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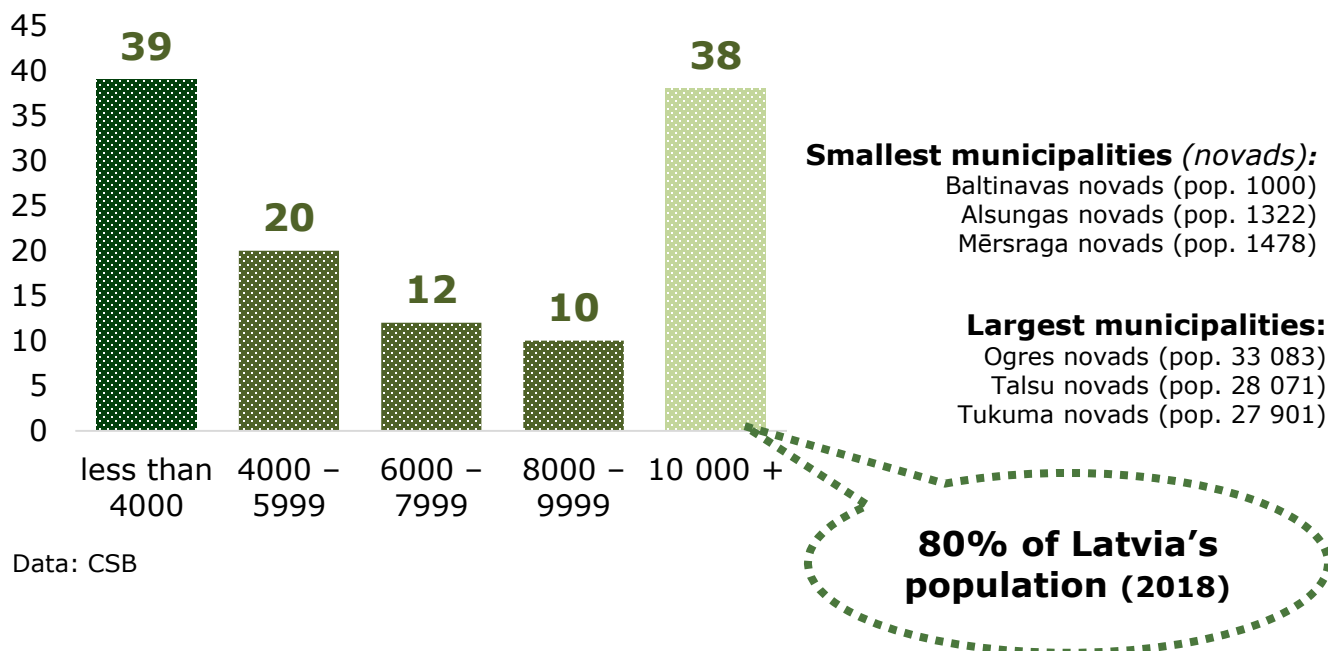
# **Governance and Administrative Capacity: challenges and opportunities**



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# Municipalities in Latvia are extremely diverse

Municipalities by number of inhabitants, 2018

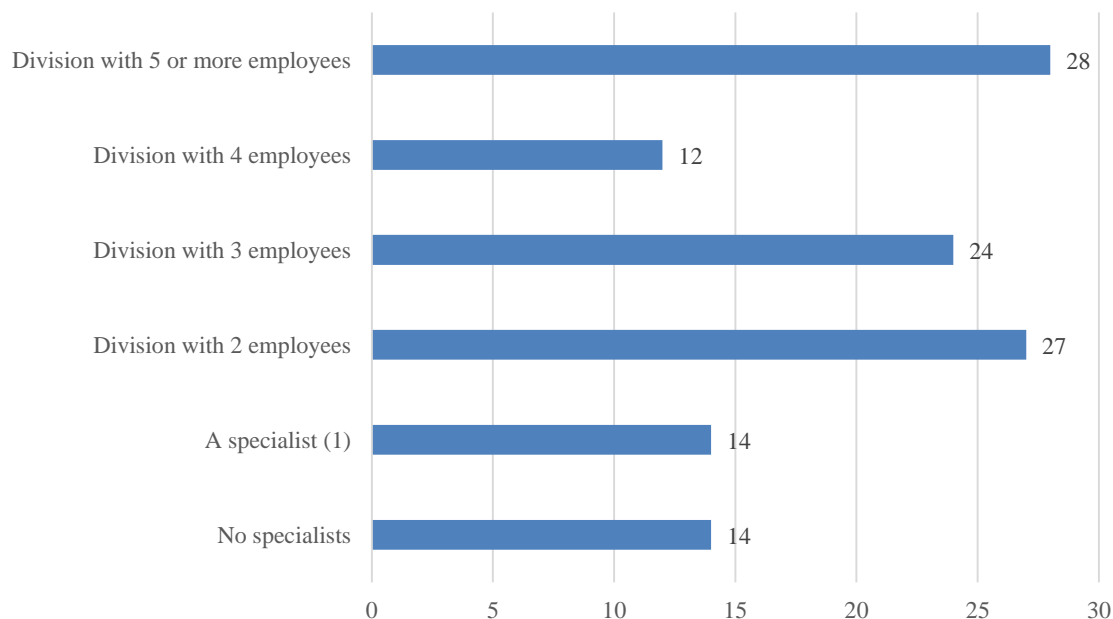




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# 1. Challenge – size of capacity

Municipalities



**50%  
have full-  
time  
specialists**



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# Integrated territorial investments (ITI) - 9 largest cities

## Specific Objective

3.3.1. Attracting investments for regions –  
public infrastructure for SME

4.2.2. Energy-efficiency of municipal buildings

5.5.1. Investments in culture and tourism  
heritage

5.6.2. Revitalisation of deprived areas

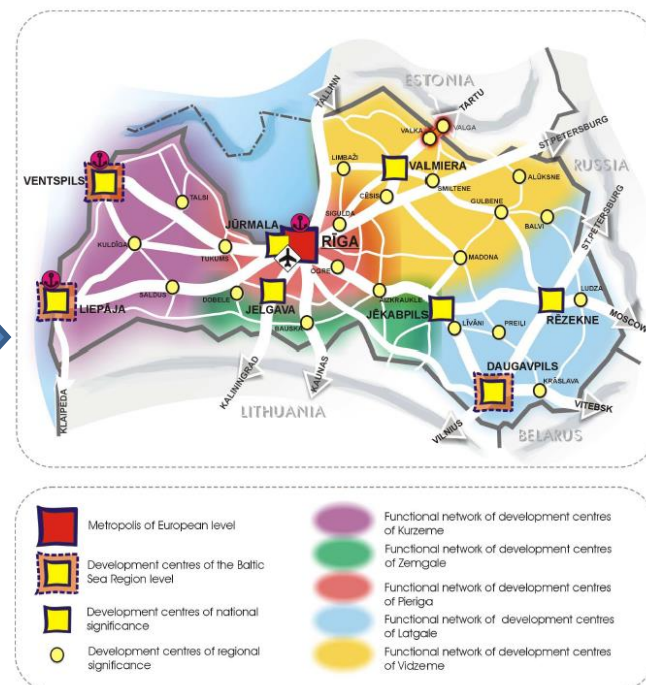
8.1.2. Infrastructure for general education

8.1.3. Infrastructure for vocational education

9.3.1.1. Social services (deinstitutionalization)

269,9  
millions

Development Centres and Functional Networks



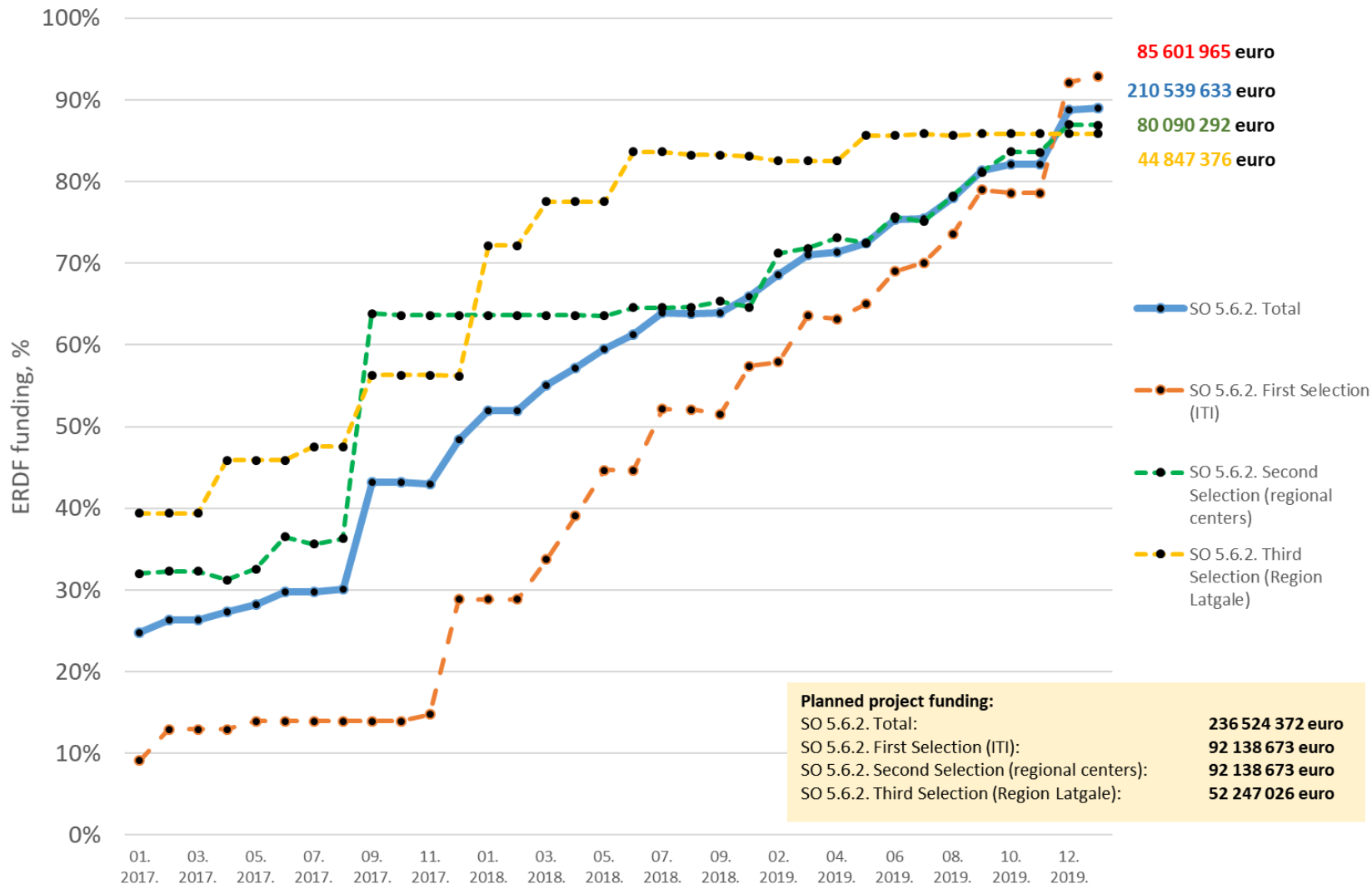
\*Including over-commitments (53 million euro)



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# ITI – SO 5.6.2

## Project submission dynamics, Project ERDF funding, %





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## 2.Challenge - administrative system

### A. Lack of competition

- Municipality ignores deadlines for project submission
- Lack of quality of project applications

### B. Administrative burdens by delegation of tasks of intermediate body to municipalities

- Evaluation process is expensive – committee for limited number of projects
- It is difficult to ensure the independence of evaluation committee - evaluation committee as an «internal enemy»
- Reduce capacity in the project preparation process



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# 3.Challenge - knowledge

## Effective use of instruments responding to:

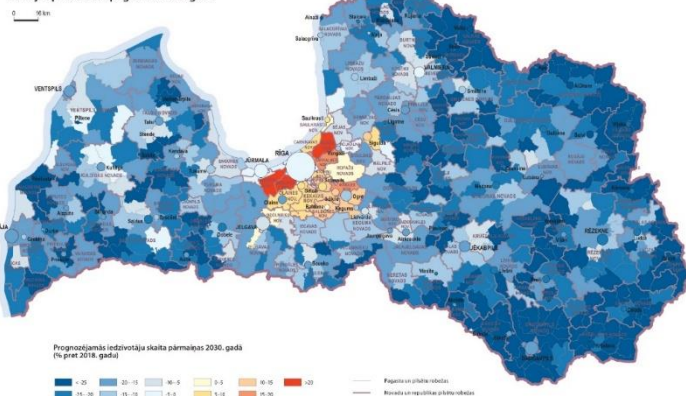
### A. Global challenges:

- Climate change
- Globalization - migration and free movement of capital

### B. National-local challenges:

- Regional disparities
- Demographics
- Urban-Rural cooperation (administrative changes)

Prognozējamās iedzīvotāju skaita pārmaiņas  
Latvijas pilsētās un pagastos 2030. gadā



Karte izveidota "KarteLidziet.lv" portālā, izmantojot CSB statistikas un citu avotu informāciju.





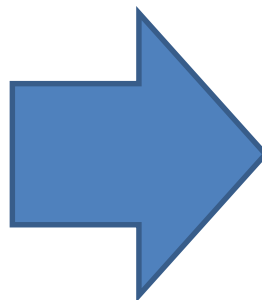
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# Size of capacity – territorial reform (1)

**Latvia currently implements administrative-territorial reform,** consolidating municipal resources in much stronger territorial units



119  
municipalities



39 municipalities





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# Size of capacity – territorial reform (2)

## Functional areas

- **80% of municipalities** will be able to provide jobs to inhabitants in the territory of the particular municipality (**currently – only 27% of municipalities**)

## Investment capacity

- **All municipalities** will have a capacity of the municipal budget for investments amounting up to 30 000 000 euro (**currently – only 39% of municipalities**)

## Administrative capacity

- **All municipalities** will be able to ensure appropriate competences, including in development planning and entrepreneurship issues (**currently only 50% of municipalities have full-time specialists**)

## Human capital

- **All municipalities** will have sufficient number of children to provide full education cycle till general education (**currently – only 45% of municipalities**)

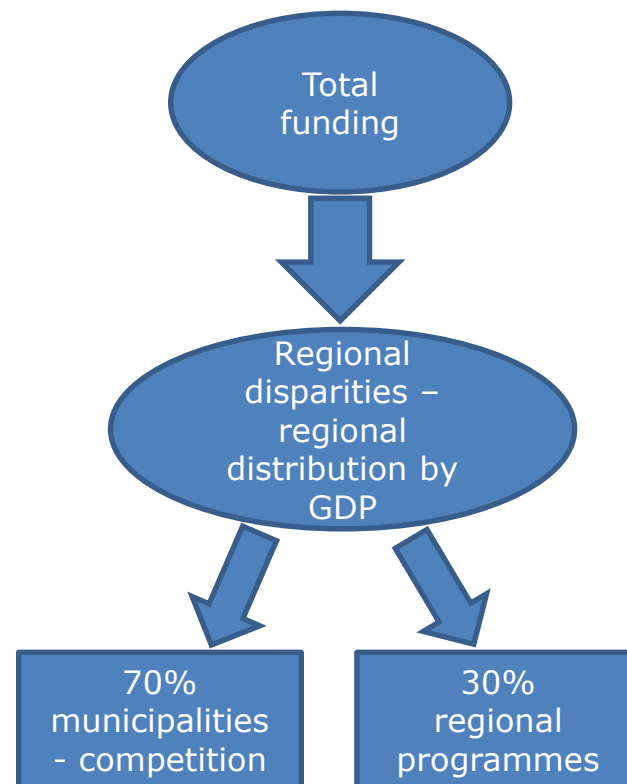


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# Administrative system - positive competition

**1) Approach** (EU funds for business support and services, excl. pre-school education and capacity):

- **Regional disparities** – GDP criterion and thematic concentration for less developed regions
- **Most competitive projects** – regional competition for municipalities (70% of funding)
- **Target areas** – funding for regional scale projects (30% of funding)



**2) No delegation of tasks of intermediate body to municipalities or regions**



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# Administrative territorial reform and local development programmes

**June 2021**

Municipal elections

**June 2020 – July 2021**

Preparatory work to  
launch new local  
governments

**July 2021**

New local governments  
begin work

**June 2020 (expected)**  
Parliament adopt Law  
on new Administrative  
territories

2020

2021

2022

**June 2020 – July 2021**

Elaboration of first drafts of new  
Municipal programmes (in frame of  
new administrative division)

**June 2021 – 2022**

Finalization of new Municipal  
programmes and adaptation by new  
municipalities



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# Preparatory work to launch new local governments 2021

- Administrative innovations:
  - ✓ Participatory budgeted
  - ✓ Municipalities Council's agenda and collective application
  - ✓ Consultative mechanisms
- Preparation of new administrative structures – base for urban-rural cooperation
- Planning process in new administrative frame (preparation of draft planning documents)





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# Annual capacity building event - Summer School

- Since 2016
- Participants ~ 60 development planners and project experts per year
- Topics covered:
  - smart solutions in provision of public services
  - project management
  - communication skills
  - improvement of job efficiency, etc.





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# Knowledge - capacity building (EU funds 2021-2027)



**Intervention logic** – support of new administrations ensuring effective use of new tools, including:

- Improved quality of development planning documents, link with the budget
- Public participation in territory development planning and implementation
- Planning based on real-time data
- Better cooperation with entrepreneurs
- Better urban – rural linkages
- Smart approach, including adopting to the demographic changes, awareness of impact on climate change addressing measures etc.

**Long-term result** – investments that are integrated and based on needs of territories and their development potential, beneficial effects on sustainability of territories and balanced development



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# Thank you!