

Strategy for Sustainable Development of Latvia

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1. Description of the Situation

In late 80-ties of the twentieth century in the world commenced the significant international political processes, marking the beginning of a new way of thinking. The World Commission on Environment and Development established by the United Nations in its report *Our Common Future* (1987), for the first time analysed and described the outlook of the world's development, showing the deadlock, which the world would face unless political thinking is changed. This authoritative document had, for the first time, defined the sustainable development within the framework of international policy purposes as "continuous, wilful and logically managed development process of social changes at the global, regional and local levels, which meets the need of the present without compromising the ability of future generations to meet their own needs."

Much is accomplished since the restoration of Latvia's independence in 1990, yet that comprised the most urgent issues: an establishment of democratic state system, functioning liberal and open market economy, successful integration progress of Latvia in international structures.

The economic growth of Latvia has been rather rapid up to now, still the Latvian economy is featured by certain factors restricting the development, which are likely to hinder the economic growth in the future. To ensure a balanced and sustainable growth the Government's objectives shall require the minimisation of disproportions having occurred up today and prevention of any further occurrence of such disproportions. The economy of Latvia is featured by low utilisation of qualified workforce and manufacturing of products with a little added value. Such model can neither ensure sufficient income for creation of reserves and investment, nor dynamic pace of economical development, thus failing to contribute to the achievement of high welfare standard in the future.

The situation is rendered more complicated by the fact that the higher education, which has experienced a quantitative leap with the considerable increase in the number of students, still cannot ensure the adequate qualitative indicators, including the adequate link with the labour market and the conformity with the requirements thereof. Work must be continued with respect to the improvement of quality of education as well as balancing of business and fundamental research aimed at promoting the innovation process and development.

The existing differences in regional development affect negatively the pace of the development. There are no regions in Latvia, in which there would be no development possibilities at all but under the present circumstances, there are significant disparities. There are social-economic disparities among the various regions – nature and cultural nuances, different traditions and differences in income-level in the economic activity. Regional development is unbalanced, and no local advantages are being used. Latvia is becoming a manifestly mono-centric country with a fragmented administrative-territorial system.

Social, economic and political heterogeneity, or even splitting of the Latvian society hinders the social integration. In addition to the objective economic problems, a significant role is being played by the lack of a self-awareness, determination, faith in oneself and in the country demonstrated by certain part of the society, people feel helpless and unable to change their lives adapting to the new environment.

The growth in global trade provides ever-greater opportunities in product choice, making them cheaper. Competition is increasing at the same time and the economic and political influence of international organisations and trans-national companies increases. Under such circumstances, those companies, which are more competitive and more flexible in adapting to changes, are in more advantageous situation.

Rapid technological changes and information technology development are related to the changes in products themselves as well as to their production. The competitiveness of goods and services is increasingly dependent on their quality and conformity with the environmental standards. The use of information technologies in economic activities allows more efficient use of production factors contributing to higher productivity. The demand for highly qualified workforce capable of fast perception and mastering of innovations is increasing. The labour market widens perspectives of young and well-educated people.

Various policy documents have been elaborated in Latvia with a view to tackle the aforementioned problems: both in specific sectors and documents of general character comprising the principles of sustainable development. Among the most significant ones are Long-term

Economic Strategy of Latvia and the National Development Plan, whereas in the environmental sector – the Environmental Protection Policy Plan for Latvia. Solutions for environmental problems are also included in various sectoral policy plans, strategies and regulatory legislation. The aforementioned documents were taken into account when elaborating this Strategy.

Actual changes in the global policy commenced in 1992, when the UN Conference on Environment and Development (Rio de Janeiro) adopted the Action Programme for the 21st Century, the UN general Conventions On Biodiversity and On Climate Changes were signed, the UN Principles for the Use of Forests were approved, and the Declaration On the Environment and Development was signed (Signed in Latvia by Mr. A. Gorbunovs, Chairman of the Presidium of the Supreme Council).

In the Opinion of the European Commission concerning the application of Latvia for accession to the European Union, states that “the environmental policy following The Treaty on European Union (Treaty of Amsterdam and the later approval at the Vienna meeting in December 1998) is aimed to sustainability based on the inclusion of the environmental protection in EU sectoral policies,” and that “the Treaty on European Union requires Latvia to elaborate and implement a development policy where sustainable development principles are incorporated and fully comprises the environmental considerations”.

The initiators of sustainable development process and Rio de Janeiro Conference including Sweden, Denmark and Finland (who are systematically promoting the sustainable development by integrating the environmental-friendly requirements in sectoral policies). The process of sustainable development in these countries have started before the Rio de Janeiro Conference and it excels the average standard of the European Union policy in this sphere, as reflected in the European Council (Gothenburg, 2001) documents. At the initiative of the Nordic countries in 1998 in Nyborg (Denmark), the Council of the Baltic Sea Countries approved the ‘Action Programme of the Countries of the Baltic Sea Region for the 21st Century’, which laid down the actions for the integration of the environmental policy in the 7 sectors (agriculture, energy, fisheries, forestry, industry, tourism and transport). Education and the spatial planning of the Baltic Sea Region was added to those sectors later.

2. Problem Identification for the Elaboration of Governmental Strategy on Sustainable Development

The international commitments and regional processes of Latvia require Latvia to develop a National Long-term Strategy for Sustainable Development until the Johannesburg Conference to be held in September 2002.

This strategy is aimed to define the directions of the country’s sustainable development. Specific problem identification is outlined more detailed in Chapter 5 hereof under Sections ‘Description of the Situation’.

Internal and external stability, social confidence in development perspectives, social coherence and cooperation in the achievement of the goals set forth shall be mentioned as important elements of the sustainable development.

By implementing the government priorities of sustainable development:

Latvia should integrate in the NATO and the European Union in the nearest future to guarantee the economic, political and social security of the country.

A high education standard of the society should be reached as one of the most essential preconditions for the economic and social development.

Political and economic decisions should be made in line with the country’s long-term objectives.

Economic and social cohesion of the society should be ensured, providing for equal opportunities for all members of the society and enabling the participation by every individual in the economic, political and social processes as well as ensuring the amalgamation and integration of the entire society. The development of a civil society and law-governed state shall be furthered in general.

Making use of the people’s potential, mentality and links with other countries, Latvia shall actively integrate in the regional and global economy in close cooperation with the European and world countries, and becoming an active part of business, finance, science, high-tech and communications in the Baltic Region.

3. Fundamental Principles of Sustainable Development

A sustainable development is a development which meets the needs of the present without compromising the ability of the future generations to meet their own needs.

A development is a notion of quality comprising ideas on the improvement and progress as well as the development of cultural, social and economic spheres.

A sustainable development is focused on human beings and aimed at improving the living conditions of humans by preserving the nature and the environment, therefore it is necessary to have respect towards the nature, which is providing humans with resources and all what is required for living. In light of the above, a sustainable development means the qualitative improvement of living conditions of humans, achieved not exceeding the supporting capacity of the ecosystem.

4. Objectives of Sustainable Development Strategy

The principles of global sustainable development policy are defined in Rio de Janeiro Declaration. The objectives of the sustainable development of Latvia are based on those principles as well as its geopolitical place in the global perspective, nature particularities, the experience of social and economic development and the present situation. They are following:

Latvia must build up a welfare society appreciating and promoting the democracy, equality, integrity and its cultural heritage.

Latvia must build up a stable economy capable of ensuring the social needs at the same time safeguarding the rate of the economic growth does not exceed the rate of the environmental pollution and consumption of resources.

Latvia must ensure a safe and healthy environment for both the present and next generations.

Latvia must take adequate measures aimed at preserving the biodiversity and protection of ecosystems.

Latvia must develop a responsible attitude in the society towards nature resources and constantly increase the efficiency of the utilisation of resources.

Latvia must gradually change from beneficiary of international aid to a country that is able to ensure its needs and necessities by own means, and even provide assistance to other countries where needed.

Latvia must ensure the integration of environmental matters and develop a wide use of the environmental policy means in all other sectoral policies.

Latvia must procure that market economy mechanisms serve the sustainable development.

Latvia must ensure social participation in the sustainable development processes.

Latvia must constantly assess its progress in the achievement of the defined sustainable development objectives.

5. Results of Policy, Indicators of Achievement and Directions of Action for the Achievement of the Policy Objectives and Results

Water Protection

Description of the Situation

Latvia is rich in water resources that fully satisfy the needs of the country. More than 12 400 rivers, around 4000 lakes and watercourses are altogether covering 3.7% of the country's territory. Notwithstanding the rich resources of surface waters (c.a. 33-35 km³) and the capacity to ensure the water supply for practically the entire territory of Latvia from the sources of underground water (1.3 million m³/day), the economising of water reserves and reasonable utilisation thereof shall be considered as an important environmental problem.

In urban and rural territories of Latvia, the water supply is mainly based on underground water from drill-holes, wells and springs. The quality of drinking water at water

sources are in line with the EU standards, except for the iron content, yet the out-of-date water distribution networks affect microbiological and chemical quality of drinking water. Water consumption has decreased over the period of the past 10 years. This can be explained by the decrease in the capacity of industrial and agricultural production as well as the introduction of water-consumption registration that has contributed to rational utilisation of water.

Good results have been achieved in the sphere of water protection the latter being among the main priorities of the Latvia's environmental protection policy. Investment arrangements are being implemented successfully, the situation in waste water treatment has improved significantly. Implementation of better controls and environmental friendly technologies resulted in the twofold decrease in the total quantity of the waste waters in the country, the proportion of the waste waters has decreased up to 5% of the total volume, whereas the pollution caused by public has decreased by more than a half.

Policy Objectives

- To promote a sustainable and rational utilisation of water resources.
- To protect water ecosystems and terrestrial ecosystems directly dependent upon the water, and wetlands, to improve the condition thereof.
- To ensure a good quality (condition) of all underground and surface waters, to prevent any further pollution and to decrease gradually the existing pollution.
- To minimise the pollution with substances hazardous to the water environment.
- To ensure the renewal of underground water resources.
- To ensure anti-flood protection.
- To ensure the protection of marine waters, paying particular attention to the reduction of chemical contamination in the Baltic Sea and on the fulfilment of the international commitments of Latvia.

Indicators of Achievement of the Policy Objectives

- Quality of surface and ground waters.
- Volume of utilization of the water resources.
- Renewal and volume of utilisation of ground waters.
- Volume of waste water and the quality of the waste water treatment.
- Diversity and quality of water ecosystems and those of the terrestrial ecosystems depending thereupon.
- Quality of drinking water.
- Household water consumption per capita.
- Concentration of Nitrogen pollution into the Gulf of Riga.
- Concentration of Phosphorus pollution into the Gulf of Riga.

Measures for Achievement of the Objectives

- To improve water protection and management system, and to improve the condition of river basins by planning and implementing measures.
- To elaborate the typology of surface and underground as well as coastal waters and quality objectives according to the features of each of those types.
- To take measures aimed at preventing the deterioration of quality of surface, underground and marine waters and at achieving a good quality of those waters.
- To limit the water pollution both from local and diffuse sources by encouraging the employment of the best techniques and environment friendly technologies available.
- To minimise the direct and indirect emission of primary pollutant substances into waters.
- To discontinue the emissions of hazardous substances in the water environment and to prevent any leakages.
- To prevent or minimise the canalisation of pollutant substances into the underground waters.
- To take action to prevent any increase in pollution of ground waters and achieve the gradual decrease.

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- To provide the country's population with a good quality drinking water meeting the health quality standards, to enhance the safety of water supply systems, to utilize water resources economically.
 - To ensure waste water treatment in line with the environmental standards, to increase the quality and enhance the safety waste water systems, to reduce the eutrofication of water reservoirs and to protect the groundwater from pollution.
 - To continue the research in location of underground water springs for their further use in water supplies to households and the economy.
 - To take the measures aimed at protecting the equipped underground water intake sites.
 - To introduce such charges (taxes, tariffs, fees) for the use of water resources that ensure the full coverage of all costs related to the use of water resources, the implementation of the "polluter pays" principle and that the rational use of the water is encouraged.
 - To perform the monitoring of water quality and quantity, and to use the data obtained in the planning of water management and adjustments to action programmes.
 - To ensure active social involvement in the planning of water management and protection measures.

Climate Changes and Protection of the Ozone Layer

Description of the Situation

In Latvia, like in many other parts of the world, the average air temperature has risen along with the precipitation in the second half of the 20th century. This rise is partially related to the impact caused by urban environment. Scientists believe that the "greenhouse" effect will result in the shorter snowcap period, longer plant vegetation period, changes in river channels and the change in the allotment of precipitation.

The geographical situation determines the sensibility of Latvia towards weather conditions and the change in sea level in the world ocean. In the Baltic Sea and the Gulf of Riga, the water level fluctuations mainly depend from wind- caused high tides and low tides via Zunda Channel. During heavy storms, the drifts of water may, along the coastline and especially in bays, reach even 2-2.3m height, as it was the case during the autumn hurricane of 1969. Special studies should be carried out in the endangered areas of the seacoast in order to determine the dimensions of the possible changes and keep the same track. These data shall be taken into account in territorial planning of all scales in order to foresee and timely prevent any property damage.

Agriculture and forestry are among those sectors of the national economy, which are the most sensitive to climate changes. Permanent changes in ecosystems cause changes in productivity affecting those sectors. When forecasting climate changes, a policy and strategy shall be elaborated providing adaptation to those changes.

Latvia has undertaken to fulfil international covenants to prevent the global climate changes by signing the UN Universal Convention on Climate Changes in 1992 and having ratified it at the Parliament in 1995. Within the framework of the Convention, the Kyoto Protocol was adopted in late 1997, which was signed by Latvia in 1998 and ratified by the Parliament in 2002. It stipulates that during the period from 2008 through 2012, Latvia shall reduce emissions of anthropogenic gases (CO₂, CH₄, N₂O, hydrogen halogens and SF₆) directly causing the "greenhouse" effect by 8% of the amount of emissions in 1990. Judging by the current trends, such goal shall be achievable to Latvia. Yet, the pace of the growth of economic development may be faster than anticipated in programmatic documents. In such event, the economic development, the increasing mobility of population without improving the energy efficiency in the industry and household sector shall cause the increase in CO₂. Therefore, it is very important to encourage the implementation of measures in all energy-intensive industries (energy sector, manufacturing industry, construction, house management, transport) as well as the use of local renewable energy resources by means of promoting the tying of "greenhouse" gases to biomass via process photosynthesis.

In Latvia, the emissions of greenhouse gases are among the lowest in Europe (equivalent of emissions per capita is a small one). The main task in this respect should be to ensure that the emissions of greenhouse effect gases are limited in the course of economic development of the country.

Emissions of organic compounds of fluorine, chlorine and bromine is the main cause of the ozone layer depletion. These substances, when penetrating the stratosphere, are depleting the ozone layer, which absorbs the hazardous solar ultraviolet radiation. The depletion of the ozone layer affects the photochemical processes in the atmosphere and hence – the increase in air pollution, harms the flora and fauna as well as human health.

Latvia has ratified the Vienna Convention “On the Protection of Ozone Layer” and the Montreal Protocol “On Substances depleting the Ozone Layer” in 1995. Latvia has furthermore accepted 1990 London, 1992 Copenhagen and 1998 Montreal Amendments to the Montreal Protocol. Owing to the technical assistance rendered by the Global Environment Facility and the UN Environmental Programme, Latvia is fully fulfilling the commitments under the Montreal Protocol.

The use of substances disrupting the ozone layer has sharply decreased in Latvia since 1997. It is anticipated to substitute, until 2030, the substances disrupting the ozone layer with substances less hazardous to the environment.

Policy Objectives

- To ensure the fulfilment of Latvia’s international commitments with respect to the limitation of ozone layer depleting substances.
- To ensure the contribution of Latvia in the prevention of global climate changes in such a manner that does not hinder the economic development of the country.

Indicators of Achievement of the Policy Objectives

- Total quantity of emissions causing “greenhouse” effect in the country.
- Consumption of ozone depleting substances.

Measures for Achievement of the Objectives

- To minimise the use of importable energy resources in the production, by fostering:
 - social awareness that would motivate for energy-efficient consumption,
 - increase of energy-efficiency in the economy (heat-insulation of buildings, energy saving in manufacturing industry, improvement of public transport system, construction of combined heat and power plants).
- To enhance the use of renewable energy resources in the production of energy by encouraging:
 - the collection of biogas in household waste disposal polygons and farms, and the recycling;
 - the use of bio-fuel;
 - the use of the wind, solar and hydro energy;
 - the use of low-graded wood and wood-waste in heating;
 - the reduction or emissions liable to cause the greenhouse effect from household waste polygons and dumps.
- To promote the increase in tying up of CO₂ by promoting:
 - a purposeful forestation of non-agricultural land with local tree species;
 - measures aimed at increasing the productivity of forest plantations (selection of breed seedling material, management of forest plantations, etc.)”.
- To procure that the general public perceives the necessity and the possibilities of prevention of global climate changes, anticipated cost, as well as long-term consequences if no action is taken to reduce the quantity of emissions liable to cause the “greenhouse” effect.
- To ensure that the quantity of emissions liable to cause the “greenhouse” effect does not, as from 2008, exceed 92% of the level as existed in 1990.
- To ensure the control over import, utilisation of and trade of ozone depleting substances, to promote their withdrawal from circulation and replacement with environment friendly substances.

- To establish of fiscal and social stimulus system aimed to encourage the introduction of modern technologies in industrial processing processes and the diminishing of greenhouse gases.
- To withdraw fully, until 2030, from the economic circulation, all ozone depleting substances

Use of Natural Resources

Description of the Situation

Prudent utilisation of natural resources is the basis of sustainable development of the country's economy. Latvia is not rich in minerals or fuel resources, it shall always be dependent upon the resources of other countries particularly on the import of oil, natural gas, coal, metal and mineral resources.

Many sectors of the economy are based on the use of non-renewable and partially renewable resources; therefore they are fully dependent upon the reserves and quality of such resources.

The geographical situation, the quantity and quality of forests determines the affiliation of Latvia to those countries, where wood products serve not only for satisfaction of the local consumption, but also plays an important role in foreign trade. Wood and wood products are the most significant export commodity of Latvia, composing 40% of the total export of products. The total forest area covers 2.9 million ha, the annual wood crop augmentation is equal to 16.5 million m³. The dominant species of trees covering the forest plantations (38%) in Latvia is pine. The major kind of use of the forest is timber industry. The annual volume filling during the period from 1991 through 2000 have risen from 4 million m³ to 11 million m³. The sharp increase in logging can be explained by the involvement of private-owned forests in the economic circulation, privatisation of logging and timber-processing companies and the increase in production outputs. In order to secure the preservation of forest biodiversity, the protection of nature and the environment, no forestry works are performed in 11% of the total forest area, whereas clear-cutting is prohibited in 13% forest plantations. 17% of forests are included in protected areas of different categories.

The vast forest areas in Latvia are favourable for breeding hunting animal population. The most popular hunting species are artiodactyls (moose, deer, roe, wild boar). Hunting of those species is subject to limitations in Latvia. Limits are determined depending on the size of population of the respective species in hunting areas. The decrease in numbers of representatives of the specific population shall result in lower hunting limit stipulated for the next hunting season and *vice versa*. Hunting farms are carrying out the intended bio-technical measures aimed at increasing the number of certain hunting species.

Fish-farming, including fishing, fish processing and aquaculture, is closely related to the rational and sustainable utilisation of living natural resources of water basins of the economic area and territorial waters of Latvia as well as inland watercourses, including the preservation of biodiversity. 34 out of the 63 fish species registered in the Baltic Sea and coastal waters have industrial importance. The fish of the Baltic Sea and those of the Riga Gulf – sprats, pilchards, cod and salmon, the catch whereof comprises c.a. 72-80 thousand tons a year, or almost 99% of the total catch in the territorial waters of Latvia – have the main economic value from among the aforementioned. The catch in inland waters, including pond management, fluctuates around 900-1000 tons a year. 42 species of fish and 3 species of lamprey are found in the inland waters of Latvia. The species of fish caught the most in inland waters and ponds include bream, crucian, tench, pike, pikeperch, lamprey, eel, trout and carps.

Breeding of fish progenies is carried out in Latvia for later letting into natural watercourses with a view to compensate at least partially the damage caused to fish resources by reason of construction of hydropower plants, intensive fishing and other economic activities. Thus, the inland watercourses are replenished with valuable species of fish, forming a stable basis of inland water fish resources resulting in the creation of conditions for the development of such a new sphere as angling tourism.

Under the natural and climatic conditions of Latvia, one of the most essential factors in agricultural production is the soil resources. 40% of soils in Latvia are featured by excessive acidity, including acidulous soils ($\text{pH}_{\text{KCl}} < 5,6$) – 23%. The precipitation in Latvia exceeds the

summary evaporation (200-500 mm/year), as the result of which wetlands are covering c.a. 90% of the total area of agricultural land (hereinafter referred to as AGL), which is much more than in the majority of countries of Central and Eastern Europe. Drainage systems are set up in 1.56 million ha, or 63% of the agricultural land.

Extraction of gravel and sand, clay, limestone, dolomite and gypsum has sharply dropped over the past few years, yet the augmentation of intensity is anticipated in the future, for the reserves ensure the required construction materials and raw materials for building materials. Approximately 2500 quarries are reported around the country occupying nearly 0.1% of the country's territory. Whereas peateries are found in 10.4% of the country's territory. They are underlying not only marshes, but also certain types of wet woods covering muskegs. The area of peateries covers 0.4% of the country's territory. At present, about 25% of the peat bogs are prepared for peateries, and no major development of new peateries is anticipated.

Policy Objectives

- To prevent deforestation.
- To ensure the preservation and increasing of productivity and values of woodlands.
- To promote the forestation of non-agricultural farmland.
- To ensure the preservation and renewal of fish resources, having, at same time, ensured the employment in the fields of fisheries and fish processing.
- To promote such utilisation of hunting resources to ensure the protection and preservation of populations, gene pool and its community protection and conservation.
- To promote the rational and prudent use of mineral deposits.

Indicators of Achievement of the Policy Objectives

- Wood logging volume (m³).
- Total stock volume of forest plantations (m³).
- Forested areas in total (ha).
- Reforested areas in total (ha).
- Size of hunting populations.
- Number of animals hunted.
- Catch of specific fish species.
- Reserves and production of raw materials for construction.
- Peat reserves and the volume of production thereof.
- Proportion of wetlands in agricultural lands.
- Proportion of acidulous lands in agricultural lands.

Measures for Achievement of the Objectives

- To take to take activities to preserve the existing forestation.
- To preserve and to increase forest productivity.
- To encourage the development of forestation models.
- To preserve the quantity of hunting animal population.
- To monitor the population of hunting animals.
- To strengthen fishing and angling controls.
- To restore natural fish reserves with progeny obtained fishing nurseries.
- To lime acidulous soils used in agriculture.
- To use rationally the marshes, in which peat development works have already been commenced with a view to minimise any impact on bog ecosystems.
- To ensure re-cultivation of mining sites after the utilisation of mineral deposits in order to minimise the harmful effect or quarries on the environment and landscape.
- To determine limitations for transformation of woodlands.

Conservation of Biodiversity

Description of the Situation

A great diversity of natural ecosystems has been preserved in Latvia, which has developed under the influence of various soil and climatic factors as well as resulting from the different intensity of human economic behaviour and diverse traditions. Further development of the economy may result in a sharp decreasing and even decrease of many biotope areas essential for biodiversity in certain regions of the country. Various kinds of human intervention have already changed the composition of many species and their proportions in a great deal of forests used for economical purposes as well as in lakes and rivers.

Latvia belongs to those European countries having the richest biodiversity resources. At present, there are 18 047 species of wild animals (incl. 507 vertebrates), 5396 plants and around 4000 fungus registered in Latvia. 3.3% of these species are considered rare and endangered species. The population of several species endangered in Europe or even worldwide in Latvia forms a substantial part of the total population of the species, therefore intensifying the international responsibility of Latvia for the conservation of those species. Wild plants and animals form an important part of every ecosystem. The disappearance of one species disturbs the mutual links among the other species. This may also entail an irreversible loss of a possibility to use the yet unknown characteristics of such species for human benefit in the future. 31 species of flora and fauna has already disappeared in Latvia. Such factors as the absence of adequate biotopes, their substantial degradation, and environmental pollution caused the disappearance of certain species. The normal existence of species of flora and fauna is possible only under natural conditions in their natural habitat. Only then one may hope to preserve such species.

Latvia is rich in forest biotopes covering 45% of the country's territory.

The biodiversity of Latvia is significantly enriched by coastal waters of the Baltic Sea and those of the Gulf of Riga. Albeit, the formerly rich fish resources are gradually dissolved. The Gulf of Riga and the Irbe Pass are significant places for wintering of water birds.

There are more than 12 400 rivers and nearly 4000 lakes and watercourses in Latvia, in total covering 3.7% of the country's territory.

Bogs cover 4.9% of the country's territory. Wetland ecosystems play an important role in maintaining both the climate and the water condition. A specific flora and fauna has developed in bogs, certain species – postglacial relicts have been preserved there. 12% of wetlands are at present under national protection.

Meadows and grasslands are occupying 33% of the total agricultural land. 40% of rare and endangered species grow in meadows, which also provide nesting and feeding sites for several species of birds.

The status of natural areas under special protection is, for the time being, granted to 8.7% of the territory of Latvia. The proportion of protected areas has increased by nearly one-third since the early nineties. There are 4 nature reserves, 3 national parks, 211 natural nature reserves, 22 nature parks as well as one biosphere reserve determined by law in Latvia.

Policy Objectives

- To conserve and to restore ecosystems and the diversity of their natural composition.
- To conserve and to foster the diversity of local wildlife species.
- To conserve the genetic diversity of wildlife species as well as that of cultivated plants and domestic animal breeds.
- To facilitate the preservation of traditional landscape structure.
- To ensure a balanced and sustainable utilisation of wildlife resources.

Indicators of Achievement of the Policy Objectives

- Stability of the number of protected species in Latvia.
- Area of protected territories.
- Forest area and age structure of plantations (including the proportion of plantations centennials and older plantations).
- Area and dynamics of natural meadows.

- Area of natural bogs.
- Quantity of populations of selected species (black stork, corncrake, otter).
- Number of endangered species compared to the total number in the country.
- Quantity of fish restored in natural watercourses.
- Assessment of fish reserve status according to ICES classification.

Measures for Achievement of the Objectives

- To implement the biodiversity safeguarding requirements in the development programmes for forestry, agriculture, fishery and other sectors.
- To establish micro-reserves aimed at protecting species outside the protected nature territories.
- To prevent the pervasion of foreign expansive species, to preclude the decrease in the number of local wildlife species in the nature by determining a favourable protection status to endangered species.
- To ensure the ecological and biological research regarding the endangered species, to evaluate the dynamics of their populations.
- To prevent the decrease in the diversity of coastal water-world of the sea and of species as well as the natural structural changes in coastal biotopes.
- To diminish the fate of seals and waterfowls as well as to prevent the decrease in certain populations of fish species.
- To diminish the process of degradation of seashore and dune ecosystem and to promote the preservation of bluffs.
- To preserve fish migration routes in rivers and river overfall sections.
- To stop the decrease in the diversity of forest biotopes by means of preserving the structure of species characteristic to wild forests and ensuring favourable conditions for forest animal populations.
- To preserve the areas of natural meadows by means of holding up the overgrowing.
- To preserve local breeds of cultivated plants and domestic animals.
- To preserve the resources of wildlife species used for economic purposes.

Management and Reduction of Waste

Description of the Situation

600 000 to 700 000 tons of household waste is being generated in Latvia each year, and around one-half of this quantity is deemed biodegradable. Each inhabitant generates 200 kg of waste annually. Nearly 20% of waste are composed by waste packaging, the amount of which is increasing in Latvia over the past years.

The municipalities are responsible for household waste management in each administrative territory. Collection and storage of household waste mainly is done by municipal enterprises in Latvia, whereas private companies are serving nearly 50% of the residents of Latvia.

The major part of the household waste and other waste collected is being stored at dumps without prior processing. Around 40% of the waste collected are stored in the Region of Riga, Getliņi Dump.

A state investment programme was elaborated in the sphere of waste management, and its implementation has been commenced, providing for implementation of a regional approach towards household waste management in the territory of Latvia by construction of 10-12 new household waste polygons and other waste processing facilities and the shutdown and re-cultivation of the existing dumps.

The present environmental policy is aimed at minimising the negative environmental impact of waste by developing a new waste management system designed for waste collection and storage in line with the sanitary and environmental standards. Mixing of different types of waste as well as the importation of waste into Latvia for storage or long-term storage is prohibited.

At present, the hazardous waste is being temporarily stored in companies and specially equipped waste storage sites. There are 3 special sites for the storage of unusable pesticides.

Companies report annually to the Regional Environmental Boards about the waste generated and stored, whereas the Environment Agency of Latvia summarises the information collected. The stored waste shall be burned or stored at the hazardous waste polygon.

Policy Objectives

- To limit the generation of waste by reason of economic growth, and to ensure a considerable reduction of the total amount of waste generated by means of the best waste prevention possibilities, best available techniques, by increase in the efficiency of the use of resources and encouragement of more prudent consumer behaviour.
- To ensure the availability of services of a centralized household waste management system to all residents.
- To procure that the most part of the waste is returned in the economic circulation, in particular, by recycling, having therefore developed the packaging recycling systems, or returned in the environmentally friendly (e.g., compost) or harmless form.
- To reduce the quantity of storable waste and to provide waste elimination or storage in the the human health and the environment safe manner.
- To promote waste processing as much as possible in the proximity of its generation.
- To encourage the sustainable development of re-cultivated dump areas.

Indicators of Achievement of the Policy Objectives

- Number of household waste dumps.
- Quantity of household waste generated and collected on a centralised basis.
- Quantity of hazardous waste generated.
- Quantity of waste packaging recycled.
- Number of dumps re-cultivated.

Measures for Achievement of the Objectives

- To promote the reduction of the waste quantity, implementation of waste packaging management systems, to introduce low-waste technologies in manufacturing by means of taxation system.
- To elaborate "manufacturer's and trader's liability" schemes for processing of certain types of products (return acceptance and delivery for processing).
- To introduce a deposit-refund system for packaging and other products.
- To advance or shut down all waste dumps not compliant with the regulatory standards.
- To perform re-cultivation at closed dumps.
- To develop regional facilities for collection, packaging (or repackaging), marking and temporary storage of hazardous waste.
- To install a hazardous waste incineration.
- To install equipment for physicochemical treatment and stabilisation of hazardous waste.
- To establish a polygon for storage of hazardous waste.
- To ensure the acceptance, treatment and processing of biodegradable waste (including also dehydrated sewage sludge) at the areas of polygons.
- To establish regional household waste polygons for the storage of pre-treated, non-inert, non-hazardous waste in line with ES standards and best available technologies, including composting sites.
- Developing information collection, management and analysing systems.

Elimination of Poverty

Description of the Situation

Poverty is a multidimensional problem, and the efficient solution thereof depends on the degree of coordination of work of the systems involved in its solution. The consequences of an uncoordinated solutions or underdevelopment of one sector shall become the responsibility of other sectors. As evidenced by the experience in other countries, substantial

improvements can be achieved only by focusing on the causes of poverty. It shall also be noted that the condition of a great part of society is already now demanding for immediate action to minimise the consequences of the poverty. There are certain indications in Latvia of the development of certain social groups and certain communities, which are unable to break free from poverty without special support from the state and municipality. This poses the danger of amplified poverty reproduction entailing a significant threat to the society at large – low education standard, inability to adapt and compete in the labour market, unemployment, increase in socially inactive part of the society, low or nonexistent income from work, malnutrition, poor health, inadequate living conditions, insufficient healthcare, unhealthy children, thus increasing alcoholism and violence as well as the worsening of criminality.

The economic growth in the country as a whole features certain positive change, yet without any change in the condition of the poorer part of the society.

Policy Objectives

- To reduce the number of individuals in absolute poverty and to improve the living standard of such persons.
- To prevent causes of poverty by means of coherent, coordinated and purposeful action involving all sectors and administrative levels.
- To encourage the planning and implementation of successful and coordinated poverty prevention measures.
- To encourage the employment and occupational skills development of those in poverty and low budgets.

Indicators of Achievement of the Policy Objectives

- Purchasing power of the population.
- Consumer price index.
- GDP per capita and actual pace of GDP increase.
- Level of unemployment.
- Balanced regional development.
- Number of individuals in poverty or on low budgets.
- Average income per household member.
- Average income per household member in the 1st (lowest) quintile.

Measures for Achievement of the Objectives

- To create an efficient social assistance benefits, incl. benefits for providing the minimum guaranteed income.
- To improve the information concerning employment opportunities in rural areas in particular, and the social assistance available, rights and obligations in benefiting from the service.
- To develop a social middleclass by means of promoting business activity that would have positive impact on the political and economical stability in the country.
- To elaborate and to commence the implementation of aid programmes for families unable to pay rentals and public utility charges.
- To support the measures aimed at fostering the competitiveness of companies based in less developed regions.
- To encourage the development of untraditional farming and alternative occupations in rural areas.
- To elaborate and to implement programmes aimed at expanding the adult education possibilities of those in poverty and on low budgets.
- To elaborate and to implement the special study crediting procedures for youth from poor and low-budget families.
- To elaborate procedures for subsidising the apprenticeship at work.
- To determine and to implement measures for promotion of territorial mobility (e.g., transport allowances).
- To improve the system of regional transport subsidising.

- To approximate gradually the non-taxable minimum salary to the minimum monthly pay stipulated in the country.
- To raise the professional background of social counsellors.
- To improve the mechanisms for registration and control of beneficiaries of social benefits to ensure the continuity and efficiency of the social work done.
- To promote social involvement and NGO activities.

Employment

Description of the Situation

Employment is one of the most important indicators of the development of economy and economic growth of the country.

Although there has been no significant change in the number of population employed over the past years, yet the number of jobseekers is decreasing. It is mainly explained by the fact that youth is choosing to continue their studies rather than starting to work right after reaching the employment age. The number and the proportion of the permanently unemployed persons in the totality of the unemployed persons is decreasing.

Yet, the employment fostering measures and the growth of economic activity has by now not yet given the anticipated positive changes in many of the rural areas. Considerable regional differences still persist concerning the unemployment level in Latvia. The unemployment rate in the region of Latgale: districts of Rēzekne, Balvi, Krāslava, Preiļi and Ludza, is above the average in the country. Yet the decrease in the level of unemployment in the aforementioned as well as in several other regions has been observed.

The proportion of unemployed persons aged 50 to 60 and more in the totality of the unemployed persons is slightly increasing. This is in a sense related to the gradual increase in the retirement age. It is more difficult for that age group to get the job.

17.5% of the working population have primary education and the education lower thereto, which has a negative effect on the increase in work efficiency and the quality of products or services. This proportion tends to decrease over the recent years. The number of jobseekers with primary education or the one lower thereto and their proportion in the totality of jobseekers is increasing. Employment problems in relation to the professional training and adaptation of the workforce to the demands of the labour market is an actual issue all over Latvia and in every region. In rural areas the topicality thereof is determined by the high number of persons employed in agriculture – since the continuous modernisation of agriculture will force the large number of rural population to seek for alternative employment, which may, unless the problem is timely tackled, entail even greater increase in the level of unemployment in rural areas.

Policy Objectives

- To increase the quality of workforce to meet the demands of labour market.
- To ensure equal opportunities for women and men in the labour market.
- To promote the integration of handicapped people, risk and socially repudiated groups of people.
- To increase the quality of services rendered to jobseekers and unemployed people.

Indicators of Achievement of the Policy Objectives

- Employment level in comparison with the average level in the EU.
- Proportion of women in the totality of jobseekers.
- The average job-seeking period.
- Registered level of unemployment among handicapped people.
- Number of self-employed persons.
- Proportion of permanently unemployed persons among the totality of unemployed.
- Training programmes for unemployed persons, number of persons accomplishing them.

Measures for Achievement of the Objectives

- To develop the education system that meets the requirements of the labour market.
- To split the responsibility between the state, municipalities, employees and individual regarding the financing of continuous education and providing the lifelong learning.
- To develop a stimulation system for the involvement of employers in the promotion of financing of the education.
- Development of educational programmes of all levels in line with the development trends in sectors of economy.
- To develop the system of professional orientation, consultancy, correspondence courses, continuous education and retraining.
- To implement the actions for the development of human resources, ensuring the balance of labour force demand and supply.
- To promote the development of human resources involved in the production, processing of agricultural products and the production of foodstuffs with a view to ensure the development of production and processing, and the improvement of management, search for new sales markets.
- To provide support for preparation of highly qualified personnel to promote the development and implementation of innovations based on the knowledge and research.
- To take measures aimed at mitigating social impacts caused by the decrease in the number of persons employed in agriculture.
- To ensure the availability of services, providing the services as close as possible to the place of residence of the unemployed, and to establish self- information centres.
- To improve the system for training and retraining of unemployed persons, to elaborate new programmes in line with the demand of the labour market.
- To create a support network, to elaborate and to implement measures intended for risk and socially repudiated groups of society.
- To establish and to develop the complex of employment promotion measures for obtaining and increasing of professional qualifications by handicapped persons, to establish the system of subsidised workplaces.
- To provide training of the personnel for work with handicapped people, risk and socially repudiated groups of society.
- To promote the involvement of youth in the labour market.

Education and Science

Description of the Situation

The preparation of highly educated workforce, investment into human resources, social motivation for education shall be deemed the crucial factor determining the development of Latvia in the 21st century in order to ensure the competitiveness of Latvia at the European and global level.

Geopolitical situation of Latvia, and its limited raw material resources and energy determine that the main competitive advantage of Latvia shall be educated people and a qualified workforce.

The system of establishments of general education enables the obtaining of primary education in the proximity of the place of residence, as well as provides the opportunities to parents and pupils to choose the establishment of general education.

The number of students has increased by nearly 10 per cent in 2001, having doubles over the past 5 years. Such pace of increase in the number of students has been observed in no EU Member State or EU applicant states. There are more than 400 students per 10 000 inhabitants in Latvia.

National minorities are being afforded equal opportunities for general education promoting the preservation and maintenance of national culture. The implementation of educational programmes for national minorities is the precondition for social integration in Latvia.

The financial allocations for the implementation of the general education policy are insufficient. It ensures the maintenance of that sector, but fails to encourage the development thereof. The educational system is featured by general shortage of qualified workforce and the increase in the average age of pedagogues.

There are differences in terms of access to and availability of good quality education between the towns and rural areas and regional differences in the choice of educational programmes.

The material and technical basis has not been renewed in the most part of educational establishments of all levels and kinds. This considerably decreases the quality of educational process as well as renders the costs of maintenance of such establishments more expensive.

The structure of academic personnel is not proportional. The low pay standard renders it difficult to attract young academic staff and researchers.

There is a wide offer of continuous education in the country at large, which is developing along with the demand. It shall be necessary to set up a system for assessment of quality of programmes of continuous education. There is no regulatory framework governing the financing of continuous education and sharing of responsibility regarding the financing for lifelong learning.

Employers play crucial role in providing apprenticeship. At present, the provision of internship possibilities is insufficient, therefore requiring for economic stimulus to foster the interest of businesses in providing internship to students of professional and higher education. Neither is the prentice system sufficiently developed in the country.

The development of scientific research and innovations, the intensive use of knowledge and high technologies is the main and the only realistic direction of the development of the Latvian economy anticipated to ensure a stable welfare standard.

With a view to assess the scientific potential of Latvia as well as to perform structural rearrangements in the organisation of science and to elaborate the reform of administrative system of science, repeated expert examinations of the Latvian science system were carried out resulting a positive evaluation of the level and administrative system of science in Latvia, emphasizing that the transition of Latvia to grant system, i.e. system, complying with the generally accepted principles of financing the scientific research and ensures internal competition, is a democratic and professional solution involving low administration costs.

Notwithstanding the achievements and the fostering of international cooperation, science is at present unable to ensure the development of sufficient number of highly qualified experts due to low financing available. Only 3% of the scientists are under 36 of age. The average age of scientists in Latvia is 55 years, 30% of scientists in Latvia are older than 60 years of age. No involvement of new-generation scientists into research is taking place.

In the same time, the world faces orientation of economic development towards innovative activities. The growth in gross domestic product is in direct ration with the export of innovative products based on new technologies. State support for science and research shall be increased, encouraging in particular the research and innovative activities in the sectors of national priority. The involvement of the new generation of scientists into research shall be encouraged by increasing the amount of stipends for doctorate studies. The returning of specialists working abroad to Latvia shall be activated by creating an attractive environment for work and research. Having regard to the economic development, engineering and natural sciences shall have the priority.

Policy Objectives

- To ensure the access of education for everyone.
- To ensure the quality of education at all levels and in all respects in line with the needs of social and economic development.
- To ensure social equality in the access of education.
- To ensure flexible opportunities in obtaining education all through lifetime.
- To ensure the rate of growth of the scientific potential.

Indicators of Achievement of the Policy Objectives

- Number of inhabitants having secondary and higher education.
- Number of students (per number of population).
- Number of balanced development and environmental education programmes in educational establishments.
- State financing for education and science (% of GDP).
- Number of those employed in science.

- Training of adults (25-64 years old) (number of programmes offered and number of students).
- Lecturing for other specialities on environmental protection issues.
- Financing to science (% of GDP).
- Number of patents issued annually.

Measures for Achievement of the Objectives

- To develop a uniform professional orientation system.
- To rearrange and to modernise the educational system, finalise the educational reform.
- To put in order the spheres of correspondence learning and continuous education.
- To modernise the facilities of educational establishments providing information technologies in adequate quantity.
- To continue the reform concerning the pay of pedagogues.
- To elaborate a set of measures for renewal of academic staff.
- To link the science, education and production.
- To promote the inclusion of sustainable development and environmental issues in educational programmes of educational establishments.
- To improve the education quality assessment criteria with a view to ensure the formal recognition and competitiveness of qualifications, degrees and diplomas obtained in Latvia in the European labour market.
- To set up a system of professional education and continuous education in compliance with the requirements of labour markets.
- To ensure a uniform management of educational system.
- To foster the increase in educational cost-efficiency at all levels and types of education.
- To provide the compulsory elementary education, several programmes compliant with the certain standard with integrated content of education, including the mastering of elementary skills and fundamental knowledge, personal development and value-based education.
- To ensure that professional education provides with the theoretical and practical competence for the work in the particular profession motivating timely for professional development and life long learning.
- To promote the involvement of private capital in education and research.
- To promote the progress of scientific research to commercial research and innovative activities ensuring an immediate launching of new products and services to the market.
- To provide a state aid for the development of innovative companies and infrastructure – scientific research centres, technology centres, business incubators, high-tech companies.
- To establish a system of financial support for innovative activity by increasing the state budget allocation oriented towards innovative activity by splitting it among commercial research, development and innovative activity by involving a private capital.

Environment and Health

Description of the Situation

The average lifetime expectancy of newborns in Latvia is low, as well as considerable differences in lifetime expectancy between men and women.

According to the data of self-assessment, only a small part of the population of Latvia is evaluating their health condition as good or very good (less than 30%, compared to 36% in Estonia and 70-80% in the Nordic countries).

Research has shown that irregularities in healthcare are undoubtedly affect the mortality indicators, however, its importance is not that essential in respect to certain diseases and external factors. The most important cause of the rise in mortality indicators is the increasing number of diseases and accidents, which in turn is determined rather little by health factors.

Health factors include:

Physical, chemical, biological and psychosocial factors.

Lifestyle and habits related risk factors, e.g., smoking, use of alcohol, narcotic and psychotropic substances, unbalanced nutrition, sedentary lifestyle and unsafe sexual behaviour.

Risk factors, social and economic inequality, in particular, long-term unemployment, poverty and social isolation, which also strongly affects the lifestyle and habits.

In collaboration with other sectors, the public health policy, strategy and practice can largely minimise the effect of those factors.

Policy Objectives

- To increase the lifetime expectancy of the inhabitants of Latvia by means of improving the environmental condition and social conditions.
- To improve the quality of life of the population and the safety of households.
- To diminish sickness rate, mortality and invalidity caused by:
 - contaminated food;
 - occupational diseases;
 - natural nidus infections and other infectious diseases;
 - accidents;
 - chronic (e.g., cardiovascular) diseases.
- To decrease the effect of physical factors (e.g., noise) on the human health.
- To change the attitudes of people towards the environment and health.
- To improve the health condition of the population of Latvia.

Indicators of Achievement of the Policy Objectives

- Average lifetime expectancy of population.
- Mortality among newborns.
- State financing for healthcare (% of GDP).
- Human morbidity and mortality rate caused by hazardous environmental factors.
- Environment, especially, air quality in populated areas.

Measures for Achievement of the Objectives

- To improve the air quality monitoring system in urban areas.
- To develop air quality improvement plans.
- To optimise the structure of providers of healthcare services.
- To enhance the fuel quality control.
- To control the residue of pesticides in the soil.
- To provide the control of harmful substances in the products marketed in Latvia.
- To popularise the use of biological plant protection means.
- To facilitate (both organizationally and financially) the personnel training on the issues of safe working environment and health.
- To provide for substitution of hazardous chemicals with the less hazardous ones.
- To ensure a state guaranteed healthcare and social benefits for the socially vulnerable classes of the population.
- To set up a fair, available and good quality healthcare system.
- To increase the awareness, motivation, involvement of the population of Latvia in health preservation.

Housing Policy

Description of the Situation

Housing is the main provision of the environment necessary for human living and existence and also one of the indicators of the nation's welfare.

Since the housing quality is determined by the overall living standard prevailing in the country, the country's involvement in the housing development shall be considered as a substantial contribution into the development of the nation from the macroeconomic point of view.

Under the conditions of market economy, the housing corresponds to the property status of the owner and the apprehension of the consumption priorities – how high is the housing ranking in the consumption priority scales and how much finance is the person prepared to spend on that.

Nowadays, it is important that the housing is comfortable, economical and realistically maintainable, as well as architecturally spectacular and integrating within the environment.

The total living space of homes per capita is nearly 2-3 times smaller in Latvia if compared with the EU Member States, where the housing fund is dominated by 3.2 to 5.3-room homes, whereas in Latvia – 1-2 room homes. In comparison with the EU Member States, the quality of housing is lower in Latvia, dwelling houses are comparatively old and of poor quality, in particular in terms of heat consumption.

The changes in the ownership structure of the housing fund resulted in 76% of the total housing fund being in the private ownership and only 24% in the public or municipal ownership. The process of privatisation of dwelling houses has created a large number of flat-owners (c.a. 350 000), lacking the knowledge and skills in the management of their own properties and joint properties.

The major problem is caused by the considerable wear and tear and unsatisfactory quality of the housing fund. Nearly 1/3 of the buildings were constructed before the World War 2. The heat insulation of the insulating constructions of the industrially built apartment blocks is low, heat consumption – excessive, hence the maintenance of housing is not only uneconomical, but also environmentally unfriendly.

The degree of housing improvement in the country is unbalanced, being good in cities but relatively low in towns and rural areas, in aggregate not reaching the standard of the developed European countries.

Policy Objectives

- The implementation of the state policy in housing matters with the mediation of a public agency and the increasing its institutional capacity in regions.
- To promote the balanced development of various housing segments in the country by means improving the housing crediting system thus approximating the living quality conditions to the average standard of the EU Member States.
- Saving and efficient utilisation of energy focusing on the sources of renewable energy.
- Utilisation of long-drawn construction sites and old buildings for new needs.
- To ensure all inhabitants with good, healthy and safe home in the efficient and flexible housing market featured by adequate protection of consumer rights, creating favourable conditions for the improvement of the existing homes by individuals and legal entities (including the improvements in residential areas and humanisation of the urban environment), and for construction and acquisition of the new ones.

Indicators of Achievement of the Policy Objectives

- Average total area of the home per capita.
- Improvements in the national and public housing fund (sewerage, water pipe, central heating, gas, hot water supply, bath (shower)).
- Decreasing number of unfinished constructions.
- Availability of mortgage loans.
- Economy of energy resources and the minimisation of direct greenhouse gas emissions as the result of heat insulation of the buildings.

Measures for Achievement of the Objectives

- To continue the implementation of purposeful formation of the consciousness and awareness for the energy-efficient management of homes.
- Implementation of effective financial instruments for housing development (subsidies and allocations for social housing, guarantees – for the construction or improvement of an adequate housing, purpose loans and support programmes – for target audience).
- Implementation of fiscal policy to facilitate the housing development and restoration.
- Establishment of regional counselling centres for housing management and renovation issues.
- To establish and implement a monitoring system for dwelling houses by providing information system, collecting information under the auspices of the state agency on the quality,

comfortableness, ownership of the existing and planned housing, demand for and offer of all kinds of housing, quality of infrastructures and housing environment.

- To encourage the development of modern energy metering systems (in centralised heat-supply, air-conditioning, hot water supply according to the actual consumption).
- Construction of good quality housing by encouraging the use of up-to-date environmental friendly thermo-technology and construction materials.
- Facilitation of the development of the housing market.
- Energy auditing and certification of apartment blocks.
- Installation of consumption-based metering for centralised heat-supply, energy used for air-conditioning, hot water supply.
- Heat insulation of newly erected buildings.
- To perform the housing monitoring by gathering the information on housing provision, housing demand, housing quality, ownership structure, comfortableness, infrastructure and environmental quality.
- To elaborate and to implement assistance programmes for families unable to pay the arrears of rentals and for public utility services.
- To evaluate the efficiency and implementation mechanism of the social housing programme.
- To ensure that pensioners without support as well as families with children and several unemployed are not evicted from flats for arrears of rentals without rehousing.
- Municipalities shall implement support measures for poor and low-budget families by granting resettlement benefit for families, which are willing to move to apartments of less area.
- To develop the chain of homes and office apartments.
- To organise tight controls over the rise in regulated public utilities tariffs.

Industry

Description of the Situation

Industrial development plays an important role in attaining the main objectives of the economic development of a country: to ensure a stable, balanced and sustainable economic growth. Sustainable development necessitates the continuous and successive economical, social, technological and environmental improvements in the industrial sector.

The most part of the industry is concentrated in Riga and in the Region of Riga. Weak industrial development is featuring other regions of Latvia.

At the present stage, the Latvian industry is dominated by food production, wood processing and the light industry.

The major among industries is food production, comprising more than ¼ share of the industry's value added. The food industry has good development perspectives in the country for the reason of availability of good quality raw materials for meat, dairy, fish and grain processing. There are also wide possibilities to develop the production of ecological as well as untraditional foodstuffs.

The second largest industry is wood processing, comprising nearly 1/5 share of the industry's value added. This industry experienced the biggest growth during the years of independence. The sector enjoys stability in terms of raw materials, well-educated workforce, proximity and stability of sales markets (mainly EU countries), good prospects for increasing the revenue by exporting more completely processed timber. Foreign investment enabled the implementation of new technologies, access to the markets, acquisition of knowledge and experience in marketing and management, as well as dealing with the issues of rational utilisation of wood-waste generated in the process of wood processing not only as firewood, but also for the production of raw materials for other products.

As concerns the light industry, only 7% of the output thereof remain in Latvia. The most part of the industry's produce is being exported to the EU Members States. Garment manufacturers are mainly producing for foreign orders.

The development of metal processing and engineering industries is featured by stability, which is also a basis for further growth. Export constitutes 75-80% of the industry's total output. Recently, there has been a tendency of growth in the local market share. The development of construction results in the increased demand for finished metal products. The industry is dominated by local businesses for this is a capital-intensive industry, where the return on investment requires for longer period of time.

Electronics and electrical engineering industry are increasing the output and export volumes by mastering high-tech products and State of the Art technologies, cooperating with foreign partners, participating in international projects.

Notwithstanding the stable traditions, highly qualified experts, continuous production of wide range of produce both for end consumers and intermediate consumption, good scientific research basis featuring the chemical industry in Latvia, the output of the latter over the past years has considerably decreased. Penetration in Western markets requires the industry to perform a massive modernisation and restructurisation.

Generally, the industry is still dominated by sectors related to processing of natural resources and the employment of cheap labour force. The share of high-tech products in the export structure of Latvia does not exceed 6%, whereas in the developed countries of the world it equals around 20-30%.

The Latvian manufacturers are increasingly interested in environmental management systems.

Policy Objectives

- Modernisation and restructurisation of the manufacturing, i.e. production process based on environmentally friendly use of renewable natural resources employment of technological innovations.
- Development and linking of the scientific potential with the production.
- Development of information technologies.
- Economical consumption of energy resources and non-renewable raw materials.

Indicators of Achievement of the Policy Objectives

- Increase in the share of industries based on knowledge-intensive technologies in the GDP.
- Proportion of those employed in the industry.
- Availability of local resources (how many years would it be sufficient under the current output).
- Number of companies implementing the environment management systems (EMAS, ISO 14000) and quality management systems (QMS, ISO 9000), as well as good manufacturing practice.
- Pollution emissions from industrial companies.

Measures for Achievement of the Objectives

- To encourage the application of knowledge and technologies in production.
- To create an environment that would promote an innovative activity (technological parks and centres, consultancy offices).
- To foster the establishment and development of innovative businesses.
- To ensure the availability of financial resources for increasing of productivity and arrangement of environmental issues.
- To improve the taxation system with a view to promote investment in modernisation and restructurisation of manufacturing.
- To encourage the consideration and acceptance of good practices and experiences, application of methods and techniques in Latvian enterprises (environmental friendlier technologies, international standards, implementation of quality and environmental management systems, Quality Award).
- To provide the manufacturing sector with qualified and competitive specialists.
- To implement the best available techniques in manufacturing enterprises.
- To ensure the support services aimed at strengthening the Latvian exporters in the existing markets and successful penetration of the one ones.

- to develop and promote principle of corporate social responsibility which predicts that enterprises on voluntary bases integrate social and environmental requirements in their activities

Energy

Description of the Situation

Import amounts to 65-70% of the total energy consumption in the balance of primary energy resources of Latvia.

Offer of primary energy resources, also electrical energy (including import) exceeds the demand and therefore the prices of cross-border sales of electrical energy are so low now. Still these prices do not reflect the long-term marginal costs of electrical energy generation, and it is not possible to forecast the price level even for a time period beyond one year. The current situation does not give any signals of economic character for introduction of new generating capacities thus making the economically justified fulfilment of long-term supply task very difficult.

In Latvia, there is a potential for power generation based on renewable resources, especially wood and wind, which are being used for power generation to a little extent.

In Latvia, approximately 19% of the total energy are produced from wood and potential energy of water. During recent years, the use of local energy resources has increased along with the proportion of wood and hydro resources in energy production. Several small-scale hydropower plants have been renovated and new ones are being planned. Energy infrastructure and power transmission lines occupy quite considerable territories.

The stability (frequency, voltage, etc.) and the quality of power supply are satisfactory, however, the climate conditions during recent years have been mild, and it gives the impression that the situation is better than in reality. The most critical conditions shall be considered in the evaluation of power supply security and the results shall be made publicly available.

Electric power generation in Latvia hydropower plants is an important resource for all Baltic States, however the generation forecasting from the point of view of supply security is very difficult. The drastic flow changes not only over years and seasons but also over shorter periods is the peculiarity of the Daugava basin.

Policy Objectives

- To promote the development of energy industry in accordance with balanced and sustainable economic development.
- To decrease the environmental pollution from energy facilities, especially emissions of air pollutant substances.
- To increase the use of renewable (local) energy resources.
- To increase the safety of energy supply.
- To ensure the technical and organisation readiness of Latvia's energy supply system for synchronous operation with the systems of the Nordic countries and those of Central Europe.

Indicators of Achievement of the Policy Objectives

- Increase of energy, especially electrical energy, consumption in relation to the increase of the gross national product.
- Quantity of emissions of pollutant substances from energy production facilities, number of equipment, where emissions fully correspond to the marginal values of emissions.
- Proportion of the persons employed in the energy sector.
- Structure of energy resources (renewable/ non-renewable, by types).
- General characteristics of the energy sector and their changes.
- Energy used by households, proportion of the total.

Measures for Achievement of the Objectives

- To use economically justified potential of heat loads of the cities of Latvia making use of the support for energy production by means of cogeneration as defined by the Government.
- With a view to increase the security of the country, to increase the proportion of local energy resources in the total consumption, diversify the suppliers of energy resources, integrate into the European markets of energy resources (Baltic Ring).
- To increase the use of natural gas in combustion equipment thus reducing the use of HFO, thus extending the natural gas supply zones.
- To decrease environmental hazard on continuous basis, to encourage the choice of high quality fuel, to decrease the volume of hazardous emissions.
- To take measures for more rational use and supply of energy, thus gradually increasing the energy efficiency potential in the systems of both energy consumers and utilities.
- To make the market mechanism more active for development of electrical energy industry and economy.
- To promote development of energy sector in accordance with the development of economy as well as to promote equally the economic activities in different regions of the country.
- To support strengthening of the role of Latvia in the worldwide market of the transport of energy resources services, also making use of underground gas storages.
- To promote use of renewable and local energy resources.
- To reduce and limit the negative impact of energy production to the environment by means of monitoring the correspondence of the concentration of thermal power plant' hazardous emissions to the norms by means of making the initial evaluation of the influence to the environment by boiler houses, small scale hydropower plant and wind power plants and rising the standards for measures aimed at safety of the dams and the banks of water basins of hydropower plants.
- With a view to promoting the use of energy resources of special support considering the perspective of the renewable energy sources and the technologies of their use as well their being in a transition phase, ability to operate in the conventional or traditional energy market, to define the component of the renewable ("green") energy in the total balance of energy resources of all power consumers in Latvia with the objective to balance on social, economic and technical grounds and promote the use of renewable energy resources and reduce the import of electrical energy into the country.
- To promote production of bio-fuel (bio-diesel, bio-ethanol, bio-gas), making use of raw materials of the agricultural production (rape, grain), as well as organic products formed in the cattle-breeding production process.
- To establish preconditions for introduction of market and competition elements in the power industry.
- To simplify and clearly define the procedures for access to transmission and distribution network.
- To ensure establishment of the reserve of oil products and environmentally safe storage and maintenance.
- To encourage the use of the resources of EU economic and regional development funds for the development of energy sector.

Transport

Description of the Situation

The favourable geographic situation, location near the Baltic Sea, ice-free sea harbours of Latvia and borders with Estonia, Lithuania, Russia and Byelorussia provide great opportunities to develop in-land and international cargo and passenger transportation, to provide high quality and competitive transit services, to become an important link in development of trade between east and west.

Transport is one of the most important and dynamic fields of economy in the country. In year 2000 the share of transport and communications in the gross national product of the country amounts to 16,2%, and the number of persons employed in the transport and communications industries amount to 8,2% of the total employment in the country.

Transport infrastructure (roads, railway, harbours, airports, main pipelines) provide the internal needs of Latvia and serve the transit flow both east-west and north-south direction. Almost 80% of the railway cargo transport, 90% of the cargoes loaded in the harbours, and approximately 60% of road transportation from and to harbours are transit.

Although there is optimal transport infrastructure location in Latvia, still in many places its low quality influences the quality and competitiveness of the transport services.

In order to integrate Latvia's road and railway infrastructure into the Trans-European transport network, it is necessary to set them in order according to the EU standards. Investments into the future elements of the Trans-European transport network are of importance here – the main network of roads and railway of Latvia, harbours of Ventspils, Riga and Liepāja and their terminals and airports. The European transport corridor (Via Baltica and Via Hanseatica) is crossing Latvia. Linking of the sea harbours of Ventspils, Riga and Liepāja to I, II and IX European transport corridor.

The uniform system of passenger transport must be established in the country to provide high quality and available public transportation service to people, as well as common passenger and cargo transportation network for the Baltics and northern part of Europe must be established. Transport infrastructure and transportation process must be developed in such a way as to ensure integration and successful operation of Latvian transport system in the European transport system. The work has been started to investigate the possibilities to renew the railway transport (Rail Baltica) along the route Via Baltica (Tallinn – Riga – Kaunas – Warsaw – Berlin).

Policy Objectives

- To decrease air pollution and noise caused by transport.
- To optimise production structure to decrease the cargo transport volume.
- To develop environment friendly types of transport, also public transport and railway transport.
- To increase the safety of cargo and passenger transportation.
- To develop sea transport.
- To increase the service quality in passenger and cargo transportation.

Indicators of Achievement of the Policy Objectives

- Quantity of emission of vehicles and amount of emission per one km driven.
- Number of passengers carried by public transportation.
- The value added in GNP from transport industries.
- The proportion of employment in transport and communications industry.
- Length of bicycle roads, km.

Measures for Achievement of the Objectives

- To establish a united passenger transport system to provide high quality and available public transportation service to people.
- To ensure high level of traffic safety and establishment of environmentally friendly transport system.
- To diversify and to promote development of services and industrial production (factories, combined transport terminals, cargo distribution and logistics centres) in harbours and other transport nodes.
- To ensure integration and successful operation of Latvian transport system in the European transport network system, to promote operation of multimodal transport corridor East-West in the field of international cargo and passenger transportation.
- To implement the regional road program in order to decrease the regional differences.
- To elaborate and implement the efficient allocation mechanism to ensure the development of passenger railway transport, to implement the national investment projects for modernisation and renovation of the rolling stock.
- To develop small harbours, to carry out reconstruction of infrastructure, to develop yacht tourism, as well as to increase the safety and waste collection in harbours.

- To maintain and develop integrated, efficient and environment preserving transport infrastructure (roads, railway, harbours, airports, main pipelines).
- To promote economical and environmentally friendly types of transport and to establish preconditions for their implementation.
- To improve the quality of control of the technical condition of cars.
- To define the recommended route for transportation of dangerous cargoes .
- To develop bicycle transport and corresponding infrastructure.
- To establish environmentally secure system of handling the outworn vehicles.

Agriculture

Description of the Situation

Agricultural area covers 39% of territory of the state. In the last three years, agricultural part of the GDP has stabilized and comprises 2,5%. In year 2001, animal breeding comprised 52%, plant-growing 42% and the rest of agricultural production 6% of the agricultural final production. In year 2001, 14.7% of population employed in national economy, were employed in agriculture.

Development of agriculture has limited possibilities of finance attraction. In the year 2001, the credit market offered farmers with the average interest rate of 13-16%, which did not promote attraction of investments. In order to improve current situation, government approved "Long-term crediting program for agriculture". More than 70 million LVL with interest rate of 7% are dedicated for the next 15 years.

One of the reasons of the low efficiency of agricultural production is the obsolete machinery park and technologies. In year 2001, only 24% of the tractors owned by farmers were less than 10 years old. A farm manages 35,1 ha (21,4 ha AL) and an inland household manages 12,1 ha (7,4 ha AL) land in average.

Cereal crop capacity from 1996 – 2001 fluctuated from 1.9 t/ha to 2.2 t/ha. In grant-aided cultivation areas the average cereal productivity is higher than 2,5 t/ha. Number of animals used in the field of agriculture has substantially decreased in comparison with year 1990, however, in the last three years animal productivity and quality increases. It is achieved by using local genetic animal resources as well as practicing planned selection work and improving local resources by using foreign genetic material.

Parallel with traditional agriculture, untraditional fields of agriculture are developing as well. For instance, in year 2001 areas of biological agriculture occupied 0.57% of AL and it was practiced by 219 certified farms.

During last years, soil degradation processes gradually increase. These degradation processes are caused by soil acidification, decrease of vegetal nutritives in the soil and by other factors. Agrochemical research data of the agricultural land show that there are about 40% of soil with increased acidity in Latvia, including 25% of sour soil (pH<5,6). Insufficient contents of organic matters (<2%) can be observed in 46% of mineral soils. It is promoted by co-generic vegetal change and lack of organic fertilizers (it has reduced for 73% in the period from year 1990 till 1997). Risk of soil degradation in Latvia is increased by growth of undeveloped land areas as well. Results of observing reflect that because of decrease of agricultural production agricultural lands are used less and less – if in year 1996 15.5% of AL were not used for agriculture, in year 2001 percentage of such lands comprised 21.7% already. Density of weedy and bosky areas has increased as well. If improvement of soil in the beginning was promoted by underexploitation of land, characteristic biotypes of agriculture can disappear in case of continuation of this process.

Use of chemical fertilizers and vegetal protection preparations (VPP), in comparison with year 1990 has decreased many times, and it has decreased load of agriculture on environment as well. Productivity analysis of the used chemical fertilizers, VPP and cultivation areas show that average decrease of productivity is insubstantially influenced by decrease of amounts of the used VPP and chemical fertilizers. It shows that use of VPP and chemical fertilizers has become more effective and legitimate. In order to promote correct use of VPP and chemical fertilizers and decrease damage to environment, popularisation of conditions of good agricultural practice is facilitated.

Policy Objectives

- Satisfaction of consumers requirement for qualitative foodstuffs.
- Ensure continuity of resources used in agriculture.
- Provision of economic and social welfare of rural population.

Indicators of Achievement of the Policy Objectives

- Number of persons employed in the field of agriculture.
- Net added value on population employed in agriculture, forestry and fishery.
- Income of rural households.
- Density of agriculture in the structure of GDP.
- Density of the managed agricultural lands.
- Number of households involved in the field of biological agriculture. AL areas and value of production.
- Number of rural population and households employed in non-agriculture.
- Productivity of domestic animals and cultivated plants.
- Governmental support of agricultural production per ha of AL.
- Amount of use of chemical fertilizers and vegetal protection preparations.
- Level of production's self-provision.

Measures for Achievement of the Objectives

- To ensure requirements for inoffensiveness of production.
- To ensure quality of production and services.
- To ensure effective management of agricultural land.
- To ensure conservation of genetic resources of cultivated plants and animals used in agriculture.
- To ensure conservation of biological variety of wild plants and animals, characteristic for agricultural lands.
- To promote conservation of traditional rural landscape.
- To establish rational structure of households.
- To optimise production of agriculture.
- To promote specialization and concentration of households.
- To decrease social and economic differences and risk.
- To create favourable business environment.
- To facilitate the development of agricultural production market.
- To introduce environment friendly methods of agriculture.
- To promote diversification of employment in rural areas.
- To promote availability of credit resources.
- To promote protection of the domestic market.

Regional Development

Description of the Situation

Balanced and sustainable development of a region as a territorial union of a country is the basis for the total development of the country.

Balanced and sustainable development of regions is based on a purposefully formed regional development policy, planning of the regional development and purposeful movement forward according to the defined strategy. The most efficient solution to the regional development issues, including ensuring of the sustainable and balanced territorial development is a "regionally focused" integration in all, also separate industries and total national development priorities already during the planning stage.

Development planning in Latvia is done at four levels. National level, regional level – in five planning regions, established by mutual agreement by administrative regions and big cities. Planning on the district level is being implemented by administrative districts. Planning on local

level is being done by local municipalities – parish, regions and cities which elaborate their development plans involving the local population in decision making.

Each country region shall be considered a unique territorial unit bringing its specific peculiarities to the common country image. In order to preserve their specifics and to promote further development it is necessary to pay special attention to complete the use of the regional territories (including available nature resources) to ensuring well-being of the population there.

In this relation two issues must be mentioned.

The first is connected to sustainable development of the five regions of Latvia – Kurzeme, Vidzeme, Latgale, Zemgale and Riga– and their rural and city territories with the objective to make complete use of the diverse advantages and economic driving forces of each region for ensuring the total national development, at the same time coordinating the economic activities with the preservation and improvement of the natural and cultural-historical values.

The second issue is related to the diverse characteristics of the countryside and cities. The main direction of activities is the economic and social leverage which contributes to ensure balanced national and different social groups' development as well as multiplicative effect in the whole country by economic growth.

Differences in the level of wages and consequently also the living standard of people in Riga and the rest of Latvia have not decreased during last five years, these have even increased in many places.

Policy Objectives

- To create purposeful support policy for the national planning of regions (and separate parts of the country).
- Development of the territories close to the sea, paying special attention to the development of harbour and nearby territories.
- National support according to the regional support map of Latvia.
- Diversification of rural economy and increase of the living standard of people in the rural territories making it close to cities.

Indicators of Achievement of the Policy Objectives

- Decrease of regional differences in the following indicators:
 - employment;
 - average income;
 - number of companies in relation to the number of people.

Measures for Achievement of the Objectives

- To eliminate the factors delaying the development of the territories of special support and promote further development of the territories of special support.
- To promote development of across- the – border cooperation between inland and border territories of neighbouring countries.
- To elaborate and implement programmes for improving entrepreneurial situation in planning regions paying special attention to the development of the territories of special support.
- To promote orientation of less competitive farms to other types of operation that are less related or unrelated to agriculture (biologic agriculture, untraditional agriculture, rural tourisms, preserving the traditional landscape, creating alternative sources of income and work places for rural population).
- To ensure participation of wood industry in efficient land utilisation.
- To promote development of cities by solving the quality problems of urban environment.
- Optimal development model for every region shall be implemented and continuously developed promoting balanced:
 - economic development – attracting investment, establishing modern infrastructure, supporting entrepreneurial activities, integrating into the model of the new economy;

- social development – reducing social segregation, promoting employment and improving labour standards, developing regional education and knowledge management infrastructure, implementing family support and encouraging natality;
- administration development – strengthening municipalities, encouraging integration of regions in international community (including project development), inter-regional informative and economic links.

Tourism

Description of the Situation

In accordance with World Tourism organisation forecast, tourism will experience growth worldwide because of different factors, and will reach double of today's volumes in twenty years period. The diversification of the demand for tourism products will result in Europe becoming the major tourism destination in the world (717 million tourists a year) featured by considerable growth of the importance of the economically active the Baltic Sea region, including also Latvia.

Our country has all possibilities to become an attractive country both for local and foreign tourists due to its scarcely populated living space, mild climate, rich natural and cultural heritage, original landscape, traditions of resorts, qualified specialists, hospitable people, and good macroeconomic preconditions for growth. In Latvia, there are resources for new tourism products development, realising of the current ones and increasing their competitiveness.

Latvia and the Baltic countries develop rapidly as an economically active region that will increasingly become a final destination of business trips, and a location place for international conferences and meeting.

On the world and European scale, Latvia is a new tourist destination offer – comparatively cheap, of sufficient quality, convenient, uncrowded and unexplored.

It is important to ensure development of strategic tourism products that creates new growth possibilities for the tourism industry. A strategic tourism product of Latvia shall be as follow:

That is able to the fullest extent use tourism strategic resources of Latvia – cultural (especially Riga's) heritage, rich in landscapes and diverse nature, to secure its sustainable development and rational use.

- The demand for which in the European countries will increase in the nearest future. The advantages that Latvia possesses due to its geographical situation can be used to promote tourism.

Policy Objectives

- To develop incoming tourism (tourism services export).
- To develop a positive tourism image of Latvia.
- To develop local tourism.
- To improve tourism legal base and to strengthen tourism institutional base.
- To promote tourism entrepreneurship and international cooperation.
- To coordinate development of different industry sectors (tourism resources, infrastructure, tourism marketing, tourism education and research, tourism statistics etc.).
- To promote creation of well-educated and patriotic society.

Indicators of Achievement of the Policy Objectives

- Share of tourism in GDP.
- Balance of tourism services in Latvia.
- Increase of share of eco-tourism (share of rural tourism and other kinds of environment-friendly tourism, number of settlements that have received green certificates, length of "blue-flag" beaches).
- Number of employed in tourism industry.

- Tourism enterprises that correspond to quality management standards and/or environment management standards.
- Correspondence of tourism services to Latvia State standards, international or national quality certificates.

Measures for Achievement of the Objectives

- To define intensity of tourist flow and the most suitable relaxation ways for the most popular tourism, relaxation and sport objects.
- To re-direct tourist flows from the most sensitive objects and territories to the places where it causes the least harm.
- To follow the nature protection plans requirements in the specially protected nature territories.
- To preserve valuable and important biotopes in the existing and potential tourism places.
- To elaborate a uniform methodology in tourism resources zoning and tourism development in regionalization of territories and regions.
- To follow the management requirement of integrated coastal areas of the Baltic Sea Tourism.
- To continue development of existing quality certificates and notes.
- To improve tourism services quality by introducing quality management system in tourism sector.
- To elaborate the set of measures for directing the Latvian tourism product towards local and international markets.
- To ensure qualitative information that is unified with image of Latvia tourism for the priority tourism markets in the appropriate languages and quantities.
- To further develop existing co-operation with other Baltic countries both in term of tourism products, and in terms of marketing due to the fact that Latvia alone is not able to develop potential distant markets; similarly, to develop cooperation with the states of the Baltic Sea region, and to develop this cooperation in future to the extent of the European Union.
- To increase the amount of statistic information and to improve its quality.
- To promote tourism services availability for everyone including people with special needs, youth, families and children, pensioners, and unemployed.

6. Assessment of Impact on the National Budget and Municipal Budgets

The sustainable development strategy mainly contains policy initiatives already mentioned in various policy documents.

The environmental, social and economic goals and measures referred to in this strategy shall require for additional investment both from the national and municipal budgets. The specific impacts have already been assessed in various policy documents, which furthermore will be followed by assessments in the environmental policy plan and other policy documents to be developed having regard to the Sustainable Development Strategy.

The achievement of economic goals shall mainly be based on private investment.

The fundamental principle underlying this strategy is – implementation of the measures comprised herein shall result in the economic development as well as surplus of the revenues in the national and municipal budgets over the expenditure for the implementation of those measures.

7. Further Action Planning

The Sustainable Development Council shall coordinate the implementation of this strategy and introduction thereof in sectoral policy documents and legislation.

The Ministry of Environmental Protection and Regional Development shall, until the end of 2002, elaborate and submit to the Cabinet of Ministers the Environmental Policy Plan,

having regard to this strategy as well as the 6th Environmental Action Programme of the European Commissions.

Those sectoral ministries, whose policy documents and legislation do not contain or contain incompletely introduced goals and measures set forth by this strategy, shall prepare and submit the respective amendments and supplements thereto.

Annotations for policy documents and regulatory enactments shall take into account the impact thereof on the sustainable development – in the environmental, social and economic spheres.

The State Chancellery shall consider the possibility to include, in annotations of legal acts, a chapter on impact on well-balanced development.

The Ministry of Finance shall consider the possibility to prepare amendments to the legal acts regulating the government and municipal procurement with a view to afford priority to environmentally friendly products and services.

8. Reporting and Assessment Procedures

The Latvian Environment Agency shall, on a yearly basis, prepare the National Report of the Indicators of Sustainable Development, as well as provides the necessary information for international reports of indicators.

Each year starting from 2003, the responsible ministries shall, until August 1st, submit to the Ministry of Environmental Protection and Regional Development the reports concerning the achievement of goals set forth in this Strategy and the fulfilment of actions related thereto.

The Ministry of Environmental Protection and Regional Development shall prepare annual reports on the fulfilment of the Environmental Policy Plan.

The Ministry of Environmental Protection and Regional Development shall summarise the reports submitted and submit the report to the Sustainable Development Council and to the Cabinet of Ministers.

The assessment shall be performed by the Sustainable Development Council, which shall propose any corrections to the policy and other measures.

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