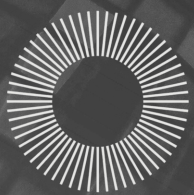




FOREIGN INVESTORS' COUNCIL IN LATVIA

POSITION PAPER
on
FUTURE PUBLIC
ADMINISTRATION

Position Paper No. 3



IFICIL

26.09.2024



EXECUTIVE SUMMARY

To help Latvia's public sector keep improving, it is essential to embrace a forward-thinking mindset that focuses on being flexible, innovative, and ready for any future challenges. The way things are done today might not be enough for tomorrow, so the public sector should be willing to break away from rigid systems and move toward more flexible and collaborative ways of working. This means using technology not just to make things faster but to genuinely improve how decisions are made, and how services are delivered, making government more efficient and responsive.

One key way to achieve this is by involving more voices in the decision-making process. Engaging with businesses, civil society, and everyday citizens on a regular basis can help make public policies more practical and grounded in reality. This is not just about ticking boxes for consultation—it is about working together to create real solutions. Building transparency and trust along the way ensures that the public sector is accountable and aligned with what is needed.

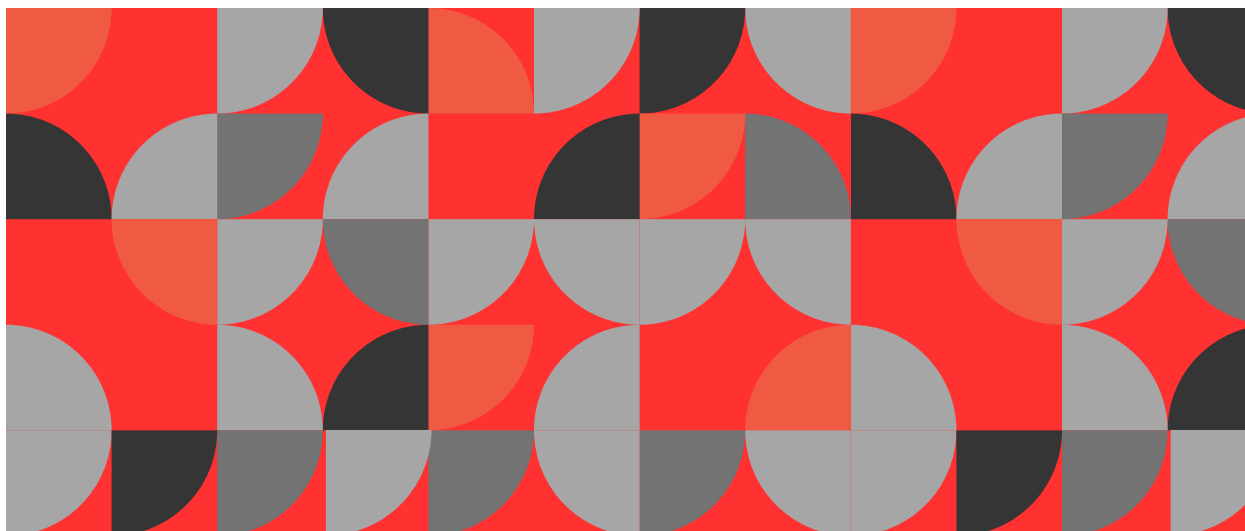
At the same time, there needs to be a fresh approach to managing the public sector workforce. Investing in skills development and promoting leadership that is adaptable to change will go a long way in creating a more dynamic and effective public service. There needs to be further work to ensure rotation at all levels within the civil service and an effective employee review system. We need to focus on creating opportunities for learning and professional growth so that public sector employees are ready for most challenges.

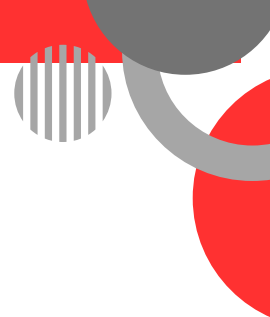
Finally, it is important to take a long-term view. The world is changing fast, and the public sector must keep up by thinking ahead. Whether it's shifts in demographics, the effects of climate change, or economic challenges, we need to be ready to adapt quickly. Building foresight and future planning into the core of government strategies will help Latvia's public sector stay resilient, relevant, and prepared for whatever comes next.



TABLE OF CONTENTS

Executive summary	2
Recommendations	4
Efficiency Improvement Through Digitalisation	5
Public Administration Modernisation	7
KPI for the Public Sector	7
Upskilling of Public Sector Employees	9
Quality and Monitoring Planning Documents	10





RECOMMENDATIONS

IMPROVE EFFICIENCY THROUGH DIGITALISATION

- | Establish a high-level CIO with a clear mandate to implement centralised digital transformation of the public sector.
- | Improve data management and standardisation across the public sector and introduce a “one-stop-shop” for all businesses when submitting data to the public sector.
- | Find opportunities for close collaboration with the private sector in the field of AI (artificial intelligence), and build a strong governance model for AI.



MODERNISE PUBLIC ADMINISTRATION

- | Continue to introduce Performance-Based Budgeting (PBB) by 2028, with the option of conducting pilot projects in several ministries. Moreover, increase the accountability of the public sector representatives for actions and results by introducing measurable KPIs, and defining consequences for failure to achieve them.
- | Improve transparency of the implementation of the State Audit Office’s recommendations by requesting entities to submit regular (annual) and more elaborate explanations on concrete implementation steps.
- | Boost productivity of civil servants by introducing rotation mechanisms and setting a higher threshold for granting the status of “civil servant”. FICIL calls for a centralised human resource department within the public sector administration, together with other measures that would reduce public sector bureaucracy.
- | Ensure that the documents published by the public sector institutions correspond to the planning document framework, thereby the category of the documents reflects its purpose and content. The State Chancellery should create an interactive tool to enable the monitoring of progress of the policy planning document implementation, thereby promoting transparency and accountability. This tool should provide a comprehensive overview of goals, key performance indicators (KPIs), and progress of achievement of aims, described in various policy documents.



RATIONALE FOR RECOMMENDATIONS

IMPROVE EFFICIENCY THROUGH DIGITALISATION

The public sector has made progress in addressing some of FICIL's recommendations, outlined in last year's position paper.¹ To illustrate, key initiatives, led by the Ministry of Smart Administration and Regional Development (VARAM), include developing a Data Analytics Competence Centre, creating a target architecture for data management, and planning a centralised data standardisation project. The advancement of the Data Distribution and Management Platform (DAGR) and efforts to consolidate ICT resources are underway. Notably, the State Revenue Service is being integrated into the DAGR, with several data sets already being tested or planned for implementation. The success of the above-listed initiatives will depend on their implementation processes, which requires strong intergovernmental cooperation, a change in culture and ways of working, and availability of needed skills.

FICIL's recommendations remain unchanged this year, as we continue to emphasise the need to launch the DAGR platform and to create a Centre of Excellence under the Chief Information Officer (CIO), responsible for centralisation of the ICT competencies.

| Establish a high-level CIO with a clear mandate to implement centralised digital transformation of the public sector.

According to the OECD Digital Government Index 2023, Latvia falls behind its neighbours –Estonia and Lithuania, and is below the OECD average.² While Latvia has relatively good scores on indicators, such as “digital by design”, significant improvements are needed on two dimensions – “user-driven” and “proactivity”. The first of these, “user-driven”, assesses the capacity of governments to centre the design and delivery of

policies and services around user needs, while the second, “proactivity”, refers to the capacity of governments to anticipate the needs of users and service providers to deliver government services proactively.³

In order to drive forward meaningful improvement and work towards becoming a truly digital country, clear leadership is essential. As such, FICIL continues to advocate for the appointment of a high-ranking Chief Information Officer (CIO) with a robust mandate. This role would be responsible for implementing a centralised digital transformation strategy and provide strategic direction for the digital evolution of the entire public sector. While VARAM has assumed some of these responsibilities, the Ministry's diverse portfolio of competencies, and the lack of a high-level official dedicated to promoting digitalisation in the public sector, has meant slow progress. In this context, **a dedicated CIO should possess the authority to make and enforce decisions, as it is crucial for establishing standards, optimising operations, and ensuring legal compliance in decision-making processes.** The functions of a CIO may differ, ranging from overseeing the country-wide strategic digitalisation projects, to providing directions on digital transformation for the entire public sector (as is the case in Australia or Estonia). However, it is critical to ensure that an appointed official has a mandate and sufficient authority to drive forward change, and to enforce decisions successfully.

FICIL maintains its recommendation that the CIO should report directly to the highest-ranking government official, which in Latvia's case is the prime minister. This direct line of communication would empower the CIO, facilitate its mission and stimulate more rigorous monitoring and reporting on progress, resulting in faster and more comprehensive digital transformation across the entire public sector. In turn, its success would ensure availability of funding and, simultaneously, reduce the costs of the transformation.

¹ FICIL (2023) “Position Paper On Future Public Administration”

² 2023 OECD Digital Government Index

³ For in a different dimension “data-driven public sector” both Estonia and Lithuania rank top 10, while Latvia does not



The Digital Modernisation Thematic Committee (active since 2023) is a high-level political body, chaired by the Minister for Smart Administration and Regional Development. The Committee is responsible for overseeing and coordinating Latvia's policymaking and implementation in the area of digital transformation, ensuring alignment with the EU targets, setting priorities for investments, reviewing and amending regulations that may hinder progress, and resolving legal issues within its scope, before submitting them for the government's approval. Although it appears to be a positive step, the impact of the Committee's work on digital transformation is not yet clear. As it has only had two meetings this year, its agenda seems to be limited to the issues of allocating EU financing.⁴ Moreover, the decision-making process of the Committee remains unclear.⁵

I Improve data management and standardisation across the public sector and introduce a "one-stop-shop" for all businesses when submitting data to the public sector.

FICIL has identified a critical issue in the public sector: a lack of high-quality, transferrable data. This stems from the insufficient and inconsistent use of IT applications/systems that centralise data collection, ineffective data exchange policies, and disparate capabilities and tools across agencies. Simultaneously, the principle of 'once-only' data use is very common across the public sector institutions, resulting in numerous submissions of duplicate data to several public bodies, poor digital data management and infrastructure of overall connectivity.⁶

To address the above-listed challenges, the government should ensure that collected data is available and accessible, standardised, reusable, safely and easily transferred, and stored. This calls for a unified data platform that integrates data from various sources and ensures its successful management.

The latter includes standardising and streamlining the process for the collection of data and in what formats it is available, how it is treated/used, reviewed/verified, shared and stored. As complementary measures, it is advisable to create comprehensive data dictionaries and improve data literacy among the public sector employees through training programs.

VARAM intends to develop a platform – business.gov.lv, as a "one-stop-shop" for entrepreneurs by 2030, in line with the EU's Single Digital Gateway regulation. The platform is expected to support business development in the country by providing centralised access to the state services. This would facilitate the document submission processes and reduce the administrative burden, decrease business costs, speed-up decision-making, while improving access to the services of the Register of Enterprises.⁷ FICIL appreciates the initiative, but advises timely and effective implementation, requiring a committed, decisive, collaborative and productive approach by the government and involved public sector institutions.

I Find opportunities for close collaboration with the private sector in the field of AI (artificial intelligence), and build a strong governance model for AI.

The AI Act has been approved at EU level and is awaiting implementation. AI will undoubtedly play a significant role in Latvia's future, as it presents an excellent opportunity for boosting economic development. However, to utilise its potential, **the government should develop a clear strategy on AI development and adoption, and build a strong governance system with clear mandates and responsibilities.**⁸ In this context, FICIL strongly encourages close **collaboration between the government and the private sector**, and emphasises that the responsibility for AI competence development should be assigned to a **specific ministry or public sector entity**.


⁴ Digital Modernization Thematic Committee

⁵ About the Digital Modernization Thematic Committee, not outlined

⁶ Digital Decade Country Report 2024: Latvia, page 24

⁷ Letter sent to FICIL by VARAM on 16th of July

⁸ In Latvia enterprise use of AI technologies is amongst the lowest in EU, just 4.5% use AI technologies, Eurostat statistics.



VARAM is currently organising a working group on implementation of the AI Act, focusing on key areas, such as governance, certification, AI regulatory sandboxes, contact points, penalties, high-risk system compliance assessments, and prohibited practices, including those related to enforcement of the law. FICIL looks forward to learning about the results of this work.

Previously, FICIL has participated in discussions on the development of an AI Centre, held by the President's National Competitiveness Commission.⁹ Based on the description of this initiative, the aim of the AI Centre is to ensure the development of reliable artificial intelligence in Latvia, focusing on the application of AI to drive economic growth and societal well-being. The Centre will seek to provide targeted support for implementing AI solutions across various sectors, with the aim to enhance productivity and competitiveness. Additionally, it should foster innovation, positioning Latvia as a leading AI-friendly country for the adoption and use of AI technologies. While FICIL supports such ambitions, we emphasise the importance of successful implementation of the initiative to ensure its timely launch and functioning.

MODERNISE PUBLIC ADMINISTRATION

KPI FOR THE PUBLIC SECTOR

I Continue to introduce Performance-Based Budgeting (PBB) by 2028, with the option of conducting pilot projects in several ministries. Moreover, increase the accountability of the public sector representatives for actions and results by introducing measurable KPIs, and defining consequences for failure to achieve them.

The current budgeting process in Latvia focuses on securing funding for planned activities, rather than optimising the use of existing resources, while the set policy goals, activities and indicators are not sufficiently reviewed on an annual basis.

As a result, **the government discussions focus primarily on distributing funds for priority measures, rather than evaluating the efficiency of existing resources.**¹⁰ This approach leads to requests for more funding without a thorough analysis of the spending effectiveness. In view of the current budgetary pressures¹¹, but increasing needs, it is crucial to improve the budget planning process. This should be supported by establishing clear, measurable, and result-oriented KPIs for the public sector, which allows outcomes and impacts to be measured, rather than work processes.

In FICIL's view, the introduction of Performance-Based Budgeting is essential to improve the efficiency, transparency and accountability of the public sector governance. In contrast to the traditional budgeting process, PBB systematically allocates financial resources, according to specific, measurable goals and outcomes. Thus, PBB encourages the responsible and results-driven use of public resources, which relies on KPIs to measure the success of government programs and services. In this context, KPIs do not merely focus on the process (inputs), but also on outputs and outcomes – what is being achieved. This shift towards outcome-oriented KPIs strengthens the public sector governance by providing clear benchmarks against which performance can be evaluated.

Overall, the accountability mechanisms in Latvia's public sector are often disconnected from results and performance. This lack of accountability undermines the effectiveness of the public sector. **Implementing PBB would require institutions and their employees to be held accountable for meeting specific KPIs, thus ensuring that public funds are used effectively to deliver on the government's strategic objectives.** Civil servants, including those in leadership positions, would be held accountable for meeting their KPIs, and failure to do so would prompt an active response. Moreover, PBB can reduce the potential for political interference in the public sector, as clear performance metrics and transparent evaluation processes would support a **fair assessment of civil servants' performance,**

¹⁰ Government institutions are requesting an additional €1.3 billion for next year, LETA

¹¹ "Budget 2025" – many needs, little money; decisions on tax changes must be made by mid-September, LSM



based on their ability to meet objectives rather than political considerations.

FICIL saw the first steps of the Ministry of Finance (MoF) in this direction, namely the report “On the development directions for performance-based budgeting”¹². However, soon after the report was published, it was removed from the Cabinet of Minister’s agenda, and progress in PBB stopped. **FICIL calls for restarting the discussions on this topic as soon as possible**, taking the necessary high-level political decisions, if the decisions cannot be made at public servant level.

I Improve transparency of the implementation of the State Audit Office’s recommendations by requesting entities to submit regular (annual) and more elaborate explanations on concrete implementation steps.

The State Audit Office (SAO) is the country’s highest independent audit institution. Its primary role is to ensure that the use of public funds and assets is lawful, efficient, and in the public interest. The Office reports its findings to the Parliament and relevant authorities, ensuring transparency and accountability of operations in the public sector. The SAO provides a significant number of recommendations¹³ and, according to the Auditor General,¹⁴ 90% of them are eventually implemented. FICIL would like to stress that recommendations should be implemented in essence, rather than just “ticking boxes”. Thus, **FICIL recommends that organisations that have been audited, and are implementing the State Audit Office recommendations, clearly indicate in their annual public reports what exactly has been done, in line with received recommendations**. Currently, there is insufficient explanation about the implemented actions – namely, the public report of the Ministry of Education and Science notes only the number of recommendations/proposals implemented, closed

or in progress. As a result, the stakeholders cannot evaluate the essence and quality of changes.¹⁵ Hence, FICIL suggests that each audited organisation presents a clear table that outlines what actions have been taken to implement the recommendations/proposals of the SAO and, more importantly, provides an explanation, if it was closed.

Discussions about the capacity and effectiveness of the public sector in Latvia are ongoing. The number of the public sector employees in the country remains high¹⁶, as Latvia experienced the largest increase in the OECD countries, in the general government employment between 2019 and 2021.¹⁷ Moreover, the wages of the general government employees have been rising rapidly in recent years.¹⁸ This raises two questions: first, is the salary growth of the public sector employees adjusted to their productivity increase, and second, are the public sector employees engaged in relevant tasks? According to the OECD economic survey, there is room for consolidation within the central government, as many inefficiencies, such as duplication of functions by several public sector organisations, persist. Such inefficiencies not only consume public resources and reduce returns to scale, but also increase coordination costs within the government and raise the administrative burden for the private sector.¹⁹

FICIL believes that the number of the public sector employees does not correspond to the actual needs and therefore leads to great inefficiencies. In a rapidly changing environment, the structure of the public sector and its administration must be reviewed, in line with the criteria of relevance, effectiveness, efficiency, coherence, and impact. **Such revision will improve the understanding of what functions and services the public sector institutions should/should not provide and how, facilitate the setting of priorities, and improve allocation of resources.**

¹² Development directions for results-oriented budgeting

¹³ In 3 years, State Audit Office has generated more than 800 recommendations (2020 to 2023 year). Overview of the recommendations to be implemented, State Audit Office of the Republic of Latvia

¹⁴ State Auditor: Police officers are forced to handle paperwork instead of ensuring safety, nra.lv

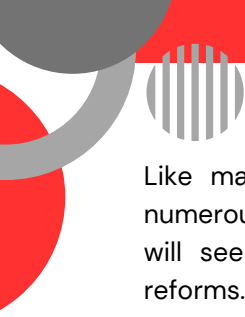
¹⁵ 2023 Public Report of the Ministry of Education and Science

¹⁶ OECD Economic Surveys: Latvia

¹⁷ Government at a Glance 2023

¹⁸ Siliņa: Salaries in the public sector should no longer grow so rapidly, LETA In the first 7 months of this year, the public sector wages have risen by 18%, much higher than private sector, which distorts competition.

¹⁹ OECD Economic Surveys: Latvia, page 43



Like many other EU countries, Latvia will face numerous challenges in the coming decades that will see the need for significant public sector reforms. In view of this, does the government have the capabilities and competences to address these challenges? FICIL argues that a function audit is a crucial instrument to implement necessary changes, to identify the weakest areas in the public sector's performance, and define the ideal operating model for the public sector.

UPSKILLING OF PUBLIC SECTOR EMPLOYEES

I Boost productivity of civil servants by introducing rotation mechanisms and setting a higher threshold for granting the status of “civil servant”. FICIL calls for a centralised human resource department within the public sector administration, together with other measures that would reduce public sector bureaucracy.

The quality of the public administration is directly linked with the knowledge, skills and competences of its employees, as they determine productivity, effectiveness and efficiency of work. Numerous reports of the State Chancellery and of the State Audit Office point to the need for significant improvements²⁰ in the process management and competences of the public administration, that will support much-needed change in the public administration culture, rooted in a spirit of cooperation, flexibility and individual responsibility, instead of normativism, bureaucracy and diffusion of responsibility.²¹ The Public Administration Reform Plan for 2020²² recognises these challenges and clearly outlines three employee-related goals:

- *Reduction of the number of public administration employees and their supervision, to ensure efficiency and continuous development of the essential skills for work, namely analytical thinking, strategic planning, creativity and flexibility;*
- *Revision of the remuneration policy to keep and attract highly qualified experts;*

➤ *Results-oriented performance management, which implies that the remuneration policy is directly linked to the specific performance indicators that will stimulate the development of skills and competences of the public administration.*

FICIL supports all the above-listed goals and calls for their implementation, as the progress of their achievement has been slow or non-existent. In view of this, FICIL provides the following recommendations:

1) To facilitate employee upskilling, FICIL suggests establishing a human resource (HR) department within the centralised Shared Service Centre²³, based at the State Chancellery. This department would be responsible for the human resource (HR) service provision for multiple public sector institutions. Such a solution would reduce the costs of provided services, foster digitalisation and ensure a similar quality of training across public sector institutions, including transfer of good practices. Moreover, it would assign responsibility to one centralised organisation, thereby boosting its accountability, excellence and reducing further bureaucratisation, resulting from a division of functions across various public sector institutions.

2) A department (or section) focused on optimisation and monitoring of the quality, effectiveness and efficiency of public sector institutions should be established as an integral part of the Shared Service Centre. The purpose of this department would be to act as an internal inspection mechanism that seeks to reduce costs and administrative burden, detect and prevent errors and inefficiencies, supporting the implementation of good governance principles and modernisation at each institution. The department should have sufficient independence from all public sector institutions to ensure objectivity of its judgement, and its assessments should lead to the immediate introduction of corrective measures.

²⁰ The State Audit Office of Latvia has conducted 40 audits and commenced 35 audits

²¹ Proposals for discussion on public administration reforms 2016, State Chancellery

²² Public Administration Reform Plan for 2020

²³ Development of the unified service center of the state administration in Latvia, Cabinet of Ministers



3) Similarly to continuous development approaches in the private sector organisations, **all public administration employees should develop an individual training/personal development plan that outlines their learning goals, based on the evaluation of their work and career ambitions.** The annual evaluation of employees' work should include the analysis of fulfilment of their learning goals. In addition, it is advisable to implement best practices and processes on training from the private sector, thereby encouraging a greater knowledge transfer from the public to the private sector, and vice versa. Last year FICIL outlined multiple best practices from the private sector.²⁴

4) Given that the status of "civil servant" incurs significant liabilities for employees at the public administration, many of them are risk averse to changes in the workplace.²⁵ Moreover, the status of "civil servant" implies stronger legal protection. While FICIL agrees that civil servants should be protected against political manipulation or favouritism, the mechanisms of recruitment, dismissal and incentives should be based purely on their job performance. In view of this, **FICIL provides two recommendations: first, to evaluate more carefully which employees should be granted the civil servant status as opposed to a regular employee, and, second, to introduce rotation mechanisms of employees between public sector institutions after a few years of service.** These practices are already adopted at many national and international public organisations, such as the United Nations. Numerous studies indicate that staff rotation may stimulate upskilling/learning, lower corruption and inefficient decision-making due to bribery.²⁶

QUALITY AND MONITORING OF PLANNING DOCUMENTS

I Ensure that the documents published by the public sector institutions correspond to the planning document framework, thereby the category of the documents reflects its purpose and content.

The public sector continues to produce numerous policy planning documents – in the first half of last year, more than 100 policy planning documents were approved.²⁷ Although it is important to continue creating, re-evaluating and updating strategies and planning documents, out of 107 policy planning documents only 7 were actual plans, while more than 90 of recently published documents were informative reports. **Closer analysis of the content and intended purpose of these informative reports raises questions on the appropriate application of the planning document framework.**

Based on the above-listed framework, only guidelines, a plan, and a conceptual report are considered policy planning documents. The informative report, however, is not included in the framework, as the aim of this type of document is to provide updates and insights on the progress of implementation of the policy planning documents, not to introduce new objectives or strategic directions.²⁸ Despite this, the misuse of the planning document framework is common in Latvia. To illustrate, recently the Ministry of Economics presented an informative report "About Latvia's Economic Development"²⁹ for Parliamentary discussions that included new aims, such as doubling the GDP by 2035.³⁰ Due to incorrect use of the policy document framework, the current report is not legally binding.

²⁴ Best practices from businesses emphasise setting clear KPIs for learning outcomes, focusing on results rather than processes. Developing both hard and soft skills is essential. When centralising support functions, creating a unified e-learning platform for public service is recommended. Targeted upskilling at the start of a role helps employees contribute effectively from day one. It's also important to estimate the budget and create a study plan at the beginning of each year. Finally, dedicating specific hours annually to skill enhancement ensures continuous employee development.

²⁵ State Civil Service Law


²⁶ The Effects of Staff-rotation in Public Administration on the Decision to Bribe or be Bribed

²⁷ Until July of 2023. According to website POLSIS that is a policy planning document database

²⁸ Rules for the development and impact assessment of development planning documents

²⁹ On the development of the Latvian economy, Ministry of Economics

³⁰ Such as "National Development Plan until 2027", "Sustainable Development Strategy until 2030" or "the Guidelines of the National Industrial Policy 2021-2027"



Thus, FICIL questions the appropriate use of the planning document framework, reasons behind its misuse, and the coherence of newly published documents with the existing ones.

The excessive production of informative reports is associated with the facilitated approval process, compared to a policy planning document,³¹ as it does not require the same level of detail or commitment. Thus, convenience comes at the cost of uniformity, transparency, coherence and accountability, leading to confusion on implementation of the policy planning documents, and thereby undermining their value. In addition, there are arguments that the production of informative reports allows the publishing of declarative, politically acceptable statements, which are not legally binding and therefore do not require implementation. Some of these arguments were voiced in a recent revision by the State Audit Office,³² when analysing the innovation development policy for 2014–2020.³³

Inconsistencies and irregularities between policy planning documents also result from a lack of referencing and interconnection between the documents.³⁴ For instance, one government plan sets a goal for R&D spending at <3% of GDP by 2030,³⁵ another sets it at 1.5% by 2027,³⁶ the Industrial Development Plan does not indicate any R&D-related goal, while the informative report "About Latvia's Economic Development" sets an R&D goal of 3.2% of GDP by 2035 (which is not a policy planning document). As a result, there is confusion between goals, KPIs and progress of policy implementation.³⁷

It is critical that the government adheres to the established framework of the policy planning documents, as it ensures that strategic objectives are clearly outlined, implemented and evaluated. It would stimulate coherence between the planning documents, ensure the use of appropriate fiscal mechanisms for their implementation and strengthen a sense of responsibility among involved institutions.

The State Chancellery should create an interactive tool to enable the monitoring of progress of the policy planning document implementation, thereby promoting transparency and accountability. This tool should provide a comprehensive overview of goals, key performance indicators (KPIs), and progress of achievement of aims, described in various policy documents.

Already in 2010, several issues of the policy planning process were identified. First, the policy planning is weakly connected to budget planning, which puts the implementation process of designed policies at risk. Second, the medium-term and long-term assessments and modelling of the impacts of policies are not practiced, which questions the successful implementation of reforms and the need for continuity of a specific policy. Third, the sectoral nature and a lack of goal orientation of policy documents create additional challenges for effective policy design and implementation.³⁸

Currently, there is no data platform or online tool that allows the overseeing of progress of policy implementation, and it would not be efficient to conduct the SAO audits on every policy instrument.

³¹ An informative report, if no further action is planned regarding the issue mentioned in the informative report or if it is not related to the competence of other institutions, as well as the draft protocol decision of the Cabinet of Ministers, if it is not related to the competence of other institutions, may not be approved with other ministries or institutions ([link](#))

³² How to improve business innovation support policy, State Control of the Republic of Latvia

³³ The actions taken by the Ministry of Education and Science and the Ministry of Economics in planning innovation development policy for 2014–2020 were deemed insufficient. Despite 681 million EUR of public funding, the desired outcomes in enhancing company competitiveness and productivity were not achieved. Although there have been some improvements in planning innovation support measures, systemic and consistent issues remain unresolved. This poses a risk that the 721 million EUR allocated for 2021–2027 may also fail to meet the national economic development goals.

³⁴ Policy Making Manual, Cross-Ministerial Coordination Center

³⁵ Sustainable Development Strategy until 2030

³⁶ National Development Plan until 2027

³⁷ It is already visible that the R&D goal of 1.5% by 2027 will not be achieved, making it unlikely to reach close to 3% by 2030. Will the goals set in the Industrial Development Plan until 2027 be achieved? None of the four KPIs set in Industrial Development Plan until 2020 have been achieved ([link](#))

³⁸ Page 88 in Sustainable Development Strategy until 2030



Thus, FICIL recommends the State Chancellery's Cross-Sectoral Coordination Department to establish an interactive tool with free public access. This would enhance transparency, facilitate better monitoring, stimulating coherent and effective policy implementation. Similar tools are already implemented by the State Audit Office, where the public can view the progress in implementation of recommendations, outlined in the audits.³⁹

We urge to create an advanced user-friendly platform, such as the "performance reporting dashboard"⁴⁰ implemented by the Australian central government, where each individual can easily monitor progress on each sector's KPI.

³⁹ Overview of Recommendations to be implemented, State Control of the Republic of Latvia

⁴⁰ Australian Central Government "Performance Reporting Dashboard" ([link](#))





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