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COUNTRY FICHE

LATVIA [LV]

In 2014-20, Latvia opted for a single type of Territorial Delivery Mechanism. Consequently, nine Sustainable Urban Development strategies were implemented through Integrated Territorial Investment (ITI). Funded entirely by the European Regional Development Fund (ERDF), these strategies targeted major cities and also included efforts to enhance urban-rural linkages.

POPULATION	STATE TYPE
1.9 million	Centralised

NATIONAL ESIF BUDGET

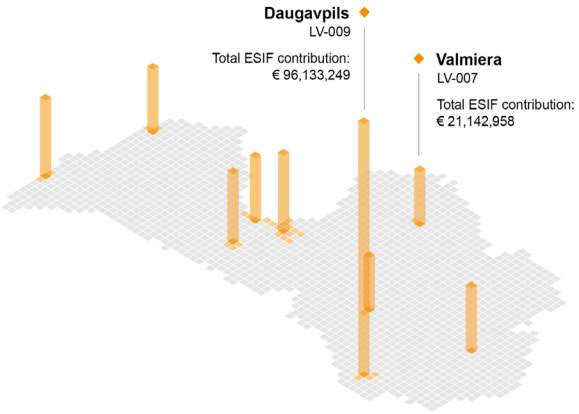
EU Contribution (EUR)	€ 6,226,688,538
National Contribution (EUR)	€ 1,386,041,195
Total Contribution (EUR)	€ 7,612,729,733

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	0	-	-	-
Integrated Territorial Investment (ITI; SUD)	9	ERDF	8.7%	77%
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	0	-	-	-
TOTAL	**9**	**-**	**8.7%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform. In particular, the STRAT-Board and Cohesion Policy Open Data Platform do not provide data on the Latvian CLLD strategies; however, these were also implemented. A total of 35 Local Action Groups for CLLD strategies were established (LDnet, 2021), funded through the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF). These strategies were not included in this research.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



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Description

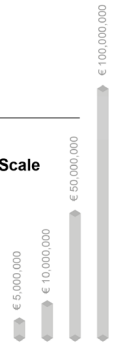
Geographical distribution of strategies per type of TDM, with an indication of the amounts of the respective ESIF contributions. For each type of TDM, strategies with the highest and the lowest amounts of funding are indicated.

Source: STRAT-Board (JRC, n.d.).
Note: There may be discrepancies between data from STRAT-Board and from other data bases.

Legend

= Integrated Territorial Investment (ITI; SUD)

Scale



GOVERNANCE CONTEXT

Latvia's system of territorial governance remains centralised, with a relatively weak regional tier. Following the 2009 administrative reform, the country was divided into 110 municipalities and 9 cities, with all 119 local governments having similar responsibilities, except for the capital, Riga, which holds additional functions (CoR, n.d.). Since a 2021 reform, Latvia now has five planning regions: Kurzeme, Latgale, Riga, Vidzeme, and Zemgale. These regions correspond to the municipal boundaries established by the municipal reform of 1 July 2009. However, these planning regions are not administrative units but inly serve the purpose of joint development planning.

The long-term territorial development plan is defined by the Sustainable Development Strategy of Latvia, approved by the Latvian Parliament in 2010. This strategy shaped the medium-term territorial development plans included in the Latvian National Development Plan, which was adopted by the cabinet of ministers in 2013.

Meanwhile, the Regional Policy Guidelines provide a medium-term policy framework. In 2013, these guidelines were updated to introduce a more modern approach to sustainable regional development. This revision promotes a stronger role for planning regions and municipalities, advocates for integrated and place-based planning, enhances coordination between regional and sectoral policies, and increases stakeholder participation.

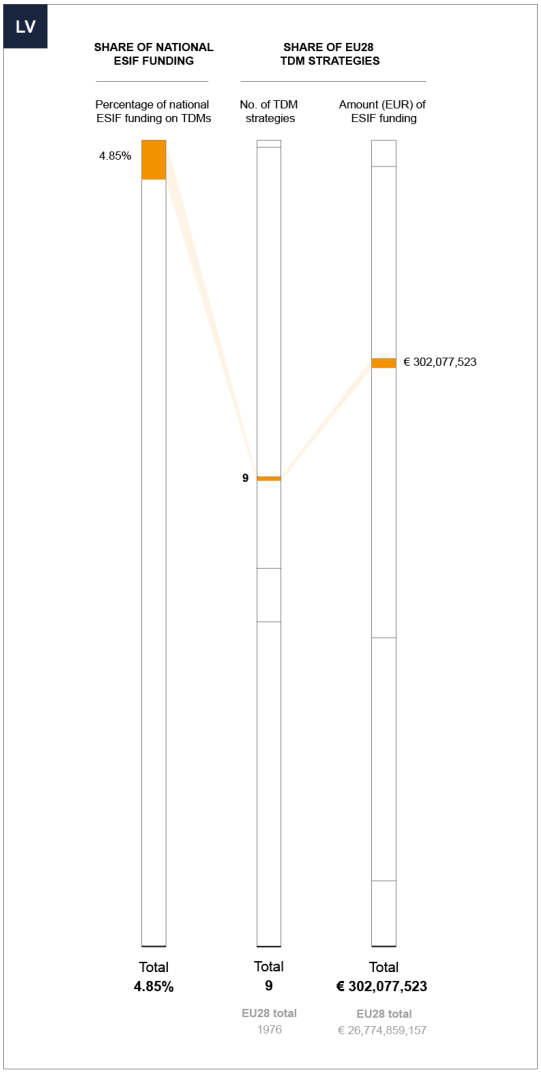
Latvia's regional policy also supports the network of development centres, which currently recognises nine cities as nationally significant development centres and 21 large towns as key regional centres. These centres collectively form the backbone of Latvia's polycentric development model.

COHESION POLICY CONTEXT

During the 2014-20 period, Latvia's Cohesion Policy was primarily implemented through its multi-fund Operational Programme (OP) "Growth and Employment." This OP combined funding from the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the European Social Fund (ESF), and the Youth Employment Initiative (YEI). The Ministry of Finance acted as the central Managing Authority, overseeing the programme, which covered all 11 Thematic Objectives established by the European Commission. Various ministries and agencies operated as Intermediate Bodies for specific policy areas. For instance, the Ministry of Education and Science managed ESF operations related to education and skills, while the Ministry of Environmental Protection and Regional Development was responsible for ERDF and CF operations focused on environmental sustainability and regional development.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform. This study also does not cover the CLLD strategies that were in place in Latvia in 2014-20 (see LDnet, 2021).

Sustainable Urban Development Integrated Territorial Investment

During the 2014-20 programming period, Sustainable Urban Development (SUD) strategies were rolled out in nine Latvian cities: Daugavpils, Jekabpils, Jelgava, Jurmala, Liepaja, Rezekne, Riga, Valmiera, and Ventspils. These strategies aimed to foster integrated urban development by investing in infrastructure to address issues in the urban economy, environment, education, and social sectors, while also enhancing functional connections between urban and rural areas. The strategies were implemented through the Integrated Territorial Investment (ITI) mechanism, with all funding provided by the European Regional Development Fund (ERDF). Delegation agreements were established between the central government and city authorities, and the Regional Development Coordination Council (RDCC) served as an advisory body, overseeing the progress of the strategies.

Thematically, the strategies focused on five key objectives, with Riga addressing four. The largest portion of ERDF and Cohesion Fund (CF) resources was allocated to environmental protection (€104 million). Education and training received a significant share (€92 million), followed by investments in the low-carbon economy (€43 million). Smaller amounts were directed towards enhancing the competitiveness of small and medium-sized enterprises (€16 million) and promoting social inclusion (€17 million). By the end of 2022, 77% of the allocated ERDF and CF funds had been utilised, surpassing the 70% absorption rate for mainstream Cohesion Policy funds during the same period.

IN SUM

During the 2014-20 period, Latvia dedicated a substantial portion of its ERDF resources to Territorial Delivery Mechanisms, using SUD ITI as the sole instrument. The funding targeted the country's major cities, focusing on addressing local economic, environmental, and social challenges, with solid performance in terms of financial implementation. However, further research is needed to evaluate how effectively the ITIs met territorial needs and what added value they delivered. Moreover, while the SUD ITIs included measures to strengthen urban-rural linkages, there is limited empirical evidence on the effectiveness and impact of these interventions.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

References

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