

Political Will and Inclusive Process

On the Centenary of the Republic of Latvia, the Government and stakeholders involved in the Voluntary National Review process present Latvia's progress in attaining the SDGs and addressing the sustainable development challenges for post 2020.

Latvia has mainstreamed the SDGs into the planning system. The planning process is inclusive, with elected representatives focusing on evidence-based decisions to ensure transparency, policy coherence and political responsibility. The Review, agreed by stakeholders in a participatory process and approved by the Cabinet of Ministers, sets the baseline for all 17 SDGs. It will serve as a useful reference and measurement tool for all stakeholders as they further integrate the economic, environmental and social dimensions of sustainable development both in Latvia and globally.

Evidence Based

Each assertion in the Review is backed up by solid evidence and contributions from stakeholders, introducing best practice, were also included. A mapping was done of 169 SDG targets towards goals and target indicators in the *Sustainable Development Strategy of Latvia until 2030 (Latvia 2030)*, the *National Development Plan 2020 (NDP2020)* and sectoral policies. A mid-term impact assessment was done in 2017 on achieving the targets set in *NDP2020* and *Latvia 2030* that included data on progress, expert opinion surveys and investment analyses.

Key Challenges

Latvia will focus on areas in which progress must be accelerated. Latvia's sustainable development challenges are concentrated in two vectors:

1. Ensuring an Innovative and Eco-Efficient Economy
2. Reducing Income and Opportunity Inequality

As stated in *Latvia 2030*, progress will be achieved through ensuring sustainability of strategic resources - human resources, nature, culture, digital capital and finances (both at public and private levels). *Putting people first* is the overarching development approach set by the Parliament. Improvements in health, education and decent work are fundamental for solving the challenges along both vectors.

Main Challenges in the Economy:

- Increasing productivity of the economy, including through the efficient and productive use of resources;
- Introducing a system to reduce and pre-empt skills mismatches in the labour market;
- Improving labour by providing high-quality adult education, promoting return migration and access to expertise from abroad, ensuring access to housing, etc.
- Increasing the share of pupils with higher level competencies;
- Increasing the share of society that is healthy and fit for work;
- Attracting investments to the productive economy;
- Increasing private and public investment in research and innovation;
- Implementing the Latvia Data Driven Nation Concept;
- Adapting to climate change, reducing GHG emissions;
- Promoting wider use of renewable energy;

- Reusing and recycling more waste.

Main Challenges in Reducing Inequalities:

- Ensuring older people decent lives in an ageing society;
- Reducing emigration and encouraging return migration;
- Balancing work and family life;
- Strengthening regional centres, ensuring "intelligent shrinking", including with regard to road infrastructure and housing and public transportation on demand in areas of low population density;
- Encouraging accumulation of assets by individuals (housing, savings, etc.);
- Involving more people in adult education and retraining for more productive work;
- Decreasing share of pupils with low competencies;
- Increasing access to health care, in particular, to maternal and child health care, access to specialists and diagnostic services for low-income persons and persons at risk of occupational injuries or illnesses;
- Developing individualised plans for persons in need of services aimed at elimination of inequality;
- Creating a minimum income system, adequate funding for social support.

Conclusions and Next Steps

This analysis reveals the challenges to be addressed in Latvia's medium term policy from 2021. The challenges will be addressed in 2018 and 2019 through our inclusive policy making process. Some specific policy impact assessments, as well as specific policy proposals are still to be completed, public discussions still need to take place on some issues. Improvements will be achieved by restructuring activities, focusing on specific target groups, reallocating investments, etc. The envisaged transformations will multiply gains, for example, widespread digitalization and increasing competencies of school children will offset costs, and are essential for achieving all of the SDG targets.

The Cabinet of Ministers will decide on Latvia's medium term goals, indicators and their targets within available funding limits on the basis of proposals submitted by the National Development Council and respective line ministries. Through this process, Latvia will succeed in reducing inequality, ensuring inclusive growth and transforming its economy towards innovation and eco-efficiency, leading to an increased contribution to the global sustainable development agenda.