



# SECOND NATIONAL ACTION PLAN OF LATVIA

01.07.2015 – 30.06.2017

MID-TERM ASSESSMENT

*Second National Action Plan of Latvia was approved at the Cabinet of Ministers on 23.12.2014  
(Minutes No. 72, § 89)*



Valsts kanceleja

5 December 2016

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## Introduction

The international initiative Open Government Partnership (OGP)<sup>1</sup> was launched in 2011 with the aim of encouraging the states to undertake and fulfil specific commitments, which would contribute to open governance. OGP establishes four principles of open governance: openness, public participation, responsibility and use of Information and Communication Technologies and innovations to promote openness and responsibility – *grand challenges*<sup>2</sup>: to improve the quality of public services; to promote ethics and fight against corruption in public institutions; to make the use of public resources more effective, to build a safer society; and strengthen corporate responsibility.

OGP currently brings together 70 participating countries. The Member States periodically draw up two-year national action plans, which, based on OGP principles, include actions in each country to respond to common challenges. Each action plan includes 5 up to 15 commitments.

Latvia joined OGP in 2011. The First National Action Plan of Latvia was drafted from 2012-2014. During this period, the following activities were implemented: the assessment of NGOs' participation in the decision-making process, live coverage of the Cabinet of Ministers' (hereinafter – CoM) and Saeima's sittings had been provided; to ensure broad coverage of Internet access points in Latvia, assessment of the implementation of 'one-stop-shop' agency, e-solutions in the State Land Service and the State Revenue Service had been improved.

The Second Action Plan of Latvia was developed in 2014 with the participation of public institutions and non-governmental partners. Its timeframe is from 1 July 2015 until 30 June 2017. The Second Action Plan of Latvia includes 10 commitments, which are based on OGP principles and are Latvia's responses to OGP challenges.

The commitments of the Second Action Plan of Latvia meet the following OGP principles and challenges:

Latvia's commitments	OGP principles	OGP grand challenges
Promote access to public administration data in an open data form	Use of ICT to encourage openness and accountability; openness	Improvement of public services
Portal for the drafting of draft legislative acts, public	Use of ICT to promote openness and	Improvement of public services; make the use of

<sup>1</sup> For more information visit: <http://www.opengovpartnership.org/>, incl. about Latvia's membership: <http://www.opengovpartnership.org/country/latvia/>

<sup>2</sup> See explanation of '*grand challenges*' on p.16

[http://www.opengovpartnership.org/sites/default/files/attachments/OGP%20ArticlesGov%20March%2019%202014\\_1.pdf](http://www.opengovpartnership.org/sites/default/files/attachments/OGP%20ArticlesGov%20March%2019%202014_1.pdf)

participation in drafting of legislation	accountability; openness; public participation	public resources more effective
Single platform for websites of public institutions	Use of ICT to promote openness and accountability; openness; public participation	Improvement of public services; make the use of public resources more effective
Model for NGOs financing	Public participation	
Governance of capital companies owned by a public person	Accountability and openness	Improvement of public services; strengthening the corporate accountability
Corruption prevention and monitoring mechanisms in respect to public resources	Accountability	Improvement of public services; promote ethics and fight against corruption in public institutions
Protection of whistleblowers	Accountability and openness	Promote ethics and fight against corruption in public institutions
Assessment of financing of political parties and openness of lobbying	Accountability and openness	Promote ethics and fight against corruption in public institutions
Single code of ethics in public administration	Accountability and openness	Promote ethics and fight against corruption in public institutions

# Results of implementation of the Second Action Plan of Latvia

## Commitment 1: Promote access to the public administration data in an open manner (open data)

Open data is the preferred form in which the authorities have to publish information on the Internet, so that the public could re-use it. It is foreseen by the amendments to the Freedom of Information Law that came into force on 6 October 2015. The above amendments transposed the European Union's Directive on the Re-use of the Public Sector Information (2013/37 / EU).

As regards these amendments, a working group was established at the Ministry of Environmental Protection and Regional Development (hereinafter – the MEPRD), which assessed the practice of application of re-use conditions. The working group also examined the use of the so-called open licenses in the context of open data of the public administration and found that it is not appropriate to transpose open licenses into the Latvian laws and regulations, however, taking into account the principle of good governance, the institutions may make references to licenses in the conditions on the open data use.

Work is underway with the aim to create an open data portal. The translation of Creative Commons open licenses and development of specifications of the open data portal (release platform) is to be carried out by the last quarter of 2016. Procurement will be carried out using the above-mentioned specifications; within its framework it is intended to create an open data portal, by offering a functioning solution already in the second half of 2017.

The open data portal is intended to accommodate both the existing open data sets and data sets, which will be published as the result of implementation of the projects of the specific aid objective 2.2.1 "To ensure increasing re-use of public data and efficient interaction of the public administration and private sector" of the European Regional Development Fund (hereinafter - ERDF) (a list of projects is available on the MEPRD's website).

Section "E-government" – Open Data<sup>3</sup> provides explanations, links to guidelines and training materials on data opening issues.

## Commitment 2: Development of a single portal for draft legislative acts and promotion of public participation in producing the draft legislative acts

A single portal for the drafting of draft legislative acts (hereinafter – the TAP) is a long-term objective aimed at developing a portal where the drafting and harmonisation of legislative acts, including the public information and participation measures, will take place at the same site and in a transparent way. The development of this portal meets the requirements of Latvian laws and regulations on the progress of projects of the European Regional Development Fund.

TAP has the following objectives:

- Improvement of the environment for civil society participation in the process of legislative innovation, thus putting the open governance principle and initiatives into practice and ensuring the compliance with the Information Society Development Guidelines for 2014-2020.
- Modernization of the CoM decision-making process by ensuring more efficient and faster drafting, harmonisation, approval and control of legislative acts.

In order to achieve the TAP development objectives, it is necessary to:

- develop and implement the public part of TAP, by ensuring that the information is provided to the public, as well as participation in TAP development (outsourcing of analysis and software development);
- develop and implement the TAP e-service "Public Discussion of Draft Legislative Acts";
- implement public information and education activities on TAP functionality;
- develop and implement a single TAP co-creation environment for the public administration that ensures the development, harmonization, validation and control (outsourcing of analysis and software development);
- make changes to effective laws and regulations by establishing a new procedure for TAP development and harmonization in the public administration;
- train institutions' staff for work with TAP;
- ensure the storage, analysis and availability of data on TAP initial impact assessment reports (annotations) and follow-up impact evaluations.

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<sup>3</sup>[http://varam.gov.lv/lat/darbibas\\_veidi/e\\_parv/atvertie\\_dati/?doc=20449](http://varam.gov.lv/lat/darbibas_veidi/e_parv/atvertie_dati/?doc=20449)

## Timeframe of TAP implementation:

No.	Title of activity	Timeframe for project implementation (by quarters)*																			
		2016				2017				2018				2019				2020			
		1.	2.	3.	4.	1.	2.	3.	4.	1.	2.	3.	4.	1.	2.	3.	4.	1.	2.	3.	4.
1.	TAP development					X	X	X	X	X	X	X	X	X	X						
2.	TAP implementation, incl. user training and experimental operation									X	X	X	X	X	X						
3.	Changes to laws and regulations required for TAP use									X	X	X	X								

\*The timeframe can be specified according to the date on which the agreement on the implementation of the project is concluded with the Central Financing and Contracting Agency.

The development of TAP will provide substantial benefits to civil society, non-governmental organizations (incl. organizations of government's social and cooperation partners), private sector, ministries and subordinate public administration institutions. It is expected that the implementation of TAP will increase public confidence in the public administration, by involving it in decision-making and demonstrating transparency of the legislative process.

The development of TAP portal will provide anyone who is interested with a convenient environment where to see all generally accessible draft legislative acts and related information. Likewise, the stakeholders will be able to apply for legislative updates and / or changes in the area of interest and automatically receive information.

E-service "Public Discussion of Draft Legislative Acts" will be created, through which every member of civil society will have the opportunity to express his/her opinion. Non-governmental organizations will be authorized TAP users. In addition, the implementation of TAP project will encourage the acquisition of e-skills to ensure that e-service "Public Discussion of Draft Legislative Acts" also in practice ensures broad public involvement in negotiating the TAP.

Open data sets of generally accessible draft legislative acts will be available for public re-use. TAP will significantly improve the flow of information in public administration, by providing higher work efficiency, and reducing the burden on non-automated operations.

The work carried out within the framework of TAP planning and development since 1 July 2015 when the implementation of the Second National Action Plan of Latvia was launched:

- TAP draft competition is closed, and proposals from 2 software developers have been received;
- an efficient framework for TAP management and supervision has been developed;
- a detailed description was developed and submitted to the MEPRD that will be included in ICT target architecture and further approved at the CoM;
- after the approval of TAP project at the CoM, the agreement on the launch of TAP project will be signed with the cooperation authority;
- the electronic Legislative Drafting Manual has been developed and introduced.

During the public discussion of mid-term evaluation, it was suggested to encourage more active involvement of non-governmental organizations in drafting of legislation, and inform them more effectively on draft legal acts under development and the adopted legislation. It was proposed to collect information on non-governmental organizations, interest groups and experts in the field in a more systematic manner and to involve them in the development of projects affecting them.

Also the public initiative platform "ManaBalss.lv" contributes to public participation in drafting of legislation through e-participation tools. The portal "ManaBalss.lv" substantially contributes to the promotion of public participation. Since 1 July 2015 to date, it has involved 50 citizens in the submission of proposals regarding the legislative framework (publishing of initiatives), a total of 233 067 votes were cast, involving 418 112 people.

### **Commitment 3: Uniform platform for the websites and information of the public institutions**

Development of a single platform for websites of the public administration is aimed at providing the residents with a convenient service, solutions that are based on modern technologies, user-friendly websites with simple design. The single platform will enable more efficient use of public resources; substantially improve communication between the public administration and society, as well as civil participation.

The essence of the project - to create a common technical platform with a single content management system that will be used to manage the content of the websites placed in the platform.

The content management system will be implemented as a service, which will allow creating new sites and adapting them to the needs of institutions, subject to certain pre-conditions, such as functionality, usability and design. Sharing components or once developed functional



and visual elements for the websites will be developed, which can be used by all institutions (re-use principle).

The realisation of the project requires a single, centralized content management system in the country; the transition of the websites to this system is done incrementally, taking into account previously drafted uniform guidelines. Web hosting in the country would be centrally provided while the preparation of the content and input would be carried out by institutions individually.

It is planned that the project will be implemented using technical and open-standard based solutions. The local governments will also be able to use elements of the platform by developing and locating the sites on the platform base (re-use principle).

It is also planned to transpose the Directive of the European Parliament and of the Council on the accessibility of websites and mobile applications of public sector authorities(it is planned that it will come into force in autumn 2016), laying down the implementation of a number of technical innovations and supplements.

By establishing the existing situation, the following **major problems** were found:

- In e-index of 2015<sup>4</sup>, when measuring the accessibility of websites of public administration institutions for people with disabilities, it was found that only 12 authorities out of 102 reach high level, 36 – intermediate level, 40– average low level, and 12 institutions - low level(the system could even not assess 2 authorities).
- The same report<sup>5</sup>states that, when assessing the conformity of institutions' websites with a mobile version, only 18 out of 102 sites are suitable for use on mobile devices, of which 4 are the websites of ministries and 14 – the websites of authorities.
- The study that was conducted by the State Chancellery in 102 institutions in September 2016<sup>6</sup> established that almost half (47.1 %) of public institutions' websites are outdated (are over 6 years old; more than 11% were developed in 2005 or earlier).
- The websites are created based on different software and different architectural principles. According to the results of the study conducted by the State Chancellery<sup>7</sup>, 102 public institutions maintain dozens of different content management systems.

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<sup>4</sup> Latvijas valsts iestāžu e-Indekss un e-pārvaldes attīstības pārskats 2015. <http://bit.ly/2cBNapG>

<sup>5</sup>In the same place

<sup>6</sup> Valsts kancelejas aptauja 2016. gada 2.-12.septembrī "Dati par valsts iestāžu tīmekļvietnēm", kurā aptaujātas 102 iestādes. <https://goo.gl/forms/0wSpwZbk192wkxhc2>

<sup>7</sup> Valsts kancelejas aptauja 2016. gada 2.-12.septembrī "Dati par valsts iestāžu tīmekļvietnēm", kurā aptaujātas 102 iestādes. <https://goo.gl/forms/0wSpwZbk192wkxhc2>

In 45.2% of cases these systems are individually designed, in other cases – ready-made or tailored solutions are available.

- The study "Report on the Most Optimal Model for Website Management"<sup>8</sup> that was conducted in 2012, established that only 15 out of 115 public institutions' websites are generally recognized as good. The lowest score was often received on the functionality and structure of the website, thus pointing to the complexity and opacity from the user's point of view.

The **most essential benefits of the Project** - improved citizen-focused communication of the public administration, promotion of public participation by offering a website structure that is based on common principles, the environment and navigation that is recognized by users. Implementation of the project would allow for saving resources, the websites would be accessible to people with disabilities, as well as suitable for use on mobile devices. IT security level would be increased.

The project is currently included on the list of projects of second-round project selection of ERDF indicative 2.2.1.1 activity "Development of Centralised ICT Platforms of Public Administration, Optimisation and Development of the Public Administration Processes"<sup>9</sup>. The State Chancellery in cooperation with the State Regional Development Agency and MEPRD updates the information in order to launch the project, and is preparing for the development of a detailed description of the project. Further progress of the project requires the CoM's decision on the support and funding.

## **Commitment 4: Promotion of open, fair and professional selection of candidates for the posts of board and council members in capital companies owned by a public person**

There have been major reforms in the area of governance of capital companies of a public person. The "Law on Governance of Capital Shares of a Public Person and Capital Companies" came into force on 1 January 2015. In accordance with the CoM Order No. 273 of 26 May 2015, the Cross-Sectoral Coordination Centre undertakes the tasks of the Institution Coordinating Governance of State Owned Enterprises and Shares (hereinafter – the Coordinating Institution). The uniform principles and guidelines are provided for the implementation of the good corporate governance practice in SOEs (transparency, annual reports, evaluation of SOEs' mid-term strategies, dividends policy etc.). Taking into account the good practice of the

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<sup>8</sup> Valsts kancelejas pētījums "Ziņojums par optimālāko pārvaldības modeli tīmekļa vietnēm", 2012. <http://bit.ly/2cvFp3x>

<sup>9</sup> 17.11.2015 CoM Regulation No. 653. <http://tap.mk.gov.lv/lv/mk/tap/?pid=40363981>

Member States of the Organization Economic Co-operation and Development (hereinafter - OECD), the establishment of professional and independent councils began.

The CSCC as the Coordinating Institution undertakes the tasks set forth in Section 22, Paragraph two of the Law on Governance of Capital Shares of a Public Person and Capital Companies of 16 October 2014 of the Saeima, incl.:

- develops the guidelines for effective governance of capital companies and shares;
- provides the opinion to shareholders of state-owned shares on the financial goals set forth in the capital company's medium-term operational strategy and financial performance indicators (share of profit payable in dividends, profit indicators, return on equity etc.), as well as their compliance with non-financial goals set forth in the capital company's medium-term strategy;
- advises the CoM, public person's shareholders and capital companies on the aspects of implementation of corporate governance;
- organizes training for those board and council members, officials and employees of public person's capital companies and capital companies controlled by a public person, as well as officials and employees of a public person's shareholders whose official duties are related to governance of public person's shares, etc.

In order to address the issue highlighted in the Second National Action Plan of Latvia "Open Governance Partnership" that different capital companies have differing practices for the selection of candidates for the posts of board and council members that are often not transparent and cast doubt on whether the most suitable candidate is being nominated for approval, the CSCC drafted Cabinet Regulation No.686 "Procedure for Nomination of Candidates for Posts of Board Members in Capital Companies where the State as a Participant (Shareholder) has the Right to Nominate Board and Council Members and Board Members in SOEs with a Council". They became effective on 22 December 2015. The Regulation aims to ensure the compliance of the process of nomination of the board and council members with the principles of best practice of corporate governance and open, fair and professional selection of board and council members that contributes to the establishment of a professional and competent institution for governance of a SOE.

From 1 August 2015, the CSCC launched the nomination of representatives for participation in the commissions for nomination of board and council members, but from 22 December 2015, the procedure for the selection of board and council members laid down in Cabinet Regulation

No 686 is effective; it has to be consistently followed by SOEs' shareholders. During the period until 1 July 2016, the CSCC has participated in the selection of board and council members of at least 16 SOEs.

In order to improve the nomination process and make it even more objective and transparent, the CSCC has drafted supplements to the aforementioned Cabinet Regulation No. 686 that was promulgated at the State Secretaries' meeting on 16 June 2016, and is currently harmonised with responsible institutions and other stakeholders.

## **Commitment 5:** **Introduce more effective supervision mechanisms of control over the activities of the officials responsible for handling public resources**

The implementation of this commitment is primarily associated with a number of tasks included in "Guidelines for Corruption Prevention and Combating for 2015-2020" of 16 July 2015.

*Information online on agreements and other transactions of state and local-government institutions*

The "Guidelines for Corruption Prevention and Combating for 2015-2020" of 16 July 2015 include the task to assess the possibility of ensuring public access to information on the agreements concluded by state and local-government institutions on the purchase of goods and services and other transactions. The deadline of the task is 31 December 2020, and its implementation has not yet been launched.

At the same time, the Council of the Cabinet of Ministers to Combat the Shadow Economy, at its meeting of 10 June 2016 approved "The Work Plan of Public Authorities to Restrict the Shadow Economy for 2016 – 2020", in the development of which the social and cooperation partners were involved. This plan foresees changes to the regulatory framework for public procurement, providing for a completely electronic procurement procedure.

*Prevention of wasting of financial resources and risks of corruption in "sub-threshold" procurements and acquisitions that do not require the application external regulatory framework*

The "Guidelines for Corruption Prevention and Combating for 2015-2020" adopted on 16 July 2015 include the task to analyse the risks of wasting the financial resources and corruption in "sub-threshold" procurements and acquisitions that do not require the application of external regulatory framework, and to submit proposals aimed at mitigating risks. The deadline of this task is 31.12.2016.

Work is currently underway on the new draft public procurement law, which provides for raising the threshold. On 21 June 2016, it was examined at the Cabinet meeting and now it is in the Saeima. The draft law proposes the application of the procurement procedure for services and goods from 10 000 *euros*, but for construction works – from 20 000 *euros*.

The Corruption Prevention and Combating Bureau (hereinafter – KNAB) called on the legislator to stick to effective thresholds - 4 000 euros for supplies and services and 14 000 euros for construction works, having regard to the risks of wasteful use of financial resources of a public person and corruption due to lack of uniform regulations for "sub-threshold" procurements. In the view of KNAB, one of the options is to maintain the current contract price threshold, the other - to establish a single, but facilitated procedure, by delegating the establishment of procedural arrangements to the CoM that would provide for the implementation of fundamental principles of an open procurement, for example, the minimum purchase requirements, an obligation to evaluate at least three bidders, procedure for choosing the winner, etc. criteria. In the view of KNAB, if currently 70% of financial resources spent on procurements are controlled through the public procurement, then by raising the thresholds of contractual price this percentage will be lower, and millions of euros of state budget and local government funds will be outside the control of law, which can be used at discretion of institutions or without a common (binding) procedure. These objections were not supported by the Cabinet of Ministers, and the KNAB has submitted them to the responsible Commission at the Saeima.

*More effective application of liability for the unlawful conduct with the financial resources and property of the state or local government*

To prevent theoretical and practical problems relating to the categorization of harmful effects of a criminal offence, the amendments to the law "On the Entry into Force of the Criminal Law and Procedure of Application" (hereinafter – the EFCLPA) designed by the Ministry of Justice came into force on 3 December 2015. Section 23, Paragraph one of the EFCLPA preserves the cumulative criterion for establishing serious harm, i.e. when it is simultaneously necessary to establish both material loss that is not less than five times the minimum monthly wage and threat to other interests protected by law.

In addition to amendments to Section 23, Paragraph one, Clause 2 of the EFCLPA, loss of property is determined as the second independent criterion for establishing the existence of substantial harm of no less than a total of 10 minimum monthly salaries. This criterion is not related to additional cumulative criterion provided for in Section 23, Paragraph one, Clause 1 because the loss of property that exceeds the amount of 10 minimum monthly salaries is already so significant that there is no need to establish additional threat to interests protected by law.

Moreover, such additional proof of harm to interests is often cumbersome in practice, and results in a situation where at the loss of property that exceeds the total of ten minimum monthly salaries, it fails to recognize that a criminal offense has caused substantial harm. The introduction of a new criterion for establishing the harm in Section 23, Paragraph one, Clause 2 of the EFCLPA, will remedy the above-mentioned problems.

The permanent Working Group on the Criminal Law established by the Ministry of Justice concluded that in all those sections of the Specific Part of the Criminal Law where liability commences when specific amount of loss of property is reached, it is not always necessary to refer to serious harm, but it is necessary to set 'substantial amount' as a qualifying feature. In all those sections of the Specific Part of the Criminal Law where liability commences not only when specific amount of damage to property is reached, but also when other interests protected by law may be undermined, the qualifying feature – serious harm has to be determined.

In the view of the above, Section 23<sup>1</sup>, Paragraph one of the EFCLPA defines a *substantial volume* as an independent qualifying feature of the criminal offence, thereby allowing to make a reference to it as an independent qualifying feature of a criminal offence in sections of the Specific Part of the Criminal Law. In addition, currently no 'medium' level volume has been established in between small and a large volume; in practice, it causes problems as it cannot always be substituted by the criterion of a serious damage, which is based on other principles of determination. By determining a new volume criterion - *substantial volume* – the above-mentioned problems can be resolved. A significant volume will be established in cases where a total value of the subject matter of the crime at the time of committing an offence is no less than ten minimum monthly wages.

In addition, it should be noted that discussions on the effective application of liability for the unlawful conduct with the state or local government funds or property continue within the framework of the Working Group on the Criminal Law of the Ministry of Justice that is

composed of representatives from the Ministry of Justice, law enforcement institutions, Prosecutor's Office and the judiciary.

### *Improvement of the Mechanism for the Prevention of the Conflict of Interest*

The Corruption Prevention and Combating Bureau publishes the clarifications with regard to the application of the norms of the law "On the Prevention of the Conflict of Interest in Activities of Public Officials" to raise awareness of the requirements of the law and increase efficiency of application<sup>10</sup>.

The Corruption Prevention and Combating Bureau will examine the legal framework by the end of 2016 with a view to prepare possible proposals for amendments to laws and regulations on the transfer of supervision of compliance with the limits to combine posts laid down in the law to the head of a public person's institution. The Working Group of the Public Administration and Local Government Committee has been established at the Saeima, which evaluates and reviews the efficiency of norms of the law "On the Prevention of the Conflict of Interest in Activities of Public Officials", including the possibilities to simplify them.

In accordance with the "Corruption Prevention and Combating Guidelines for 2015-2020", two assessments are intended on the application of norms of the law "On the Prevention of the Conflict of Interest in Activities of Public Officials". It is expected to conduct an in-depth study on the practices of application of this law by the end of 2017, by involving experts from NGOs, public institutions, local governments and capital companies.

Amendments to the law "On the Prevention of the Conflict of Interest in Activities of Public Officials" were promulgated at the State Secretaries' meeting of 25 August 2016. The amendments to the law were designed to promote public confidence in activities of public officials, as well as to limit opportunities for public officials to derive personal benefit while performing official duties, as well as to ensure the, possibility to take action against such officials when such cases are found.

The amendments provide for limits on accruals of cash, the obligation for officials to indicate in their declarations also the information on persons treated as spouses and the obligation of the

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<sup>10</sup> For KNAB's clarifications with regard to the application of norms of the law "On the Prevention of the Conflict of Interest in Activities of Public Officials" [visit](#)

State Revenue Service (hereinafter – the SRS) to compare the information provided in the declarations with the information at its disposal.

The amendments also provide for a prohibition for officials to accumulate cash that exceeds 20 minimum wages.

When determining the maximum possible saving of cash for an official, the threshold of 20 minimum wages, which is already laid down in the law in respect of declaration of transactions, debts, loans and accruals, was taken into account.

The specific amendments are aimed at reducing the possibility for public officials to launder money and prevent the opportunities for corruption (hide a bribe in response to cash savings previously presented in the declaration).

These amendments also intend to set a new obligation for public officials to submit a supplementary declaration within one month from the time of transaction if the transaction (gift, inheritance, borrowing or lending) exceeds 20 minimum monthly wages.

#### *Recovery of damages from an official*

In the context of Commitment 5, mention should also be made of the legislative initiative of the State Audit Office on the recovery of damages from the official who is guilty of causing losses to the state, which could be determined by amending the "State Audit Office Law" and "Law on the Prevention of Wasteful Use of Financial Resources and Property of a Public Person"<sup>11</sup>

## **Commitment 6: Establish a sustainable model of financing NGOs**

Discussions about the NGOs funding model have been on the agenda since 2004. On 1 December 2015, the Cabinet of Ministers approved a conceptual report "On the Establishment of State-Funded Foundation of Non-Governmental Organizations" while supporting the establishment of state budget-funded program "NGO Fund" (CoM Order No.972 of 16.12.2015).

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<sup>11</sup> "State Audit Office: the losses caused by irregularities have to be repaid", see: <http://m.lvportals.lv/visi/viedokli?id=277754>



The establishment of state-funded NGO Fund is essential to promote sustainable development of civil society, enabling associations and foundations to direct and develop democratic processes at all levels of public administration, to provide services in order to improve the quality of life, to organize activities that inform and educate the public about the processes taking place in the country, thus enabling the public to participate and engage in advance in the topical issues of interest.

400 000 euros were allocated for the state-budget program "NGO Fund" 2016; within the framework of calls for projects, the project applications produced by 66 associations and foundations were supported (a total of 261 project applications was received). It is planned that in autumn 2016, by approving the national budget framework for the next three years, funding for the program "NGO Fund" will be allocated in the current amount - EUR 400 000 annually (2017, 2018 and 2019). The administration of the program "NGO Fund" has been entrusted to the Society Integration Fund, while by establishing an advisory body (strategic monitoring commission of the "NGO Fund") the involvement of other public administration institutions and non-governmental organizations in setting the lines of action and priority activities of the program "NGO Fund" is ensured.

In addition, the state budget-funded program in support of NGOs has been implemented in the regions since 2014. Within the framework of the program, the funding is available to those NGOs that implement the project to promote civil society and support NGOs of minorities. The implementation of NGO Support Programme has been delegated to the regional NGO coordinator in each planning region, which administers the allocated funding and provides NGOs that are willing to implement the projects with necessary support and information.

## **Commitment 7: Provide a possibility for the online collection of signatures on referenda**

From 1 January 2015, the public administration's e-service portal [www.latvija.lv](http://www.latvija.lv) provides a technical solution enabling electronic collection of signatures suggested by initiative groups with a view to propose amendments to the draft law or the Constitution, as well as to participate electronically.

Until 15 August 2016, two initiatives had been announced in the public administration e-services' portal [www.latvija.lv](http://www.latvija.lv):

- Law on repeal of the Law "Amendments to the Law "On National Referendum, Initiation of Laws and European Citizens' Initiative" of 8 November 2012. It was initiated by the association "Atvērtās pārvaldības partnerība Latvijā" ("Open Governance Partnership in Latvia"). Time period:19.09.16 until 18.09.17;
- Initiation of a referendum on the Saeima withdrawal. It was initiated by the association "Varu Latvijas tautai" ("Power to the People of Latvia"). Time period from 13.11.15 until 13.11.16. Number of signatures obtained: 203.<sup>12</sup>

E-service "Signing up for Voters' Initiatives" that is available at [www.latvija.lv](http://www.latvija.lv) enables the society to participate in the initiatives announced and to express support.

## Commitment 8: Development of the draft law on the protection of whistleblowers

In 2014, with the Order of the Director of the State Chancellery, a Working Group for the Development of Draft Law on the Whistle Blower Protection was established. The Working Group is led by the State Chancellery and includes representatives from the Office of the Prosecutor, Ministry of the Interior, Supreme Court, Ministry of Justice, Ministry of Welfare, Corruption Prevention and Combating Bureau (KNAB), Free Trade Union Confederation of Latvia and Association for transparency – Delna".

The Memorandum between the State Chancellery, Office of the Prosecutor, Corruption Prevention and Combating Bureau (KNAB) and Association for transparency – Delna signed on 20 January 2015, on the practical implementation of the whistleblower protection mechanism was considered appropriate.

In 2015, the Working Group for the Development of the Draft Law met several times. As a result, at the end of 2015, the draft law was produced, and on 17 December 2015, it was announced at the State Secretaries' meeting. In 2016, the work was carried out on the harmonization of this draft law. It is difficult to reach an agreement among the members on many issues, such as the institution responsible for whistleblower protection, coordination of the whistleblowing mechanism, on determination of a whistleblower status and a procedure for consideration of report or definition of liability for adverse effects due to whistleblowing. Therefore, the harmonisation process is still underway. It is necessary to forward the draft law and submit to the Cabinet of Ministers as soon as possible.

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<sup>12</sup> For more information, visit: <https://www.latvija.lv/lv/PV/>

The draft law is intended to cover whistleblowing in the public interest for violations in both the public and private sectors. It provides the requirement to create internal reporting mechanisms in state and local government institutions as well as associations, foundations and companies, with more than 50 employees. The draft law provides for the possibility to report both through an internal reporting mechanism, as well as to competent national or local government institutions on the issue or authority reported by a whistleblower. It also provides for a series of measures to protect whistleblowers: anonymity, prohibition to cause adverse consequences (for example, if the whistleblower is dismissed), responsibility for causing the adverse consequences in the public service. The draft law stipulates that, in addition to competent authorities that will consider violations in defence authorities, a Contact Point of Whistleblowers will be established.

The current legal framework of Latvia and best practices of other countries and international standards and recommendations to develop internal reporting channels and provide whistleblower protection that were made during Latvia's accession to the OECD, have been fully considered in the development of the draft law.

In 2016, the State Chancellery and Association for transparency – Delna actively engaged in raising awareness of whistleblowing and significance of the common legal framework for whistleblowing and whistleblower protection development, for example, by participating in the Latvian Radio program "Krustpunkti" and conversation festival "Lampa". The State Chancellery has created a dedicated section on its website: <http://www.mk.gov.lv/lv/content/trauksmes-celeji>.

## **Commitment 9: Assessment of the system of financing of political parties**

In 2016, the amendments to the "Law on Financing of Political Organisations (Parties)" were developed and submitted to the Public Administration and Local Government Committee of the Saeima aimed at preventing possible unauthorised involvement of individual natural persons in intermediation of donations to political organizations, by allocating all their legally acquired (declared) income for donation.

The task has been partially executed with regard to ensuring openness of financial activities of political organizations (parties) that provides for making an accountability mechanism for the violations committed more effective, and provides for lighter sanctions in the area of control of financing of political parties for minor administrative violations taking into account that the

proposals for guidelines on partial release from the administrative penalty for infringements for which a relatively partial exemption from payment of the fine is allowed.

With the aim to analyze hidden manifestations of the pre-election campaign in the previous election periods and to present proposals for amendments to the laws and regulations on disguised campaigning to prevent risk, the KNAB participated in meetings of the Working of the Saeima Public Administration and Local Government Committee, which examined the amendments to the "Pre-election Campaign Law".

In order to ensure the development and implementation of the electronic declaration system of political parties' financial data in Latvia, a new electronic political parties' financial data input system (hereinafter – EDIS) has been developed. The work is ongoing on changes to laws and regulations for this data base to be introduced. The work on linking the EDIS with other public databases of Latvia is continuing.

In 2015, the KNAB developed guidelines for the political parties on the conditions laid down in the "Law on Pre-election Campaign"<sup>13</sup>. The guidelines were presented at the meeting of the Public Administration and Local Government Committee of the Saeima. The KNAB is currently assessing the need to develop a more detailed material.

With the objective to incorporate in effective laws and regulations the legal framework for ensuring openness of lobbying, a working group was established involving representatives from the KNAB and the Ministry of Justice. The KNAB drafted amendments to ensure legal framework in the "Public Administration Structure Law", the Rules of Procedure of the Saeima and the law "On Prevention of Conflict of Interest in Activities of Public Officials". Amendments to the "Public Administration Structure Law" and the Rules of Procedure of the Saeima were promulgated at the State Secretaries' meeting of 26 May 2016. In July 2016, two interinstitutional conciliation meetings were held on these amendments. The KNAB is currently drafting the amendments to the Law "On Prevention of Conflict of Interest in Activities of Public Officials" while the amendments with regard to the Rules of Procedure of the Saeima have been submitted to the Working Group of the Saeima Legal Affairs Committee where in the autumn session of 2016 the evaluation of all relevant amendments to the Rules of Procedure of the Saeima is continuing.

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<sup>13</sup> KNAB, "Priekšvēlēšanu aģitācijas likuma piemērošanas vadlīnijas atbilstoši KNAB kompetencei", available [here](#).

It is planned to include the task to assess the impact of lobbying on the state budget law, construction, insolvency administration process and other sectors and to present proposals for mitigating the effects of disproportionate lobbying in the KNAB Strategy for 2016 - 2018.

In addition, the KNAB is currently working on the assessment of regulatory framework with regard to disclosure of identity of donors with the aim to determine the limit of donation within which the information on the donor is not disclosed, thus promoting participation of small donors in financing of political parties.

The maintainers of the public initiative platform portal "ManaBalss.lv" are also interested in participating in drafting of proposals in the area of lobbying with the aim to expand it by including the concept 'civil lobbying' and supporting the creation of a lobbyist register.

## Commitment 10: Development of public administration code of ethics

The work on the development of a single code of ethics of the public administration that was launched in 2014 continued in 2015. The human resource development concept provides for the development of a single code of ethics of the public administration (Order of the CoM No.48 of 06.02.2013).

In 2015, the State Chancellery in cooperation with the association "Centre for Public Policy PROVIDUS" held a number of focus group discussions. In 2014 and 2015, a total of eight focus group discussions were organized for the project development. They addressed the content and application of the code of ethics. The focus groups were attended by new civil servants, members of the ethics commissions of the public administration and senior officials.

It resulted in a methodological material "Manual on the Code of Ethics for the Public Administration". It includes the principles of ethics for officials and employees of direct public administration, in some cases, supplementing and specifying the norms already included in laws and regulations, as well as explaining what is the desired behaviour of an employee and mentioning concrete examples. This draft was promulgated as a draft recommendation of the CoM at the State Secretaries' meeting of 11 February 2016<sup>14</sup>.

After the promulgation of the draft law, the opinions were received and work on drafting the Code of Ethics continued. In light of the opinions received, as well as analysing the other countries' examples of best practice and international recommendations in this area, the draft code of ethics is being improved and will soon be sent for reconciliation. It is planned that a single Code of Ethics for the public administration employees will be adopted by the end of 2016.

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<sup>14</sup> MK ieteikumu projekts "Valsts pārvaldes nodarbinātā ētikas kodekss", <http://tap.mk.gov.lv/lv/mk/tap/?dateFrom=2015-09-24&dateTo=2016-09-23&text=VSS-126&org=0&area=0&type=0>

The task of a single code of ethics of the public administration is not to replace these mechanisms but to provide a framework for shared values and the principles of behaviour of the public administration in certain situations. This Code will aim to promote a common understanding and common behavioural culture, thus strengthening the public confidence in the public administration and quality of work.

## Main conclusions

Since 1 July 2015, some progress has been achieved in each of the ten Latvia's commitments. The most significant progress has been made in three areas. First, the legal framework has been strengthened and the institution responsible for open and professional selection of board members in SOEs has been designated, as well as the practice for selecting and appointment of board members has been changed. Second, a government-funded program "NGO fund" has been established. In 2016, the funding was granted to the fund, and it is also planned until 2019. Third, the commitment to provide an opportunity to collect signatures to propose a referendum on the internet was fully met.

However, it should be noted that several commitments include many initiatives, some of which are long-term activities. In the future, it would be useful to use more specific measures with the time of execution that meets the time limit of the Action Plan. This would also allow for more efficient assessment of the progress and impact.

## Next steps

The draft mid-term report was submitted for public consultation before 21 October 2016. A number of proposals have been received, which are either reflected in the mid-term assessment report or will be considered in the development of the Third National Action Plan of Latvia.

The fourth open government partnership global summit will be held on 7-9 December in Paris, France<sup>15</sup>. The summit aims at discussing the latest trends and examples of best practice in the field of open governance in the world, by involving both the responsible state authorities and civil society. It is expected that the summit will be attended by 3000 participants from 70 countries. A presentation on uniform state and local government customer service centres in Latvia is also on the agenda of the Summit<sup>16</sup>.

On 19 December, the State Chancellery in cooperation with the think tank "PROVIDUS" will hold an open discussion on the OGP and further action. It will inform about the OGP Global Summit and will start discussions on the measures to be included in the third National Action Plan of Latvia. The third National Action Plan of Latvia has to be developed in the first half of 2017. The process of development of the third National Action Plan of Latvia will involve both the responsible state authorities and non-governmental organizations.

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<sup>15</sup>For more information visit: <https://www.ogpsummit.org/>

<sup>16</sup>For more information visit: [http://varam.gov.lv/lat/darbibas\\_veidi/publiskie\\_pakalpojumi/?doc=20903](http://varam.gov.lv/lat/darbibas_veidi/publiskie_pakalpojumi/?doc=20903)





Valsts kanceleja