are based on officially agreed common indicators or, for the ESF, programme specific indicators (reference date for data: November 2015).

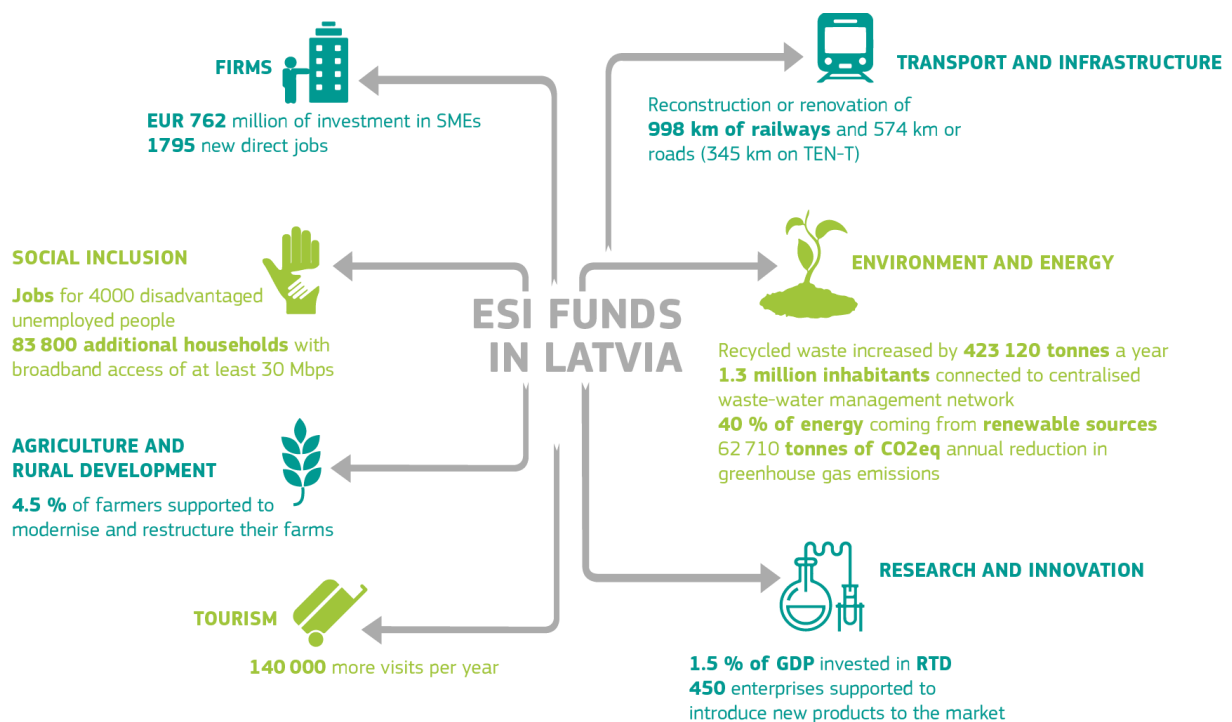
MAIN PRIORITIES

ESI FUNDS IN LATVIA WILL:

- Invest in **research** and technological development (RTD) and **innovation**, thereby supporting the growth of an **information society**.
- Increase **SMEs' competitiveness** and innovation by supporting new businesses and promoting private investment.
- Increase public administration's **institutional capacity** and the effectiveness of the judiciary.
- Support the shift towards a **low-carbon economy** in all sectors and promote the sustainable use of natural resources and adaptation to **climate change**.
- Develop a **sustainable** and efficient **transport infrastructure**. Priority will be given to the TEN-T rail and road infrastructure, connecting urban areas with the TEN-T networks, and reconstructing regional roads.
- Support measures to boost **employment** and increase the **mobility** of the workforce enabling unemployed people to find a job.
- Invest in **education**, skills and **lifelong learning**. Vocational education and training (VET) will be improved by extending the use of work-based learning.
- Support measures designed to improve **social inclusion** and tackle **poverty**, thereby helping to reduce inequality rates as well as providing better **access to health care** for the entire population of Latvia.

TARGETS

All funds are designed to support Latvia's **socio-economic development**. The expected results (**targets**) give an overall view of where Latvia should be on key parameters by 2020.



HOW WILL LATVIA ACHIEVE THE EXPECTED RESULTS?

Latvia will work towards the efficient spending of the EU funds, based on a multidimensional approach.

FULFILLING PRECONDITIONS FOR THE EFFECTIVE AND EFFICIENT USE OF ESI FUNDS

To ensure that ESI Funds are used efficiently and focus on results, the Commission has set some preconditions when allocating ESI Funds to the Member States.

The main purpose of these conditions, also called 'ex-ante conditionalities', is to help all Member States and their regions to tackle issues that past experience has shown to be particularly relevant to the efficient implementation of the Funds. These principles could be linked, for example, to the implementation of EU legislation, the financing of strategic EU projects, or administrative evaluation and institutional capacity.

These *ex-ante* conditionalities cover most investment areas: improvements to regional research and innovation (R&I) strategies as well as strategic plans linked to environment protection, energy resources, transport, socio-economic inclusion, health services, employment, education and training.

ENCOURAGING THE USE OF FINANCIAL INSTRUMENTS AND TERRITORIAL TOOLS

- Latvia will benefit from EUR 185 million under the financial instruments available to support businesses and finance energy efficiency measures.
- Loan, guarantee and equity instruments will be used to support SMEs and energy efficiency in buildings.
- Sustainable urban development will be promoted via integrated territorial investment.
- More than 30 local action groups will receive funding for projects across Latvia to make local partnerships more active, thanks to community-led local development.
- Measures focusing on the sustainable development of fisheries regions will be implemented through a multi-fund approach in those territories significant for fisheries.

SIMPLIFICATION FOR BENEFICIARIES

A 'one-stop' agency for concluding contracts has been set up and the work of the joint ESF, ERDF and CF monitoring committee is being supported by thematic subcommittees. The EAFRD and EMFF monitoring committees are managed by the Latvian Ministry of Agriculture.

Beneficiaries will benefit from a simplified institutional set-up, unified standards, greater use of online administration, an electronic procurement system, and increased use of simplified costs options.

SUCCESS STORIES: EXAMPLES OF PROJECTS USING ESI FUNDS (2007-2013)

TRAINING THE UNEMPLOYED AND JOB SEEKERS IN LATVIA

The project supported over 120 000 unemployed people by giving them training so that they can continue to attract employers. Activities in this project are related to professional training and development, retraining and higher education programmes. So far, a total of 120 118 men and women have been supported through modular training programmes, re-qualification and continuing education measures, directly helping the State Employment Agency maintain the country's skills pool and re-employs valuable workers who were unfortunate to lose their jobs in a difficult economic climate.

Total budget: EUR 103 800 000

EU budget contribution to the project from ESF: EUR 95 300 000

More information: <http://europa.eu/!py87tQ>

NACO TECHNOLOGIES

The Riga-based project has developed an innovative nano-coating process that is being used to meet a range of industrial needs. The new technology means that coating products can be manufactured 10 times faster than with existing techniques. The company's long-term goal is to develop a nanotechnology engineering centre of excellence in Latvia in the field of manufacturing, with links to the automotive and aerospace industries as well as, so that it can continue to recruit material science graduates on its team. The company's annual turnover is expected to exceed EUR 10 million in 5 years.

Total budget: EUR 590 678

EU budget contribution to the project from ERDF: EUR 148 791

More information: <http://europa.eu/!Dg73MV>

START UPS PROMOTION

Using the philosophy of 'teaching by doing', the project is deconstructing traditional ways of teaching business principles. Instead of textbooks and lectures, students learn through hands-on experience and mentoring by actual business leaders. As a result, over 80 business plans have been developed and 10 new businesses launched. It is expected that many new jobs will be created as a result of these successes – not to mention an entirely new way of teaching business education in vocational schools.

Total budget: EUR 123 929

EU budget contribution to the project from ERDF: EUR 105 339

More information: <http://europa.eu/!Qc93vG>

HEMP-BASED INNOVATIVE CONSTRUCTION TECHNOLOGY

The Lielvarde-based project introduced hemp-based innovative construction technology. The beneficiary company VERTESS UP purchased equipment in order to produce various construction materials which use hemp as a base material. The house built by the company from hemp shive concrete is the first of its kind in the Baltic countries and promotes innovation in construction supporting the sustainable management of natural resources.

Total budget: EUR 19 496

EU Budget contribution to the project from EAFRD: EUR 11 697

More information: <http://europa.eu/!YD84jB>

PRODUCTION FACILITY FOR STURGEON BREEDING

A modern and highly productive recirculation system for sturgeon breeding has been created using innovative technology.

Total budget: EUR 1 300 000

EU Budget contribution to the project from EFF: EUR 780 000

(During the 2007-2013 period, the EMFF was known as European Fisheries Fund or EFF)

FIND OUT MORE ABOUT ESI FUNDS IN LATVIA

- ESI Funds: <http://ec.europa.eu/esif>
- ESI Funds Open Data Platform: <https://cohesiondata.ec.europa.eu/countries/LV>
- ERDF & CF: http://ec.europa.eu/regional_policy/en/atlas/latvia
- ESF: <http://ec.europa.eu/esf/main.jsp?catId=389&langId=en>
- YEI: <http://ec.europa.eu/social/BlobServlet?docId=13483&langId=en>
- EAFRD: http://ec.europa.eu/agriculture/rural-development-2014-2020/country-files/index_en.htm
- EMFF: http://ec.europa.eu/fisheries/cfp/emff/index_en.htm
- The EU Representation in Latvia: http://ec.europa.eu/represent_en.htm
- EU project examples: http://ec.europa.eu/budget/euprojects/search-projects/list_en
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