

# Independent Reporting Mechanism (IRM): Latvia End-of-Term Report 2015–2017

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## Overview: Latvia

Independent Reporting Mechanism (IRM) End-of-Term Report 2015–2017

Latvia's second action plan led to major improvements in open data, online participation, and the governance of state-owned enterprises. Remaining challenges include publishing more contracts, establishing a portal for commenting on draft laws and policies, and creating a multistakeholder forum dedicated to monitoring progress on OGP commitments.

The Open Government Partnership (OGP) is a voluntary international initiative that aims to secure commitments from governments to their citizenry to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. The Independent Reporting Mechanism (IRM) carries out a review of the activities of each OGP-participating country. This report summarises the results of the period July 2015 to June 2017 and includes some relevant developments up to September 2017.

Initially, the OGP process in Latvia was coordinated by the Ministry of Foreign Affairs. In 2016, the State Chancellery, which reports directly to the prime minister, became the lead agency responsible for OGP. A significant number of the commitments and milestones were carried out by the State Chancellery, Ministry of Environmental Protection and Regional Development, and Corruption Prevention and Combating Bureau (CPCB).

Latvia's second action plan was successful in introducing technologies for access to information and building long-term technological programmes for public participation. Civil society organisations were involved in both the development and implementation of the plan. Some reforms, however, such as lobbying and public accountability regulations, have not led to results because proposals by the executive branch were rejected by the parliament.

At the time of writing this report, the Latvian government had not published its end-of-term self-assessment report for the second action plan.

The development of the third action plan was co-organised by government and civil society actors. The draft action plan was open for public comments<sup>1</sup> and was published on the OGP website in November 2017.<sup>2</sup> There are 12 commitments: six of them build on previous OGP commitments, and six cover new initiatives.

<b>Table I: At a Glance</b>		
	<b>Mid-term</b>	<b>End of term</b>
Number of Commitments	10	
<b>Level of Completion</b>		
Completed	1	4
Substantial	3	3
Limited	6	3
Not Started	0	0
<b>Number of Commitments with...</b>		
Clear Relevance to OGP Values	8	8
Transformative Potential Impact	3	3
Substantial or Complete Implementation	4	7
<b>All Three (🎯)</b>	2	3
<b>Did It Open Government?</b>		
Major	<b>3</b>	
Outstanding	<b>0</b>	
<b>Moving Forward</b>		
Number of Commitments Carried Over to Next Action Plan	6	

<sup>1</sup> "Open Management," Open Governance, Cabinet of Ministers, <http://www.mk.gov.lv/lv/content/atverta-parvaldiba>.

<sup>2</sup> Latvia Third National Open Government Action Plan: 2017-2019, November 2017, <http://bit.ly/2kr08jd>.

## Consultation with Civil Society during Implementation

Countries participating in OGP follow a process for consultation during development and implementation of their action plan. The consultation process during the implementation of Latvia's second action plan was decentralised, in accordance with the regulations and practises of the various implementing government institutions. In some instances, these institutions used discussion papers, social media, and surveys to involve citizens during the implementation of commitments. The level of public influence varied, depending on both the character of the commitment and the consultation practises of the responsible agencies.

While there was no regular forum dedicated to tracking progress of the OGP action plan, several commitments were discussed at the meetings of the Memorandum Council, a discussion and decision-making forum consisting of elected nongovernmental organisations (NGOs) and designated government representatives. This council meets at least once per month. Meetings are chaired on a parity principle by the elected NGO chair and by the director of the State Chancellery. Meetings are also streamed online, and the records (including minutes) are later available to the public. In addition, both NGOs and ministries can table issues for debate. These debates usually lead to consensus decisions but can also result in simple majority votes. However, as Tables 2 and 3 illustrate, there was not a general forum through which citizens were systematically consulted during the implementation of the plan, and the level of public influence during this implementation phase varied on a case-by-case basis.

**Table 2: Consultation during Implementation**

Regular Multistakeholder Forum	Midterm	End of Term
1. Did a forum exist?	No	No
2. Did it meet regularly?	No	No

**Table 3: Level of Public Influence during Implementation**

The IRM has adapted the International Association for Public Participation (IAP2) "Spectrum of Participation" to apply to OGP.<sup>1</sup> This spectrum shows the potential level of public influence on the contents of the action plan. In the spirit of OGP, most countries should aspire for "collaborative."

Level of Public Influence during Implementation of Action Plan		Midterm	End of Term
<b>Empower</b>	The government handed decision-making power to members of the public.	Case by Case	Case by Case
<b>Collaborate</b>	There was iterative dialogue AND the public helped set the agenda.		
<b>Involve</b>	The government gave feedback on how public inputs were considered.		
<b>Consult</b>	The public could give inputs.		

<sup>1</sup> International Association for Public Participation, *IAP2's Public Participation Spectrum*, 2014, [http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/foundations\\_course/IAP2\\_P2\\_Spectrum\\_FINAL.pdf](http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf).

<b>Inform</b>	The government provided the public with information on the action plan.		
<b>No Consultation</b>	No consultation		

## About the Assessment

The indicators and method used in the IRM research can be found in the IRM Procedures Manual.<sup>1</sup> One measure, the “starred commitment” (★), deserves further explanation due to its particular interest to readers and usefulness for encouraging a race to the top among OGP-participating countries. Starred commitments are considered exemplary OGP commitments. To receive a star, a commitment must meet several criteria:

- Starred commitments will have “medium” or “high” specificity. A commitment must lay out clearly defined activities and steps to make a judgment about its potential impact.
- The commitment’s language should make clear its relevance to opening government. Specifically, it must relate to at least one of the OGP values of Access to Information, Civic Participation, or Public Accountability.
- The commitment would have a “transformative” potential impact if completely implemented.<sup>2</sup>
- The government must make significant progress on this commitment during the action plan implementation period, receiving an assessment of “substantial” or “complete” implementation.

Starred commitments can lose their starred status if their completion falls short of substantial or full completion at the end of the action plan implementation period.

In the midterm report, Latvia’s action plan contained two starred commitments. At the end of term, based on the changes in the level of completion, Latvia’s action plan contained three starred commitments.

Finally, the tables in this section present an excerpt of the wealth of data the IRM collects during its reporting process. For the full dataset for Latvia, see the OGP Explorer at [www.opengovpartnership.org/explorer](http://www.opengovpartnership.org/explorer).

### About “Did It Open Government?”

To capture changes in government practise the IRM introduced a new variable, “Did It Open Government?” in end-of-term reports. This variable attempts to move beyond measuring outputs and deliverables to looking at how the government’s practise changed as a result of the commitment’s implementation.

As written, some OGP commitments are vague and/or not clearly relevant to OGP values but achieve significant policy reforms. In other cases, commitments as written appear relevant and ambitious, but fail to open government as implemented. The “Did It Open Government?” variable attempts to capture these subtleties.

The “Did It Open Government?” variable assesses changes in government practise using the following spectrum:

- Worsened: Government openness worsens as a result of the commitment.
- Did not change: No changes in government practise.
- Marginal: Some change, but minor in terms of its effect on level of openness.
- Major: A step forward for government openness in the relevant policy area, but remains limited in scope or scale.
- Outstanding: A reform that has transformed “business as usual” in the relevant policy area by opening government.

To assess this variable, researchers establish the status quo at the outset of the action plan. They then assess outcomes *as implemented* for changes in government openness.

Readers should keep in mind limitations. IRM end-of-term reports are prepared only a few months after the implementation cycle is completed. The variable focuses on outcomes that can be observed in government openness practises at the end of the two-year implementation period. The report and the variable do not intend to assess impact because of the complex methodological implications and the time frame of the report.

### **About the Revised Second Action Plan**

In October 2016, the Latvian government published a revised version of the second action plan.<sup>3</sup> This revised version of the plan did not modify the main objective of any of the 10 original commitments. Instead, it mostly provided more specific milestones and timelines for implementation for each of the proposed activities.

Since the revised plan was published after the conclusion of the first year of implementation (which ended in June 2016), the evaluation in the IRM midterm report was based on the original version of the action plan. In this end-of-term report, however, the evaluation is based on the revised version of the plan. Since the commitment text in each of the commitment sections of this report is taken directly from the updated action plan, the text differs slightly in some cases from that found in the previous IRM report. While the updated language does not generally affect the evaluation, the narrative below the commitment tables clearly indicates if this is not the case.

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<sup>1</sup> "About the IRM," Independent Reporting Mechanism, Open Government Partnership, <http://www.opengovpartnership.org/about/about-irm>.

<sup>2</sup> The International Experts Panel changed this criterion in 2015. For more information, visit <http://www.opengovpartnership.org/node/5919>.

<sup>3</sup> "Latvia National Action Plan 2015-2017 (Updated)," Documents, Open Government Partnership, <http://bit.ly/2IP4mfk>.

# Commitment Implementation

## General Overview of Commitments

As part of OGP, countries are required to make commitments in a two-year action plan. The tables below summarise the completion level at the end of term and progress on the “Did It Open Government?” metric. For commitments that were complete at the midterm, the report will provide a summary of the progress report findings but will focus on the analysis of the “Did It Open Government?” variable. For further details on these commitments, see Latvia’s IRM Progress Report 2015-2016.<sup>1</sup>

Latvia’s second action plan contains 10 commitments that cover three key areas: promoting open data solutions (including for public participation), preventing corruption and better handling of public resources, and improving public integrity (for example, by regulating political party financing). While the action plan contains important activities aimed at improving public accountability, in most cases these are internal government measures that lack a public-facing dimension.

**Table 4: Assessment of Progress by Commitment**

Commitment Overview	Specificity				OGP Value Relevance (as written)				Potential Impact				Completion		Midterm	Did It Open Government?						
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Technology & Innovation for Transparency & Accountability	None	Minor	Moderate	Transformative	Not Started	Limited	Substantial		Completed	End of Term				
1. Open data			✓		✓			✓				✓						Worsened	Did Not Change	Marginal	Major	
2. Single portal for draft laws			✓		✓	✓		✓			✓			✓					✓			
3. Uniform web platform		✓			✓			✓			✓			✓					✓			
4. Open board selection				✓	✓	✓						✓			✓							✓
5. Public finances		✓			✓					✓				✓				✓				
6. NGO financing		✓				✓				✓					✓					✓		
7. Online Voting			✓			✓		✓				✓				✓						✓
8. Whistleblower protections		✓					✓				✓			✓		✓			✓			
9. Party financing		✓			Unclear					✓				✓					✓			
10. Code of ethics		✓			Unclear				✓						✓				✓			

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<sup>1</sup> “Latvia Mid-Term Progress Report 2015-2016,” Documents, Open Government Partnership, <https://www.opengovpartnership.org/documents/latvia-mid-term-progress-report-2015-2017>.



## ✪ Commitment I. Open Data

### Commitment Text:

#### **Promote access to the public administration data in form of open data**

Data and information held by public administration institutions is a resource that offers unexplored economic and social potential. The value of data increases when making them available for the use in creating new commercial products and services, in science and research, the analysis of public processes that will have a positive impact, in terms of GDP growth and tax yield, not only on national economy but also directly on the budget revenues, a part of which can be used for sustaining and funding of further development, creating the opportunity to increasingly turn the potential of national data in economic potential.

The Information Society Development Guidelines for 2014-2020 (hereinafter – the Guidelines) foresee a range of measures to promote proactive publishing of the public administration data and facilitate their use for creating new solutions.

With a view to support and facilitate the transfer of public data for re-use, the Guidelines support:

- Development of technical solutions for preparing and publishing data in a publicly accessible, transparent, harmonised and automatically processable form, where possible, while ensuring the protection of personal data;
- Establishment of the common ICT infrastructure required for making the data in national registers available for re-use;
- Creation of a unified, centralised data catalogue, where data structures and interfaces have to be described following a harmonised model and available in a centralised catalogue;
- Solution for centralised data distribution, envisaging also decentralised solutions, where expedient.
- Activities required to ensure the functionality of data sources with the aim to re-use and convert into a reusable format the data held in those sources, including anonymization measures;
- Alongside the solutions, the necessary policies should be developed and legal framework implemented:
  - for implementation into national law of Directive 2003/98/EC of the European Parliament and of the Council on the re-use of public sector information, incl. implementation of charging and licencing provisions, e.g. in the area of geospatial information the requirements are set for licensing;
  - for changing the model of financing public administration institutions, in order to promote the re-use and shared use of data held by the state, thereby reducing, as much as possible, direct dependency of the core activities of an institution on revenues gained from transmitting the information for re-use;
- Measures which encourage the use of open data for new and innovative product development (applications, competitions for solutions, educational seminars and workshops). ...

Infrastructure measures to be supported:

- Shared solutions for the processing, publishing and previewing of the open data;
- Creating open data applications (incl. dataset aggregation and integration).

Responsible Institution: Ministry of Environmental Protection and Regional Development (VARAM)

Supporting Institution: N/A

Start Date: 2014.....

End Date: 2020

**Editorial Note:** The commitment text above is drawn from the updated version of the action plan, published in October 2016 and available at <http://bit.ly/2EK34dH>. The original version of the action plan is available at <http://bit.ly/2ptZ0sq>. To see the changes between the two versions, please visit <http://bit.ly/2FPvK4r>.

Commitment Overview	Specificity				OGP Value Relevance (as written)				Potential Impact				Completion		Midterm End of Term		Did It Open Government?				
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Technology & Innovation for Transparency & Accountability	None	Minor	Moderate	Transformative	Not Started	Limited	Substantial	Completed	Worsened	Did Not Change	Marginal	Major	Outstanding
I. Overall			✓		✓			✓				✓		✓						✓	
I.1. Technical solutions			✓		✓			✓				✓		✓							
I.2. Policy measures				✓	✓					✓			✓		✓						
I.3. Promotion activities			✓		✓			✓		✓		✓									

### Commitment Aim

The objective of the commitment is to ensure that public administration data are technically and legally accessible, published proactively, and reusable. When this commitment was adopted, there were no (1) technical guidelines for government-institution release of data for reuse, (2) regulations that set technical standards for publishing and licencing them, or (3) prohibitions against institutions selling data at commercial prices. The Ministry of Environmental Protection and Regional Development (VARAM), the agency responsible for this commitment, prepared a policy planning document that highlighted many of these data shortcomings.<sup>1</sup>

To address these issues, the commitment includes three main lines of work: (1) developing technical solutions, such as an online data portal; (2) setting legal requirements and standards; and (3) implementing promotional activities after the launch of the system. The commitment entails a broad long-term programme that includes the large investment project of developing the open data portal.

The end date for the commitment's implementation is 2020. Nonetheless, according to ministerial plans for investment projects,<sup>2</sup> the planned activities for the period of the second action plan (2015–2017) included the development of a beta version of the open data portal and legal regulations, and data support for institutions and portal users. The revised version of the action plan (published in October 2016) likewise specifies that the creation of legal amendments and the development of the open data portal were milestones expected to be completed by late 2017. This specification about the expected timeline was the only substantive change between the original and updated versions of the action plan.

### Status

#### Midterm: Limited

Most activities were in progress at the time of the midterm report. VARAM developed the legal basis for the open data portal investment project, which was among the funding priorities approved by the

Cabinet of Ministers. The government was also developing a feasibility study for the project and technical specifications for procurement. In addition, VARAM conducted a survey among end users on expected functionalities of the portal. At the time, an initial beta version of the portal was expected to be ready by mid-2017 (the government launched the portal during the second year of implementation, as described in the following section).

The parliament also passed amendments to the Freedom of Information Law that provide definitions for concepts such as “reuse,” “open data,” and “metadata.” The amendments established limits on the amount of data produced by the government to avoid an unnecessary burden on public resources. For example, an institution is not required to collect and disclose data that are not necessary for the fulfillment of its own public functions. Lastly, the amendments established pricing guidelines for data that are not made available for free.

The government did not carry out any promotional activities, as those related to later stages of the project’s implementation. For more information, see the 2015–2016 IRM midterm report.<sup>3</sup>

### **End of term: Substantial**

The second year of implementation has brought tangible results. The open data portal is now fully operational<sup>4</sup> and open for government institutions to release their publicly available data in a reusable format. In accordance with findings of the working group at the ministry, the open licences of Creative Commons will be used for the portal. VARAM translated the licences in late 2016 and is now negotiating the terms with Creative Commons. The ministry has already applied the first licence to the beta version of the portal.<sup>5</sup>

VARAM also developed five open data guidelines that are currently published on its web page;<sup>6</sup> these will be available on the open data portal. The specifications include guidelines for data publishers, standards for metadata descriptions, guidelines for the development of metadata, and standards and guidelines for descriptions of machine-readable (CSV format) datasets. The guidelines for publishers suggest publishing data in an open format by default and offer recommendations for prioritising datasets for publication on the open data portal.

The government plans to publish existing datasets as well as those that are created as part of a project financed by the European Regional Development Fund. The VARAM website lists the upcoming datasets to be financed by this project.<sup>7</sup> VARAM also invites other institutions to publish data on the portal.

Several VARAM activities also involved the public, though not necessarily within the framework of the promotional activities envisioned under the commitment. For example, VARAM experts participated in a conference and discussion on the opening of geospatial data,<sup>8</sup> and in the NGO Data School’s discussions on the use of open data in various areas, such as research and journalism.<sup>9</sup> VARAM also surveyed data users on functionalities of the open data portal, the results of which were considered while developing the beta version.<sup>10</sup>

The implementation of the commitment is considered to be on time, since all of the activities planned for 2015 to 2017 were completed (e.g. launch of the open data portal, legal amendments, and data support according to the revised version of the action plan). However, the commitment as written is only substantially complete because several milestones were not fulfilled. Specifically, the government did not change the financing model of institutions gathering data or complete all of the planned public-awareness-raising activities. These pending activities are expected to be completed by the end of 2020.

## Did It Open Government?

### Access to Information: Major

By the end of 2013, public data were mostly accessible only upon request in Latvia. There were also no technical guidelines for releasing data for reuse, nor were there regulations that would prohibit institutions from selling data for commercial prices. Although the 2015 Global Open Data Survey noted that government datasets were mostly offered free of charge,<sup>11</sup> scarce data made it hard for policy analysts and journalists to carry out evaluations in various policy areas.

The implementation of this commitment has provided the legal basis, practical support, and technical opportunities for government institutions to publish data in an open data format. In addition to new open data guidelines and legal definitions of data terms, the new open data portal, which is open to the public, contained 32 datasets from 12 institutions by the end of the action plan. The datasets are all free for reuse and have a Creative Commons licence. The law also now stipulates that in cases in which datasets are not free, the price must not exceed the price of their collection. Compared to the status quo at the outset of the action plan, when open data guidelines and a culture of open data were largely inexistent,<sup>12</sup> this commitment has led to a major change in government practise regarding access to information.

However, several public administration institutions that collect data, such as the State Land Service, are still partially financed by revenue from selling data. For example, geospatial data are mostly only available for a price.<sup>13</sup> Even government institutions, and local governments in some instances, have to acquire the data they need by paying other government entities.<sup>14</sup>

Ambitious goals still left to achieve include mandating that institutions release existing data in an open data format by default; changing the model for financing public administration institutions; and reducing, as much as possible, direct dependence of an institution's core activities on revenues gained from selling data for reuse. These are issues to be monitored during the implementation of the next action plan.

## Carried Forward?

The next steps include fine-tuning the portal. A larger challenge to address during the next action plan is to shift from suggested to legally binding practises for government institutions to release data by default. Another challenge lies in changing the model for financing government institutions that are partially financed by selling data. These actions would facilitate implementation of the principle that government-produced data must be available for reuse for free, thus complying with open data standards and definitions.

In the third action plan, the government commits to setting up a system for prioritising datasets for release in open data formats (free of charge) and to conducting promotional activities about the data available in these formats. The government also proposes activities to increase the number of datasets on the open data portal and to expand the circle of institutions that release data. In this sense, the next plan seems to pave the way toward the publication of data by default, which would better answer the public's needs.

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<sup>1</sup> "The Draft Guidelines 'Information Society Development Guidelines for 2014-2020,'" Legislative Proposals, Draft Legislation of the Cabinet of Ministers of the Republic of Latvia, last updated 5 March 2018,

<http://tap.mk.gov.lv/lv/mk/tap/?dateFrom=2013-01-01&dateTo=2013-09-30&text=VSS-548&org=0&area=0&type=0>.

<sup>2</sup> "Specific Objective of Support 2.2.1: Ensuring an Increase in the Re-use of Public Data and Effective Interaction between Public Administration and the Private Sector," EU Funding 2014-2020 per Year, Ministry of Environmental Protection and Regional Development, [http://www.varam.gov.lv/lat/fondi/kohez/2014\\_2020/?doc=18634](http://www.varam.gov.lv/lat/fondi/kohez/2014_2020/?doc=18634).

<sup>3</sup> Open Government Partnership, *Independent Reporting Mechanism (IRM): Latvia Progress Report 2015–2016*, [https://www.opengovpartnership.org/sites/default/files/Latvia\\_Progress-Report\\_2015-2017\\_for-public-comment\\_0.pdf](https://www.opengovpartnership.org/sites/default/files/Latvia_Progress-Report_2015-2017_for-public-comment_0.pdf).

<sup>4</sup> "Welcome to the Open Data Portal of Latvia!", <https://data.gov.lv/lv>

<sup>5</sup> "Target Declaration," Creative Commons, <https://creativecommons.org/publicdomain/zero/1.0/legalcode.lv>.

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- <sup>6</sup> “Open Data,” E-administration, Ministry of Environmental Protection and Regional Development, [http://www.varam.gov.lv/lat/darbibas\\_veidi/e\\_parv/atvertie\\_dati/?doc=20449](http://www.varam.gov.lv/lat/darbibas_veidi/e_parv/atvertie_dati/?doc=20449).
- <sup>7</sup> “Specific Objective of Support 2.2.1,” [http://www.varam.gov.lv/lat/fondi/kohez/2014\\_2020/?doc=18634](http://www.varam.gov.lv/lat/fondi/kohez/2014_2020/?doc=18634).
- <sup>8</sup> “The Conference ‘Open Technologies for Growth,’” Latvian Association of Open Technologies, [http://lata.org.lv/konference2017\\_programma/](http://lata.org.lv/konference2017_programma/); and “Workshop—Discussion on the Opening of Geospatial Data in Latvia,” Latvian Association of Open Technologies, <http://lata.org.lv/seminars-diskusija-par-latvijas-geotelpisko-datu-atversana/>.
- <sup>9</sup> “Datu Skolas Sezonas Atklšana,” Facebook, 13 September 2016, <https://www.facebook.com/events/178421867184771/>.
- <sup>10</sup> “Anketa par Atverto Datu Portāla Lietojamību,” Facebook, 29 August 2016, <https://www.facebook.com/datuskola/posts/323954001286728>.
- <sup>11</sup> “Latvia,” Global Open Data Index: Survey, <http://global.census.okfn.org/place/lv/>; and Uldis Bojars and Renars Liepins, “The State of Open Data in Latvia: 2014,” *Baltic Journal of Modern Computing* 2, no. 3: 160–70, <https://arxiv.org/ftp/arxiv/papers/1406/1406.5052.pdf>.
- <sup>12</sup> Nika Aleksejeva, “Latvia on Its Way to Open Data,” *Datu Skola*, 29 August 2016, <http://www.datuskola.lv/2016/08/29/latvia-on-its-way-to-open-data/>.
- <sup>13</sup> “Workshop—Discussion on the Opening of Geospatial Data in Latvia,” <http://lata.org.lv/seminars-diskusija-par-latvijas-geotelpisko-datu-atversana/>.
- <sup>14</sup> “Informācijas Sabiedrības Padomes Protokols,” Cabinet of Ministers, [http://www.mk.gov.lv/sites/default/files/editor/isp\\_13\\_07\\_2017\\_protokols\\_0.pdf](http://www.mk.gov.lv/sites/default/files/editor/isp_13_07_2017_protokols_0.pdf).

## Commitment 2. Single Portal for Draft Laws

### Commitment Text:

#### **Single portal for the drafting and harmonisation of draft legislative acts and public participation in producing the draft legislative acts**

The decision-making process is complicated, and often hardly transparent and not easily accessible for the public. This places limitations on public engagement. Fragmented and heterogeneous process of drafting, harmonisation, approval and control of draft legislative acts, large amount of unautomated actions.

This project is aimed at facilitating and improving the public participation in the public administration processes by strengthening and expanding the possibilities for the use of e-participation tools.

To this end, there are plans to develop by 2019 a joint portal for drafting of draft legislative acts and policy planning documents and consultation process (hereinafter — TAP). The portal is expected to enhance the transparency of the processes of document drafting and decision-making, as well as to make it easier for the general public to quickly obtain timely and transparent information on the legislation and development planning documents being drafted, and engage and participate in the drafting. The decision-making process will be visible and accessible as a whole, from the idea to the moment of making the final decision.

The citizens will have the opportunity to submit proposals on the regulatory framework or administrative practise to be elaborated through the e-service "Public Discussion of Draft Legislative Acts".

Launched in 2011 the portal ManaBalss.lv is an important platform for citizen engagement and citizen initiatives. It is aimed at encouraging the public participation in better law-making using this portal as an e-participation tool. Every citizen of Latvia at the age of 16 can initiate and sign initiatives in the portal ManaBalss.lv, incl. the ones that focus on improving the regulatory framework. Within the framework of ManaBalss.lv, every initiative signed by at least 10 000 citizens and that complies the legal criteria of the Saeima is submitted to the Saeima.<sup>1</sup>

Responsible Institution: State Chancellery

Supporting Institutions: Ministry of Environmental Protection and Regional Development, State Regional Development Agency, Portal "ManaBalss.lv"

Start date: 2013.....

End date: 2019

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Commitment Overview	Specificity				OGP Value Relevance (as written)				Potential Impact				Comple tion		Midterm End of Term		Did It Open Government?				
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Technology & Innovation for Transparency & Accountability	None	Minor	Moderate	Transformative	Not Started	Limited	Substantial	Completed	Worsened	Did Not Change	Marginal	Major	Outstanding
2. Overall			✓		✓	✓	✓			✓			✓				✓				

## **Commitment Aim**

This commitment aims to increase civic participation in public administration processes by expanding the opportunities to use e-participation tools.<sup>2</sup> In practice, the commitment is an integral part of a large, long-term investment project that aims to build new information technology (IT) systems for public administration use. The specific portal for legal and policy drafts mentioned in the commitment is meant to help citizens become proactive participants in the policy-planning process. Previously, planned amendments and timelines were not published on the same website, so citizens had to check several institutional websites regularly for updates.

This portal would also have several public-facing characteristics: (1) a user-friendly interface for civil society members interested in reviewing the development of particular drafts; (2) a platform for citizens to offer their opinions on draft policy documents and laws; and (3) three open datasets—policy documents, legal documents including drafts, and annotations—classified by organisational structure and in machine-readable format. With these elements, the commitment would make policy and legal drafts—along with consultations on these documents—accessible on a single online portal, thus simplifying the process for participation.

The time frame for the implementation of the project exceeds the two-year OGP action plan cycle. In the updated action plan,<sup>3</sup> the Latvian government reports that, according to the procedures for investment projects, financing for this project would begin in April 2017. The updated plan also specifies that the portal will be ready for use in 2019. In a comment to an earlier draft of this report, the government noted that the deadline for implementing the portal is now 7 January 2021.<sup>4</sup>

In addition, the revised plan outlines several milestones for achieving the commitment: (1) the establishment of the platform, (2) the establishment of an e-service on the portal for the public to discuss draft legislative acts, and (3) the disclosure of substantive datasets through the portal for reuse and shared use. The text lists two discrete activities to be implemented during the 2015-2017 timeframe: the closing of the competition for the draft portal and the launch of the portal's development. The revised commitment text also includes a new paragraph describing the ManaBalss.lv platform, a separate initiative that allows citizens to raise issues for discussion by the Saeima. For more details, see commitment 7 in this report.

## **Status**

### **Midterm: Limited**

During the first year of the action plan's implementation, a legal basis for development of the portal was developed and later approved on 17 November 2015 by the Cabinet of Ministers. The Decree No. 653<sup>5</sup> included the project as one of the investment programme's funding priorities.

The State Chancellery also conducted an initial phase of procurement, gathered ideas for technical solutions regarding the development of the portal, and short-listed bidders for the next stages. The company that wins the bid will be required to respond to the needs of civil society organisations. For more information, see the 2015–2016 IRM midterm report.<sup>6</sup>

### **End of term: Limited**

Although financing for the investment project was to start in April 2017, the Cabinet of Ministers approved the financing for the project after the implementation period of the action plan, on 29 August 2017.<sup>7</sup> In the meantime, according to information provided by the State Chancellery, it had prepared all of the documentation necessary for financing the project.

## Did It Open Government?

### Access to Information: Did Not Change

### Civic Participation: Did Not Change

To enable citizens to follow policy developments and the drafting of laws and regulations, they need to be able search the various ministry web pages. For this reason, the commitment aims to simplify the consultation processes during policy development and enable better tracking of changes to draft policy documents, laws, and regulations. Since the new portal is not yet developed or operational, there is no change to the levels of access to information or to the quality of consultation practises.

## Carried Forward?

The commitment is included in the third action plan and is condensed to specific activities that are achievable in the two-year action plan cycle, namely public awareness measures and trainings on the use of the new portal, the launch of the new system's public consultation features, and the opening of data for reuse relating to policy development processes.

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<sup>1</sup> The Saeima is the parliament of Latvia. For more information, see <http://www.saeima.lv/>.

<sup>2</sup> "Draft Regulation 'Amendments to Cabinet Regulation No. 653 of 17 November 2015,'" Legislative Proposals, Draft Legislation of the Cabinet of Ministers of the Republic of Latvia, <http://tap.mk.gov.lv/lv/mk/tap/?dateFrom=2015-09-23&dateTo=2016-09-22&mk&text=653&org=0&area=0&type=0>.

<sup>3</sup> Cabinet of Ministers, *Second National Action Plan of Latvia: 01.07.2015–30.06.2017*, [http://www.mk.gov.lv/sites/default/files/editor/ogp\\_2\\_plans\\_aktualizets\\_05.12.2016\\_eng\\_clean.pdf](http://www.mk.gov.lv/sites/default/files/editor/ogp_2_plans_aktualizets_05.12.2016_eng_clean.pdf).

<sup>4</sup> Comments submitted to the IRM by the Latvia Point of Contact for OGP, 14 March 2018.

<sup>5</sup> "Added: Cabinet Regulation No. 17 of 17 November 2015. 653 'Growth and Employment' Operational Program 2.2.1," Ministry of Environmental Protection and Regional Development, [http://www.varam.gov.lv/lat/likumdosana/normativo\\_aktu\\_projekti/2014\\_2020\\_gada\\_eiropas\\_savienibas\\_fondi/?doc=20890](http://www.varam.gov.lv/lat/likumdosana/normativo_aktu_projekti/2014_2020_gada_eiropas_savienibas_fondi/?doc=20890)

<sup>6</sup> Open Government Partnership, *Independent Reporting Mechanism (IRM): Latvia Progress Report 2015–2016*, [https://www.opengovpartnership.org/sites/default/files/Latvia\\_Progress-Report\\_2015-2017\\_for-public-comment\\_0.pdf](https://www.opengovpartnership.org/sites/default/files/Latvia_Progress-Report_2015-2017_for-public-comment_0.pdf).

<sup>7</sup> "Draft Order 'On Implementation of the Information Society Development Guidelines in the Field of Public Administration Information Systems,'" Legislative Proposals, Draft Legislation of the Cabinet of Ministers of the Republic of Latvia, <http://tap.mk.gov.lv/lv/mk/tap/?pid=40435034&mode=mk&date=2017-08-29>.



## Commitment 3. Uniform Web Platform

### Commitment Text:

#### Uniform platform for the websites of the public institutions and information

Many public institutions have functionally and technically outdated websites, which do not always meet the requirements of modern technologies, can ensure customer-oriented services, and are not user-friendly. There are different content management platforms, and it is not possible to share the best practises. A study established that only 16 out of 115 public authorities' websites have been recognised as good by users. It has been admitted that the websites have low functionality and non-transparent structures.

Main objective: The development of modern, user-friendly websites that are tailored to societal needs has to be encouraged.

This will be achieved by developing a uniform, at the government level centralised website management platform. The reform will be conducive to achieving the following aims:

1. The quality and security requirements for the public institution websites in the country are set in a centralised manner.
2. Customer-targeted service, high-quality communication channel that facilitates public participation will be provided. The websites will be based on modern technological solutions. They will be user-friendly and of straightforward design.
3. A considerable financial benefit ensured, as possibilities are precluded for creating new websites or investing into those on the grounds of subjective decisions. Public administration will not have to overspend due to the same functionalities being developed on repeated occasions.
4. More effective planning of the development of public institution websites (homepages).<sup>1</sup>

Responsible Institutions: State Chancellery, Ministry of Environmental Protection and Regional Development

Supporting Institutions: Other public administration institutions (ministries and subordinate institutions), general public

Start date: 2013.....

End date: Not specified

**Editorial Note:** The commitment text above is drawn from the updated version of the action plan, published in October 2016 and available at <http://bit.ly/2EK34dH>. The original version of the action plan is available at <http://bit.ly/2ptZ0sq>. To see the changes between the two versions, visit <http://bit.ly/2FPvK4r>.

Commitment Overview	Specificity				OGP Value Relevance (as written)				Potential Impact				Completion		Midterm		Did It Open Government?				
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Technology & Innovation for Transparency & Accountability	None	Minor	Moderate	Transformative	Not Started	Limited	Substantial	Completed	Worsened	Did Not Change	Marginal	Major	Outstanding
3. Overall		✓			✓			✓			✓		✓				✓				

## **Commitment Aim**

Before the implementation of the current action plan, each ministry and government institution used its own IT system and thus procured the development of its own web page. Although regulations existed that obliged government websites to follow common principles, institutional web pages had different styles and functionality. As a result, it was difficult for end users to easily navigate them and find information. In addition, instead of reusing a previously existing web platform, institutions often wasted public resources creating unique institutional pages after changes in leadership, identity, or style. To make matters worse, only a few websites could be viewed on mobile devices.

To address these issues, this commitment aims to establish a common platform for government web pages, with shared standards that address the needs of people with disabilities and that enable easy access to information through mobile devices. Achieving these goals would make it easier for citizens to access information and could provide new technologies for civic participation. However, as written, the commitment does not specify how it expects to foster civic participation. Similar to the first and second commitments, this is a long-term investment project, and tangible results were not expected during the implementation of the current action plan.

## **Status**

### **Midterm: Limited**

During the first year of the action plan's implementation, the State Chancellery prepared technical documentation for the investment programme to be funded by the European Regional Development Fund. During the development of the report, the project was not among the first-year funding priorities. However, when interviewed, a representative from the State Chancellery stated its intent to accelerate the process and prepare documentation for the Cabinet of Ministers to change the schedule of planned investments.<sup>2</sup> For more information, see the 2015–2016 IRM midterm report.<sup>3</sup>

### **End of term: Limited**

The Cabinet of Ministers approved the financing for the project on 29 August 2017, after the close of the action plan's implementation period.<sup>4</sup> According to the State Chancellery, it has conducted a survey for users of web pages. The survey shows that users require mobile versions of web pages and would like disclosed information to be better structured. Search options could also be improved. In addition, users pointed out the need to ensure that visual and textual information are concise. The State Chancellery also conducted a survey of 99 government institutions showing that their web pages are built on outdated technological frameworks.<sup>5</sup> The results of both surveys will be used to define the technical specifications for the procurement of services for the platform's development. However, given that the core goal of the commitment—establishing a common platform for government websites—was not completed, this commitment had limited completion by the end of the action plan.

## **Did It Open Government?**

### **Access to Information: Did Not Change**

Since the new platform was not created and is not operational, this commitment did not change the status quo of access to information.

## **Carried Forward?**

The commitment is not carried forward to the third action plan. Nonetheless, the activity is still included in the government's plans,<sup>6</sup> and the third OGP action plan does mention that the platform will be created as a means for better public involvement. In the future, the government should specify how exactly the platform will improve civic engagement, so that civil society can monitor and contribute to the development of the new web features. The IRM researcher recommends including the following on websites: a public participation section; a calendar for planned policy documents and

draft laws; a consultation section; information about current working groups and consultative bodies, their participants, agendas (published prior to meetings), and protocols; the contact information of officers responsible for working with NGOs; and a place for the submission of ideas, among other features.

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<sup>1</sup> There are no substantive differences between the original and revised versions of the action plan regarding this commitment.

<sup>2</sup> Linda Jākobsone (State Chancellery), interview by IRM researcher, 17 August 2016.

<sup>3</sup> Open Government Partnership, *Independent Reporting Mechanism (IRM): Latvia Progress Report 2015–2016*, [https://www.opengovpartnership.org/sites/default/files/Latvia\\_Progress-Report\\_2015-2017\\_for-public-comment\\_0.pdf](https://www.opengovpartnership.org/sites/default/files/Latvia_Progress-Report_2015-2017_for-public-comment_0.pdf).

<sup>4</sup> “A Common Platform for Public Authorities’ Websites—the Government Gives Green Light to the Implementation of the Project,” Cabinet of Ministers, 29 August 2017, <http://www.mk.gov.lv/lv/aktualitates/vienota-platforma-valsts-iestazu-timeklvietnem-valdiba-dod-zalo-gaismu-projekta>.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

## 🌟 Commitment 4. Open Board Selection

### Commitment Text:

**Open, fair and professional selection of candidates for the positions of board and council members of companies owned by a public person**

*Different practises in procedures for the selection of candidates for the posts of the board and council members of a capital company; the process is often not transparent, which casts doubt on whether the most suitable candidates are being approved.*

*Main objective: It is essential to establish a transparent procedure for the nomination of candidates for the posts of board and council members on the basis of professional competence criteria (education, experience, knowledge of the field, finance, management, etc.), where a candidate's political affiliation is not a decisive factor.*

Responsible Institution: Cross-sectoral Coordination Centre

Supporting Institutions: All shareholders of a public person

Start Date: 2015

.....

End Date: 2017

**Editorial Note:** The commitment text above is drawn from the updated version of the action plan, published in October 2016 and available at <http://bit.ly/2EK34dH>. The original version of the action plan is available at <http://bit.ly/2ptZ0sq>. To see the changes between the two versions, visit <http://bit.ly/2FPvK4r>.

Commitment Overview	Specificity				OGP Value Relevance (as written)				Potential Impact				Completion		Midterm		Did It Open Government?				
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Technology & Innovation for Transparency & Accountability	None	Minor	Moderate	Transformative	Not Started	Limited	Substantial	Completed	Worsened	Did Not Change	Marginal	Major	Outstanding
4. Overall				✓	✓	✓					✓				✓					✓	

### Commitment Aim

Government-owned enterprises manage a significant amount of public resources. In 2016, the aggregate revenue of Latvia's 65 state-owned enterprises (SOEs) reached 3.26 billion euros.<sup>1</sup> Therefore, it is important to ensure effective resource management and avoid any conflicts of interest among board members. Supervisory boards of SOEs were abolished in Latvia in 2009, since they were regarded as a source of income for political parties. Journalists and corruption analysts discovered that politically appointed members of boards were generous donors to political parties.<sup>2</sup>

Nonetheless, having ministry officials oversee the enterprises did not lead to proper and sufficient state control. As a result, and considering the Organisation for Economic Cooperation and Development (OECD) recommendations, the government decided to renew the supervisory boards in large SOEs and open the selection process for both executive and advisory board members.

This commitment aims to improve the governance of SOEs by nominating and selecting boards and advisory board members based on their professional qualities. The revised version of the action plan explicitly describes the expected outcome as having all public entities and shareholders in SOEs follow new procedures for selecting board and council candidates.

Although the commitment text above does not specify the mechanisms that will promote the “open, fair and professional” selection of board members, the Law on Governance of Capital Shares of a Public Person and Capital Companies and a set of Cabinet of Ministers regulations, both cited in the original action plan,<sup>3</sup> specify the proposed procedures. These procedures include aspects of open government such as publishing the intent to select a board, advertising a tender outlining criteria for the selection of candidates, including social partners in nomination committees (such as the Employer’s Confederation of Latvia), and publishing names of selected candidates. Under the proposed procedures, board members must also declare their income and publish most of their declarations.

This commitment thus has the potential to significantly improve openness by making it possible for journalists and society at large to monitor each step of the selection process, identify candidates’ conflicts of interest based on their declarations, and participate directly in the selection process through nomination committees that involve members of the public.

## **Status**

### **Midterm: Substantial**

Parliament drafted the Law on Governance of Capital Shares of a Public Person and Capital Companies during the implementation of Latvia’s first action plan. The body approved the bill on 3 July 2014. The relevant Cabinet of Ministers regulations were later adopted on 23 September 2014. Both documents came into force on 1 January 2015.<sup>4</sup> The bill envisaged the procedures listed above, including publicly announcing a tender; establishing a nominating committee; and setting and publicising criteria for professional competence, such as education, experience, knowledge of the field, finance, and management.

During the first year of the second action plan, the government implemented the new procedures, including announcing tenders, establishing a committee, and publishing the names and qualifications of candidates. The functions of the supervisory institution were delegated to the Cross-Sectoral Coordination Centre, a government strategic and policy-planning institution that reports to the prime minister.<sup>5</sup> For more information, see the 2015–2016 IRM midterm report.<sup>6</sup>

### **End of term: Complete**

The second year of implementation brought two major outputs: (1) a web page with data<sup>7</sup> on SOEs and (2) guidelines for the selection of board and supervisory board members.<sup>8</sup>

According to the new guidelines approved on 16 October 2016, each nomination commission shall describe the procedures and criteria for selections, which are examined by the Cross-Sectoral Coordination Centre. To ensure the openness of the procedure, the government publishes information about the vacancy, the candidates, selection results, and the procedure that was applied on the web pages of the SOE and shareholder (the state institution with the majority of shares in the SOE). Tender announcements and their results are published on [www.valstskapitals.lv/](http://www.valstskapitals.lv/).

Although not directly linked to the commitment objective, the database at [www.valstskapitals.lv/](http://www.valstskapitals.lv/) provides annual reports on SOEs, general indicators, balance sheets, profitability and financial stability indicators, financial indicators, and funding from and contributions toward the state budget. It also gives lists of the shares and shareholders of SOEs. The data are free and reusable, are provided in an open data format, and can be downloaded in Excel format by anyone without authorisation.

The web page also contains a section called “Public Participation,” which includes the following subsections directly linked to this commitment: (1) policy documents, laws, regulations, and

guidelines that are being drafted; (2) current vacancies for board and advisory board members in SOEs; and (3) selected members of boards and advisory boards.

### **Did It Open Government?**

#### **Access to Information: Major**

#### **Civic Participation: Major**

The commitment made important strides in publishing more information about the selection process of SOE board members and involving citizens in the process. In practise, the government established a regulatory framework and guidelines,<sup>9</sup> and there is now oversight for each particular tender. The government informs the general public about tenders, the candidates for the vacancies, the process of selecting candidates, and the final results. There is also easily accessible information on both the enterprises and the board vacancies on a website ([www.valstskapitals.lv/](http://www.valstskapitals.lv/)), which contains data on SOEs in an open data format. Specifically, the new website has a dedicated page listing all vacancies<sup>10</sup> and another featuring information on selected board and council members.<sup>11</sup> Compared to the limited public information available about the selection process for SOE board members prior to the action plan, this commitment led to a major change in access to information.

The commitment also led to a major change in civic participation. For example, NGOs (such as the Employers' Confederation of Latvia) are now included in the nomination commissions that outline the procedures for selecting board members. While these commissions do not have a decision-making role, they monitor the selection process. In addition, after the initial trial run of the new board selection processes in 2016, ministerial and SOE representatives worked closely with the Baltic Institute of Corporate Governance (BICG) and other NGOs to improve the procedures for selection.<sup>12</sup> Most of the BICG recommendations were integrated into the new guidelines, highlighting the powerful role of civil society during this process.

As for how the procedures impacted the selection process, the Latvian government began implementing the new procedures in early 2016. By May 2016, three boards were selected following the new procedures (publishing the intent to select a board, publicising the tender, outlining the selection criteria, including civil society organisations in nomination committees, and publishing the names of the selected candidates and their compensation models). While there was greater transparency, in that the public could follow the process from start to finish, some of the candidates selected still had strong political ties.<sup>13</sup> Thus, this problem has persisted. Recently, a new member selected for the Latvian Radio board suspended her work with a political party only one day before submitting her board application.<sup>14</sup> This is an example of how the government has not yet fully achieved the ultimate goal of reducing public doubts about the professional merits of new SOE board and council members, even if this commitment contributed to important changes in government openness.

### **Carried Forward?**

The IRM researcher suggests continued monitoring of this issue, and greater transparency regarding and public oversight of the selection of management personnel for local government institutions such as transport companies co-owned by local governments. In addition, an expert from the BICG<sup>15</sup> proposed several measures for more openness: renewing data on enterprises quarterly (not annually, as it is done now) and adding information to the database related to the public services delivered by the enterprises. So far, the database provides only economic information.

The third action plan builds on this commitment and looks to further improve the transparency of SOEs. A commitment in the third plan includes activities such as publishing nonfinancial data, disclosing the public functions of SOEs, achieving better exchanges of data, publishing quarterly reports to reduce risks in a timely manner, and building on best practises. The government's plans do not, however, include a focus on local government institutions at this stage.

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- <sup>1</sup> “Aggregate Revenue to Latvian State-Owned Enterprises Reach EUR 3.26 bln in 2016,” *The Baltic Course*, 10 November 2017, [http://www.baltic-course.com/eng/markets\\_and\\_companies/?doc=134952](http://www.baltic-course.com/eng/markets_and_companies/?doc=134952).
- <sup>2</sup> “Delna: State and Local Government Companies Are Still Used as Parties’ Feeds,” *Diena*, 27 August 2011, <http://www.diena.lv/raksts/latvija/politika/delna-valsts-un-pasvaldibu-uznemumi-joprojam-tiek-izmantoti-ka-partiju-barotnes-13900312>.
- <sup>3</sup> Government of Latvia, *Open Government Partnership Second National Action Plan of Latvia, 2015–2017*, <http://bit.ly/2ptZ0s.q>.
- <sup>4</sup> “Public Entity Capital and Capital Management Law,” Legislation of the Republic of Latvia, official law data base, <http://likumi.lv/ta/id/269907-publiskas-personas-kapitala-dalu-un-kapitalsabiedribu-parvaldibas-likums>.
- <sup>5</sup> “About PKC,” Cabinet of Ministers, <http://www.pkc.gov.lv/par-pkc>.
- <sup>6</sup> Open Government Partnership, *Independent Reporting Mechanism (IRM): Latvia Progress Report 2015–2016*, [https://www.opengovpartnership.org/sites/default/files/Latvia\\_Progress-Report\\_2015-2017\\_for-public-comment\\_0.pdf](https://www.opengovpartnership.org/sites/default/files/Latvia_Progress-Report_2015-2017_for-public-comment_0.pdf).
- <sup>7</sup> “Management of National Capital Agencies,” Cross-Sectoral Coordination Centre, [www.valstskapitals.lv](http://www.valstskapitals.lv).
- <sup>8</sup> “Vadlinijas Kapitalsabiedribas Valdes un Padomes Locekļu Kandidātu Atlasei un Izvertēšanai, Kapitalsabiedribas, Kuras Valstij ka Dalībniekam ir Tiesības Izvirzīt Valdes vai Padomes Locekļus,” Cross-Sectoral Coordination Centre, [http://www.pkc.gov.lv/sites/default/files/images-legacy/Kapitalsabiedribas/Vadlinijas\\_kap\\_sab\\_valde\\_padome.pdf](http://www.pkc.gov.lv/sites/default/files/images-legacy/Kapitalsabiedribas/Vadlinijas_kap_sab_valde_padome.pdf).
- <sup>9</sup> Ibid.
- <sup>10</sup> “Vacancies in Capital Companies,” Management of National Capital Agencies, Cross-Sectoral Coordination Centre, <http://www.valstskapitals.gov.lv/lv/sabiedribas-lidzdaliba/vakances-kapitalsabiedribas/>.
- <sup>11</sup> “Information about Elected Board and Council Members,” Management of National Capital Agencies, Cross-Sectoral Coordination Centre, <http://www.valstskapitals.gov.lv/lv/sabiedribas-lidzdaliba/informacija-par-ieveletiem-valdes-un-padomes-locekliem/>.
- <sup>12</sup> Open Government Partnership, *Latvija Progresā Zinājums 2015–2016*, <http://bit.ly/2AJnG7a>.
- <sup>13</sup> “National Business Councils Are Still Chosen by Politicians,” *Finance Net*, 29 May 2016, <http://bit.ly/2BHD18n>.
- <sup>14</sup> “Vejonis: The Appointment of a Member of the Latvian Radio Board ‘Creates a Reflection,’ but the Procedure Has Been Followed,” *Latvian Public Media*, 19 December 2017, <http://bit.ly/2o1rtDs>.
- <sup>15</sup> Andris Grafs (Baltic Institute of Corporate Governance), interview by IRM researcher, 12 September 2017.

## **Commitment 5. Public Finances**

### **Commitment Text:**

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

*The compliance of actions of public officials with state or local government property and funds, and transactions carried out by public institutions should be assessed in order to detect mismanagement, abuse of office, abuse of authority for personal unearned gain or for that of other persons. To monitor the prevention of the conflict of interest in the actions of public officials and compliance with prohibitions and additional restrictions set out in regulatory enactments in regard to public officials.*

*Main objective: To counter corruption by force of law and public support, in order to ensure that public power is used with integrity in the interest of the state and community. To monitor the prevention of the conflict of interest in the actions of public officials and compliance with prohibitions and additional restrictions set out in legislation in regard to public officials. Where violations of the Law “On the Prevention of the Conflict of Interest in the Actions of Public Officials” are detected, to prosecute public officials administratively—hold administrative hearings, enforce liability for violations in the area of corruption prevention, seek damages from public officials according to the procedures established by law in respect of loss resulting from their actions.*

*To achieve these objectives, specific tasks have been set in the “Corruption Prevention and Combating Guidelines for 2015-2020” (hereinafter—the Guidelines) approved by the Order of the Cabinet of Ministers of 16 July 2015:*

- Consider a possibility for enabling public access online to information on all contracts signed by public authorities on the supply of goods and services, and other deals, if any, and develop recommendations for ensuring such measures (deadline for implementation in the Guidelines: 31.12.2020);*
- Consider a possibility for introducing more effective supervision or enforcement mechanisms to control the activities of public officials responsible for handling public funds, incl. to determine administrative liability for misuse (wasteful spending) of public property and funds by public officials (deadline for implementation in the Guidelines: 31.12.2017);*
- Analyse risks of misuse of funds, as well as risks of corruption in the below-threshold public procurement and purchases not covered by external legislation and provide recommendations for risk reduction (deadline for implementation in the Guidelines: 31.12.2016);*

*Other measures:*

- Assess legislative acts on criminalising corruption and, in accordance with the problems identified in practises of the application of the law, to produce draft legislation seeking a more effective application of liability provisions regarding unlawful actions with public funds and property.*
- Improvement of the mechanism for the prevention of the conflict of interest.*

Responsible Institutions: Corruption Prevention and Combating Bureau, Ministry of Finance

Supporting Institution:

Start date: 2015.....

End date: 2020

**Editorial Note:** The commitment text above is drawn from the updated version of the action plan, published in October 2016 and available at <http://bit.ly/2EK34dH>. The original version of the action plan is available here: <http://bit.ly/2ptZ0sq>. To see the changes between the two versions, visit <http://bit.ly/2FPvK4r>.



Commitment Overview	Specificity				OGP Value Relevance (as written)				Potential Impact				Completion		Midterm		Did It Open Government?				
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Technology & Innovation for Transparency & Accountability	None	Minor	Moderate	Transformative	Not Started	Limited	Substantial	Completed	Worsened	Did Not Change	Marginal	Major	Outstanding
5. Overall		✓			✓					✓				✓			✓				
5.1. Publishing all contracts		✓			✓					✓			✓			✓					
5.2. Administrative liability		✓			Unclear relevance					✓				✓							
5.3. Threshold for documents		✓			Unclear relevance					✓				✓							
5.4. Criminalising corruption		✓			Unclear relevance					✓						✓					
5.5. Conflict of interest	✓				Unclear relevance					✓			Not Assessed								

### Commitment Aim

The commitment seeks to establish legal and technical measures to eliminate risks for the misuse of public funds. In the original version of the second action plan, the Ministry of Finance and the CPCB offered four courses of action to reduce the possibility of misuse of public resources:

- Achieve more transparency of procurement contracts at the national and local government levels by making these contracts public.
- Provide an enforcement mechanism requiring public officials who misuse funds to pay back the estimated loss into the state budget.
- Analyse the risks of low-price procurement contracts and develop suggestions on how to eliminate these risks.
- Set thresholds to apply criminal liability for the ineffective use of public resources.

In the revised version of the second action plan, the government proposed an additional fifth milestone related to improving the mechanisms that prevent conflicts of interest. However, the fifth milestone does not specify which mechanisms will be improved or how, or if the public will be involved in the process. For these reasons, the milestone is considered to be vague and lacking

relevance to OGP values, in the same manner as three of the four original milestones listed above (the first milestone, which aims to disclose public contracts, is the only milestone that is relevant to OGP values). The revised version of the action plan also included timelines for each of the previous milestones, reflected in the commitment text above.

## **Status**

### **Midterm: Limited**

The following reflect the commitment's status as of mid-2016:

- The publishing of all contracts had not started. The deadline for implementation was postponed to the end of December 2020.
- The State Audit Office was carrying out the milestone on administrative liability. The office had developed amendments to the Law on State Audit, which were being debated in Parliament. The amendments proposed allowing institutions to claim refunds of misused public funds from the responsible officers. The deadline for implementation of this milestone was the end of December 2017.
- The CPCB insisted that to keep under control the amount of resources spent on public procurement, the threshold for the application of the Public Procurement Law could not be increased. This position is reflected in the CPCB comments submitted to the draft Public Procurement Law that were not considered by the Cabinet of Ministers or the Saeima.
- The Ministry of Justice led a working group that developed amendments to the criminal code. The amendments explain how to measure severe damage caused by a public official who is subject to a criminal penalty. The amendments also criminalise the misuse of public resources if the damage is more than the equivalent of 10 minimum wages. This milestone was considered complete.

For more information, see the 2015–2016 IRM midterm report.<sup>1</sup>

### **End of term: Substantial**

This commitment extends beyond the two-year implementation period. There were significant developments in the implementation of the commitment during the second year of the action plan, and they all are in line with the responsible institutions' calendars of activities. According to information provided by the CPCB, all tasks planned for July 2015 – June 2017 were fulfilled.

1. Parliament passed amendments to the Public Procurement Law (Article 60 [10] and 1[23]) and the Law on Procurement of Public Services.<sup>2</sup> As of 1 March 2017, the Public Procurement Law requires the publishing of not only plans for procurement but also all procurement documents. As of 1 January 2019, electronic submissions of bids and tenders will be required for all procurement procedures. In addition, the Cabinet of Ministers passed regulations on electronic public procurement that will require the publication of procurement-related information in an open data format (Article 3.10).<sup>3</sup> In accordance with the regulations, the Public Procurement Office has started releasing data on historical procurements and contracts on the open data section of its web page<sup>4</sup> and on the beta version of the open data portal built as part of the first commitment. Although all contracts have not been published, this milestone called only for considering “a possibility for enabling public access online to information on all contracts.” For this reason, the milestone is considered complete.
2. Still in Parliament are amendments to the Law on State Audit that establish an administrative liability for officials who misuse public funds. The amendments were reviewed by the responsible commission, debated in plenary, and are on track for a final debate in plenary.<sup>5</sup> As a result, the implementation of the activity is on time.
3. The Procurement Monitoring Office, in cooperation with the Ministry of Finance, developed guidelines for acquiring public services that are under the procurement threshold regulated by law<sup>6</sup> and by the Cabinet of Ministers.<sup>7</sup> The guidelines describe simple procedures—such as

publishing the intent to sign a contract—that can ensure equal opportunities for all service providers. The guidelines are not legally binding but are used as a reference by auditing authorities. Therefore, institutions have an incentive to obey them. In addition, the CPCB developed amendments to the Public Procurement Law requiring government institutions to publish on the Procurement Monitoring Office database information on all acquired services above 500 euros and construction works above 1,000 euros. However, the amendments were rejected by Parliament.<sup>8</sup>

4. Parliament passed amendments to the Criminal Law (Articles 320 and 321)<sup>9</sup> that were developed by the Ministry of Justice and established higher fines and an easier burden of proof in cases of misuse of public resources. The amendments were not in force by the end of the action plan, but nonetheless entered into force on 1 January 2018.
5. According to the CPCB, it developed an amendment to the Law on Conflicts of Interests of Public Officials (Article 18),<sup>10</sup> which was approved by Parliament. The CPCB reported that the amendment defines actions involving public resources, therefore making it easier to apply administrative liability. However, the amendment to Article 18 of the law was adopted on 21 May 2015 and entered into force on 17 June 2015, prior to the submission of this milestone in October 2016. Moreover, the article that seems most in line with the information provided by the CPCB is Article 20(8),<sup>11</sup> which stipulates that the Cabinet of Ministers will issue regulations on internal control mechanisms to reduce the risk of corruption and conflicts of interest. The corresponding regulation, Cabinet Regulation Nr. 630 “Regulation on main requirements of internal control system for corruption and conflict of interest prevention in public institutions”, was indeed adopted.<sup>12</sup> However, it was issued on and entered into force on 17 October 2017, after the close of the action plan.

## Did It Open Government?

### Access to Information: Worsened

Before the new regulations passed as part of this commitment, there was no system of electronic procurement in place. Prior procurement data, if available, were obtainable only by searching various files on the Procurement Monitoring Office website. However, the names of the actual beneficiaries of contracts could not be gleaned from public procurement documentation.<sup>13</sup> At the time, the requirement to disclose procurement documents applied if acquiring goods and services were above 4,000 euros or if construction works were above 14,000 euros. Information on procurements and contracts above these thresholds had to be published on the Procurement Monitoring Office website, as well as on the contracting institution’s website.

This commitment aims to fight corruption and the misuse of public funds in several ways, but only one of its milestones—the disclosure of public contracts—had a public-facing element corresponding with the OGP value of access to information.<sup>14</sup>

The commitment led to mixed results. On the one hand, the government launched an electronic procurement system.<sup>15</sup> Launching this system steadily improves the accessibility of procurement information, even though the system is not applicable in assessing changes to government practice by the end of the action plan period (1 July 2017), since the system was launched on 1 October 2017.

The government also passed regulations that expand the amount of information to be disclosed for some contracts, which is an important achievement. However, these new requirements apply only to goods and services above 144,000 euros and construction works above 5,548,000 euros.<sup>16</sup> The new government guidelines on good practices<sup>17</sup> recommend publishing contracting information for goods and services above 42,000 euros and for construction works above 170,000 euros. Contracting information for contracts that do not meet these thresholds are not required to be published on the Procurement Monitoring Office website. Instead, this information could be compiled and displayed elsewhere, such as on an individual government institution’s website. This means that a significant amount of contracting information above the old thresholds (4,000 euros for goods and services and

14,000 euros for construction works) will no longer be available for public access in a centralised location.

Nonetheless, it is important to mention that over time, the release of more contracting information will be required. Beginning on 1 April 2018, the thresholds for required disclosures of information will be lower: public construction works' contracts (170,000 euros – 5,548,00 euros); public delivery or public services contracts (42,000 euros – 144,000 euros). The thresholds will be further lowered on 1 January 2019: public construction works' contracts (20,000 euros – 170,000 euros); public delivery or public services contracts (10,000 euros – 42,000 euros). Despite this positive trend over time, fewer contracting documents were required to be published at a central location at the close of the action plan (July 2017) than at the beginning. Moreover, even once the electronic procurement system is completely introduced, thresholds will be higher than at the beginning of the action plan.

Anticorruption experts from Delna, the site of the local chapter of Transparency International, insist that the high thresholds increase the risk of corruption and reduce the level of transparency in the procurement process.<sup>18</sup> A significant proportion of public procurement transactions are now not subject to openness procedures, compared to the status quo before the passage of the new regulations. The CPCB expressed these concerns and informed the researcher about them during interviews for the midterm report, but neither the Cabinet of Ministers nor Parliament took the bureau's suggestions into consideration.

Ultimately, the new system of e-procurement, together with the requirements to publish planned procurements and release open datasets, have the potential to improve transparency in the long term. However, in the short term, a greater proportion of transactions will not be easily available for public scrutiny as the thresholds for disclosure have increased. For this reason, the IRM researcher believes that, at the close of the action plan period (July 2017), the implementation of this commitment worsened the level of access to information in the country. Lastly, although the other milestones of the commitment (related to administrative liabilities, the criminalisation of corruption, and conflicts of interest) could ensure a better use of public resources, they are internal measures that are not directly linked to OGP values and therefore did not change the level of government openness.

### **Carried Forward?**

The next action plan includes a commitment on public procurement transparency. Specifically, the commitment focuses on improving the transparency of procurement information that falls under the new threshold for mandatory disclosure mentioned above, as well as the transparency of concluded contracts and their amendments.

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<sup>1</sup> Open Government Partnership, *Independent Reporting Mechanism (IRM): Latvia Progress Report 2015–2016*, [https://www.opengovpartnership.org/sites/default/files/Latvia\\_Progress-Report\\_2015-2017\\_for-public-comment\\_0.pdf](https://www.opengovpartnership.org/sites/default/files/Latvia_Progress-Report_2015-2017_for-public-comment_0.pdf).

<sup>2</sup> "Public Service Providers Procurement Law," Legislation of the Republic of Latvia, official law portal, <https://likumi.lv/doc.php?id=288730>.

<sup>3</sup> "Public Procurement Rules," Legislation of the Republic of Latvia, <https://likumi.lv/doc.php?id=289087>.

<sup>4</sup> "Procurement Monitoring Bureau Open Data (Open IUB) Service," Open Data Service, Procurement Monitoring Bureau, <http://open.iub.gov.lv/>.

<sup>5</sup> "Amendments to the Law on State Control," Parliament, <http://titania.saeima.lv/LIVS12/SaeimaLIVS12.nsf/0/9C377236DD263414C225808A004A0A56?OpenDocument>.

<sup>6</sup> "Iepirkumu Vadlīnijas Sabiedrisko Pakalpojumu Sniedzējiem," Ministry of Finance, [http://m.esfondi.lv/upload/0\\_vadlinijas.pdf](http://m.esfondi.lv/upload/0_vadlinijas.pdf).

<sup>7</sup> "Provisions on Public Procurement Contract Value Thresholds," Legislation of the Republic of Latvia, <https://likumi.lv/ta/id/289083-noteikumi-par-publisko-iepirkumu-ligumcenu-robezvertibam>.

<sup>8</sup> CPCB, written communication, 13 September 2017.

<sup>9</sup> "Criminal Law," Legislation of the Republic of Latvia, <https://likumi.lv/doc.php?id=88966>.

<sup>10</sup> "Prevention of Conflicts of Interest in the Activities of State Officials," Legislation of the Republic of Latvia, <https://likumi.lv/doc.php?id=61913>.

<sup>11</sup> Ibid.

<sup>12</sup> Official Law portal, <https://likumi.lv/doc.php?id=294518>

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<sup>13</sup> Janis Volberts, “*Delna*: Ko Latvija var Mācīties no *Panamas Papīru* Skandāla,” *Diena*, 7 April 2016, [https://www.diena.lv/raksts/latvija/viedokli/\\_delna\\_-ko-latvija-var-macities-no-\\_panamas-papiru\\_-skandala-14136331](https://www.diena.lv/raksts/latvija/viedokli/_delna_-ko-latvija-var-macities-no-_panamas-papiru_-skandala-14136331).

<sup>14</sup> For more information, see the 2015–2016 IRM midterm report.

<sup>15</sup> “Caution! Use of the E-tendering System for Procurement Procedures Commenced on 01.10.2017,” Procurement Monitoring Bureau, <https://www.iub.gov.lv/lv/node/705>.

<sup>16</sup> “Provisions on Public Procurement Contract Value Thresholds,” <https://likumi.lv/ta/id/289083-noteikumi-par-publisko-iepirkumu-ligumcenu-robezvertibam>.

<sup>17</sup> “Iepirkumu Vadlinijas Sabiedrisko Pakalpojumu Sniedzējiem,” [http://m.esfondi.lv/upload/0\\_vadlinijas.pdf](http://m.esfondi.lv/upload/0_vadlinijas.pdf).

<sup>18</sup> Janis Volberts, “Increasing the Public Procurement Threshold Will Increase the Risk of Corruption,” *Par Likumu un Valsti*, 24 October 2016, <http://www.lvportals.lv/visi/viedokli/282763-publiska-iepirkuma-slieksna-celsana-palielinas-korupcijas-riskus/>.

## Commitment 6. NGO Financing

### Commitment Text:

#### Establish a sustainable model of financing NGOs

According to the Enterprise Register data, 14,704 non-governmental organisations were registered in Latvia as of August 2011.<sup>1</sup> However, a comparatively small part of the country's population is members of those organisations, and a downward trend has been observed. A large part of NGOs are working in the areas of sports, culture and recreation (39%), while a considerably lower percentage are active in human rights protection, corruption combating, addressing ecological problems, and similar sectors. There is a tendency for non-governmental organisations to be linguistically separated—Latvian and Russian-speaking. Latvia's NGOs remain financially and administratively weak, are far more often being set up in Riga than in other regions of the country, and have a low number of members. Moreover, only a small part of organisations are financially sustainable. Nevertheless, under the socio-economic crisis, it was NGOs that provided services in the social sector and in the field of interest education, where the public administration budget was limited. At the same time, civil society organisations are not involved in public policy making to their full capacity, which undermines trust in public administration.

*Main objective: To improve the legal and financial framework for increasing the institutional capacity of associations, quality participation of NGOs in decision making by strengthening them as social partners, as well as to promote the delegation of public functions, where appropriate and possible, to associations and foundations, especially in matters of civic education.<sup>2</sup>*

Responsible Institution: Ministry of Culture

Supporting Institutions: Society Integration Fund, ministries

Start date: 2014.....

End date: 2016

**Editorial Note:** The commitment text above is drawn from the updated version of the action plan, published in October 2016 and available at <http://bit.ly/2EK34dH>. It has been shortened for brevity. The original version of the action plan is available at <http://bit.ly/2ptZ0sq>. To see the changes between the two versions, visit <http://bit.ly/2FPvK4r>.

Commitment Overview	Specificity				OGP Value Relevance (as written)				Potential Impact				Completion		Midterm		Did It Open Government?				
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Technology & Innovation for Transparency & Accountability	None	Minor	Moderate	Transformative	Not Started	Limited	Substantial	Completed	Worsened	Did Not Change	Marginal	Major	Outstanding
6. Overall		↙				↙				↙					↙				↙		

### Commitment Aim

The aim of the commitment is to bolster the legal and financial framework for strengthening the institutional capacity of NGOs. The goal is to increase the number of NGOs working on public policies and reduce their linguistic divide, geographic centralisation, and administrative and financial

weaknesses. Although the commitment text was vague and did not include a concrete deliverable, the government in practice focused on establishing an NGO fund that could have a significant impact on civic participation in Latvia.

## **Status**

### **Midterm: Substantial**

In response to a consistent request from civil society organisations, the government established a fund for NGOs,<sup>3</sup> hence the completion of the commitment was substantial at the midterm of the action plan. Specifically, the government committed itself to develop a national NGO fund by 2016 and created a working group that drafted a concept note titled “On the Creation of a Government-funded NGO Fund.”<sup>4</sup> The Ministry of Culture held public consultations on the concept note on 21 October 2015 and agreed on a proposal that earmarked funds as a special budget line in the state budget and assigned fund management to the Society Integration Foundation, a public foundation with expertise in supporting NGO programmes and projects. The Cabinet of Ministers approved the concept note and allocated 400,000 euros for project implementation in 2016, albeit without earmarking a separate annual budget line.<sup>5</sup> For more information, see the 2015–2016 IRM midterm report.<sup>6</sup>

### **End of term: Complete**

During the second year of implementation, the government approved annual financing of 400,000 euros for the NGO fund for 2017, 2018, and 2019. By early 2018, there was also funding for 2020. In this sense, there is modest, yet sustainable, financial support for NGOs in the national budget. Of 149 project proposals, 42 were supported by the national NGO fund in 2017.<sup>7</sup>

The second year of implementation also brought changes to the fund’s planning process and schedule for programme implementation. NGOs can now submit project proposals in December and begin implementation in March or April, depending on the quality of their projects. In the case of capacity-building programmes, the government now allows use of funds for expenses starting in January. In other words, the implementation period was extended.<sup>8</sup> Another improvement is that the government now invites NGO experts to evaluate the projects. As a result, the evaluations are more professional and accurate, since the experts know the specifics of the NGO’s field of work. NGOs are also involved in the fund’s consultative board, and the Council of Memorandum monitors the fund’s operations.

In 2017, the Ministry of Culture also continued to support NGOs outside of Riga with funding from the national budget (having allocated 160,000 euros annually since 2014).<sup>9</sup> This fund supports NGOs working in the areas of civil society development and national minorities. Regional NGO centres organise project competitions, distribute the funding, and offer technical support to NGOs implementing projects through cooperation agreements with the ministry.

Although the activities described above will continue, there are now operational and sustainable mechanisms for supporting NGOs. Therefore, the IRM researcher considers the commitment complete.

## **Did It Open Government?**

### **Civic Participation: Marginal**

National funding for NGOs is an important step forward, as it has been a priority of Latvian NGOs since 2004. Interviewed NGO representatives were generally satisfied with the establishment of the fund, the inclusive development process, and the opportunity to participate in the fund’s strategic development committee.<sup>10</sup> So far, 66 projects were financed in 2016 and 42 in 2017. Nonetheless, given that there are more than 20,000 NGOs registered in Latvia, the new financial resources—400,000 euros annually (although the National Development Plan earmarked 700,000 euros)—are

modest. NGOs have asked the Society Integration Foundation to look for private and foreign funding to increase the financing available.<sup>11</sup>

However, overly rigid procedures reduce the influence of the fund. For example, the new funds are tied to specific projects and are not meant for long-term capacity building that could be more sustainable. There is also a high administrative burden imposed on NGOs that receive funds, namely through onerous reporting requirements for the amount of funding available, including mandatory reporting on each hour spent working for a project. NGOs prepared a list of recommendations on these issues,<sup>12</sup> submitted the list to the foundation, and discussed the recommendations at the Council of Memorandum on 30 November 2016<sup>13</sup> and 1 March 2017.<sup>14</sup> However, the Society Integration Foundation has so far refused to reduce the administrative requirements.

The Ministry of Culture's support programme—with 160,000 euros in annual funds—is also an encouraging means of support for NGOs, but the funding goes to specific activities and does not support the sustainability of organisations. Additionally, the programme predates the start of this second action plan.

Given that the funding has been both modest and mostly directed at specific projects rather than underlying institutional capacities, the IRM researcher assesses the commitment to be a marginal, yet important, step toward more significant government support for NGOs and greater civic participation.

It is important to keep in mind that the NGO fund is only one of several government-financed programmes for achieving the commitment's broader goal of integrating society. For example, the government also supports a programme for diaspora children and NGOs, and a programme for learning Latvian and solving demographic issues.<sup>15</sup> Indicators to measure the success of the NGO fund include increases in the rate of participation in public life by citizens, volunteering of young people, cooperation among NGOs, NGO commenting on draft laws, and registered NGOs. Based on these indicators, the Society Integration Foundation plans to evaluate the impact of the government's projects by the end of 2018.<sup>16</sup>

### **Carried Forward?**

As in the previous midterm report, the IRM researcher recommends that the commitment be carried forward to focus on the quality of the NGO financing model. The following actions need to be addressed moving forward: allocating a greater proportion of the national budget to the fund, to meet the demand for wider public involvement in decision making; securing sustainable financial flows for NGOs throughout the year by focusing on long-term programmes; securing national budget financing even if NGO programmes receive foreign funds; and reducing the administrative burdens on NGOs receiving financial support.

The IRM researcher also suggests monitoring other governmental sources of potential NGO income, such as new European Union (EU) funding programmes, and monitoring legal frameworks to prevent the reduction of existing indirect support to NGOs (such as through tax breaks or existing regulations of economic activities). In practise, all of these monitoring duties are assumed by the Council of Memorandum, which is not the most appropriate forum for this task.

The third action plan does not include a stand-alone commitment on a sustainable model for financing NGOs. Nonetheless, as part of the commitment on improving the role of NGOs in policy development, the government does commit to prioritising government funding for advocacy activities.



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<sup>1</sup> This number increased significantly since the publication of the action plan. As of January 2016, there were 20,662 non-governmental organisations registered in Latvia.

<sup>2</sup> There are only minor textual differences in the commitment text of the original and updated versions of the action plan.

<sup>3</sup> Cabinet of Ministers, *Latvijas Otrās Nacionālās Rīcības Plāns 01.07.2015–30.06.2017*, [http://www.mk.gov.lv/sites/default/files/attachments/ogp\\_2\\_plana\\_vidusposma\\_zinojums\\_07.10.2016.pdf](http://www.mk.gov.lv/sites/default/files/attachments/ogp_2_plana_vidusposma_zinojums_07.10.2016.pdf).

<sup>4</sup> “On the Conceptual Report ‘On the Establishment of a State Funded Non-governmental Organisation Fund,’” Legislation of the Republic of Latvia, <http://likumi.lv/doc.php?id=278602>.

<sup>5</sup> “Conceptual Report ‘On the Establishment of a State-Funded Non-governmental Organisations Foundation,’” Legislative Proposals, Draft Legislation of the Cabinet of Ministers of the Republic of Latvia, <http://tap.mk.gov.lv/lv/mk/tap/?dateFrom=2015-09-28&dateTo=2016-09-27&text=Par+valsts+finans%C4%93ta+%&org=0&area=0&type=>.

<sup>6</sup> Open Government Partnership, *Independent Reporting Mechanism (IRM): Latvia Progress Report 2015–2016*, [https://www.opengovpartnership.org/sites/default/files/Latvia\\_Progress-Report\\_2015-2017\\_for-public-comment\\_0.pdf](https://www.opengovpartnership.org/sites/default/files/Latvia_Progress-Report_2015-2017_for-public-comment_0.pdf).

<sup>7</sup> “NGO Fund in 2017,” Society Integration Fund, [http://www.sif.gov.lv/index.php?option=com\\_content&view=category&id=410&Itemid=127&lang=lv](http://www.sif.gov.lv/index.php?option=com_content&view=category&id=410&Itemid=127&lang=lv).

<sup>8</sup> In 2016, NGOs had to implement their projects between June and October. The implementation period was effectively five months. For more details, see the Latvia midterm IRM report 2015–2016, <http://bit.ly/2AjnG7a>.

<sup>9</sup> “NGO Support,” Ministry of Culture, <https://www.km.gov.lv/lv/integracija-un-sabiedriba/pilsoniska-iesaistisanas/nvo-atbalsts>.

<sup>10</sup> Interviews by IRM researcher: Iveta Kažoka (Policy Centre Providus), 22 August 2016; Jānis Volberts, (Transparency International local chapter, Delna), 22 August 2016; Liene Gātere (Transparency International local chapter, Delna), 22 August 2016; and Kristīne Zonberga (Civic Alliance Latvia), 23 August 2016.

<sup>11</sup> “NVO Fonda Stratēģiskās Planosanas Komitejas Parstavju Rekomendācijas NVO Fonda Parvaldīšanai un Ieviešanai,” Cabinet of Ministers, 25 October 2016, <http://www.mk.gov.lv/sites/default/files/editor/1741.pdf>.

<sup>12</sup> Ibid.

<sup>13</sup> “Agenda for the 30 November 2016 Sitting,” Cabinet of Ministers, <http://www.mk.gov.lv/lv/content/2016gada-30novembra-sedes-darba-kartiba>.

<sup>14</sup> “Agenda of the Sitting of 1 March 2017,” Cabinet of Ministers, <http://www.mk.gov.lv/lv/content/2017gada-1marta-sedes-darba-kartiba>.

<sup>15</sup> “SIF Administered Programs,” Society Integration Fund, [http://www.sif.gov.lv/index.php?option=com\\_content&view=article&id=238%3ASabiedribas-integrācijas-fonda-administretas-programmas&catid=2%3Afonds&Itemid=11&lang=lv](http://www.sif.gov.lv/index.php?option=com_content&view=article&id=238%3ASabiedribas-integrācijas-fonda-administretas-programmas&catid=2%3Afonds&Itemid=11&lang=lv).

<sup>16</sup> “State Budget Program for 2002–2017,” Society Integration Fund, [http://www.sif.gov.lv/index.php?option=com\\_content&view=section&id=13&Itemid=127&lang=lv](http://www.sif.gov.lv/index.php?option=com_content&view=section&id=13&Itemid=127&lang=lv).

## **🗳️ Commitment 7. Online Voting**

### **Commitment Text:**

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

*The inhabitants of Latvia had the opportunity to initiate referenda and amendments to legislation by collecting signatures on paper, which then would need to be witnessed by a notary in presence. To date there has been no possibility of collecting the signatures online.*

*Amendments to the Law on National Referenda, Legislative Initiatives and the European Citizens Initiative envisage that as of 1 January 2015 the residents will also be able to sign online the initiatives on referenda and legislation—via the portal [Latvija.lv](http://www.latvija.lv), and online systems created by private entities.*

*In addition to its primary purpose, an innovative and open approach has been introduced to the implementation of solutions—the principle of open interfaces. The Law and the subordinate Cabinet regulations stipulate that private entities are also able to devise solutions for the collection of signatures online. They can collect signatures online on the initiation of referenda, provided that their system complies with security and technical requirements laid down by the state, and that it has been certified by a competent authority. The state provides a cooperation platform for the submission, checking and counting of votes submitted online.*

*Main objective: The online collection of signatures for initiating referenda, offered as an e-service on the single state and local government portal [www.latvija.lv](http://www.latvija.lv), aims at providing the residents of Latvia with more convenient and widely accessible possibilities for taking part in the legislative and referendum initiatives, thereby making it easier for people, incl. those staying abroad, to directly participate in democratic processes in their country.*

#### *Milestones:*

- *Cabinet of Ministers Rules No. 471 Gathering of signatures online system security and technical requirements. New e-service provided in the state portal [www.latvija.lv](http://www.latvija.lv)*

#### *Verifiable and measurable indicators:*

- *Measuring the intensity of use of the new e-service*

Responsible Institution: Ministry of Environmental Protection and Regional Development

Supporting Institutions: Public administration institutions (ministries and subordinated institutions), general public

Start date: 2014.....

End date: 2017

**Editorial Note:** The commitment text above is drawn from the updated version of the action plan, published in October 2016 and available at <http://bit.ly/2EK34dH>. The original version of the action plan is available at <http://bit.ly/2ptZ0sq>. To see the changes between the two versions, visit <http://bit.ly/2FPvK4r>.

Commitment Overview	Specificity				OGP Value Relevance (as written)				Potential Impact				Completion		Midterm		Did It Open Government?				
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Technology & Innovation for Transparency &	None	Minor	Moderate	Transformative	Not Started	Limited	Substantial	Completed	Worsened	Did Not Change	Marginal	Major	Outstanding
7. Overall			✓		✓		✓				✓				✓					✓	
7.1. E-signature regulations		✓			✓						✓				✓						
7.2. Operational platform		✓			✓		✓				✓				✓						

### Commitment Aim

This commitment aims to improve opportunities for gathering signatures via the internet by (1) developing an e-signature portal and (2) establishing security and technical requirements for e-signature collection systems used to submit e-petitions. The only change to this commitment in the updated version of the action plan was the establishment of timelines for completion (2014–2015 for the technical requirements, 2015 for the portal, and mid-2017 for the commitment as a whole).

The collection of signatures can be used for three processes: (1) initiating amendments to laws or the constitution; (2) voting on a law passed by Parliament that is not announced by the president (who has the right to not announce a bill, in which case a referendum is held); and (3) dismissing Parliament. According to the law, one of every 10 voters (currently about 144,000 people<sup>1</sup>) must sign a petition within 12 months to initiate a referendum.<sup>2</sup>

### Status

#### Midterm: Complete

In January 2015, the government launched the new e-signature service on [www.latvija.lv](http://www.latvija.lv).<sup>3</sup> Later in 2015, the government made it easier for citizens to access the system by (1) enabling access through a commercial bank account authorisation and (2) allowing third parties to collect signatures online. During the first year of the action plan, the platform for the submission, verification, and tallying of e-petition signatures was open for use by third parties on the official portal of Latvia, [www.latvija.lv](http://www.latvija.lv).

At the time of the midterm evaluation, two referenda initiatives were live on the portal, though neither had collected 1,000 votes. To increase usage, the IRM researcher recommended improving the navigation of the site and raising awareness of the new tool. For more information, see the 2015–2016 IRM midterm report.<sup>4</sup>

### Did It Open Government?

#### Civic Participation: Major

Establishing a portal for gathering signatures was a potentially transformative commitment, because it could enable citizens to initiate and sign referenda online for the first time. Previously, Latvian residents could only initiate referenda by collecting physical signatures that needed to be witnessed

by a notary public, which was not free of charge. The creation of a portal for e-signatures could therefore expand the potential for participation by making it significantly easier for citizens to initiate and vote on referenda and legal amendments.

As a result of the commitment, citizens can now vote on proposals electronically and free of charge. The Central Election Commission announces each proposal on its web page and on the [www.latvija.lv](http://www.latvija.lv) portal, which allows users to share information on social networks such as Facebook, Twitter, Google+, and Draugiem.lv (the most popular social network in Latvia).<sup>5</sup> Authentication is possible using an electronic signature or a commercial bank authorisation. Statistics for the two proposals that were on the portal (and concluded) reveal that 90 percent of voters chose to sign the petitions electronically on the new system.<sup>6</sup> These statistics reveal the greater ease of using the new portal compared with the previous paper-based system. Therefore, according to the IRM researcher, the new use of technologies for civic participation has led to a major change in the level of government openness.

Nonetheless, there are important limitations (though they do not necessarily stem from the implementation of the commitment). For example, the system for collecting e-signatures was introduced immediately after (and because of) a significant increase in the threshold of signatures needed to initiate a referendum (from 10,000 to about 144,000). After the change, no initiative has gathered the necessary number of signatures necessary to start a referendum. The last referenda were in 2012 (on state language) and 2011 (on dismissing Parliament). Both took place before the start of this action plan. As of 8 September 2017, three initiatives (including the two mentioned in the Status section above) were open for voting<sup>7</sup> and had received 841; 1,207; and 3,633 signatures, respectively.

In addition, there is a privately owned portal for citizen proposals, ManaBalss.lv,<sup>8</sup> which is similarly aimed at conveying citizens' ideas to decision makers in Parliament. The goal of the portal is to compel Parliament to discuss public proposals. Since proposals on the portal are not intended to become referenda, but rather issues to be discussed by Parliament, citizen-proposed initiatives are submitted to Parliament for consideration as soon as they receive 10,000 e-signatures. The portal has existed since 2011, and since then, about 70 percent of website users have voted for an initiative.<sup>9</sup> The platform is also more visible on social networks and seems to be a more widely used tool for achieving change. For example, an initiative against high real-estate taxes received 23,039 signatures on ManaBalss.lv, compared to only 884 votes for a similar initiative on Latvija.lv.

In terms of ManaBalss.lv results, an overview in 2015 showed that there were 31 initiatives published on the site. Of those, 6 reached the necessary number of votes (10,000). Consequently, 4 were submitted to Parliament, and the other 2 to local governments.<sup>10</sup> Parliament, in accordance with its rules of procedure, must debate all submissions signed by 10,000 voters,<sup>11</sup> but parliamentarians have the right to reject the proposal if they think there are no merits to initiate changes in legislation or practise. Since 2011, 17 initiatives have been successful (i.e., Parliament asked ministries for policy changes or changed the laws); 12 were unsuccessful; 12 are being processed in Parliament; and 3 are being processed in local governments.<sup>12</sup>

Still, the Latvija.lv portal created as part of this commitment serves an important purpose. If Parliament decides not to consider a ManaBalss.lv proposal, citizens must find another way to achieve change, such as by initiating a referendum. If a referendum then passes, Parliament is obligated to approve the proposed amendment. Ultimately, then, the government did create new technological innovations for the public to influence decisions. On the other hand, because of the limitations described above, the system has not yet brought about significant changes.

### **Carried Forward?**

The commitment is completed and is not carried forward to the next action plan.

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- <sup>1</sup> “Local Elections in 2017,” Central Election Committee, <https://www.cvk.lv/pub/public/31244.html>.
- <sup>2</sup> “Signature Collection in Latvia,” Central Election Committee, <https://www.cvk.lv/pub/public/27592.html>.
- <sup>3</sup> “Amendment to the Law ‘On Real Estate Tax,’” Subscription to Voters’ Initiatives, <https://www.latvija.lv/pv>.
- <sup>4</sup> “Latvia Mid-Term Progress Report 2015–2017,” Open Government Partnership, <https://www.opengovpartnership.org/documents/latvia-mid-term-progress-report-2015-2017>.
- <sup>5</sup> “Collecting Signatures Electronically,” <https://www.latvija.lv/Aktualitates/2015/Tautas-nobalsosana>.
- <sup>6</sup> “Statistika: Parakstu Vaksana Nr. 20150918-008,” Central Election Committee, [https://www.cvk.lv/pub/upload\\_file/2016/Statistika\\_PV\\_17092015\\_18092016.pdf](https://www.cvk.lv/pub/upload_file/2016/Statistika_PV_17092015_18092016.pdf); and “Statistika: Parakstu Vaksana Nr. 20151113-012,” [https://www.cvk.lv/pub/upload\\_file/2016/Statistika\\_PV\\_14112015\\_13112016.pdf](https://www.cvk.lv/pub/upload_file/2016/Statistika_PV_14112015_13112016.pdf).
- <sup>7</sup> “Registered Initiatives for the collection of Regular,” Voting Initiatives, Central Election Committee, <https://www.cvk.lv/pub/public/31104.html>. The proposals seek to secure private real estate against high property taxes, lower the threshold for gathering signatures, and dismiss Parliament.
- <sup>8</sup> Home page of [www.manabalss.lv](http://www.manabalss.lv).
- <sup>9</sup> Ibid.
- <sup>10</sup> “2015.Gada Razigums,” <https://manabalss.lv/system/mbmini.jpg>.
- <sup>11</sup> “Rules of Procedure of Parliament,” Article 131<sup>3</sup>, <https://likumi.lv/doc.php?id=57517>.
- <sup>12</sup> “Executed,” <https://manabalss.lv/page/progress>.

## Commitment 8. Whistleblower Protections

### Commitment Text:

#### *Draft law on the protection of whistleblowers*

*Negative perceptions among the general public about whistleblowing. Comparatively small number of persons who are ready to report irregularities. The whistleblower protection mechanism is not efficient.*

*Main objective: Development of a single legal framework for whistleblowing [sic] and the protection of whistleblowers.*

Responsible Institution: State Chancellery

Supporting Institutions: Ministry of the Interior, Ministry of Welfare, Ministry of Justice, Supreme Court, Corruption Prevention and Combating Bureau, Office of the Prosecutor General, NGO “Association for transparency—Delna,” Free Trade Union Confederation of Latvia (members of the working group for the development of the Whistle Blower Protection Law)

Start Date: 2014

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End Date: 31 December 2016

**Editorial Note:** The commitment text above is drawn from the updated version of the action plan, published in October 2016 and available at <http://bit.ly/2EK34dH>. The original version of the action plan is available at <http://bit.ly/2ptZ0sq>. To see the changes between the two versions, visit <http://bit.ly/2FPvK4r>.

Commitment Overview	Specificity				OGP Value Relevance (as written)				Potential Impact				Completion		Midterm End of Term		Did It Open Government?				
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Technology & Innovation for Transparency & Accountability	None	Minor	Moderate	Transformative	Not Started	Limited	Substantial	Completed	Worsened	Did Not Change	Marginal	Major	Outstanding
8. Overall		✓					✓				✓		✓			✓	✓				

### Commitment Aim

The commitment aims to develop a regulation to achieve the legal protection of whistleblowers. This issue was on the agenda of NGOs and government institutions during the implementation of the first action plan. During the implementation of that plan, the State Chancellery created an interministerial working group to develop a concept note on whistleblower protection. The working group decided in 2014 to develop a draft law on whistleblower protection.

Although the original text of the commitment was vague, the government better specified the intended outcome of the commitment in the revised version of the second action plan. It is now clear that the goal of the commitment was the development of a single legal framework for whistleblowing. The updated version of the action plan additionally specified that the draft law was

expected to be announced at a meeting of the state secretaries in December 2015, and submitted to the Cabinet of Ministers by December 2016.

## **Status**

### **Midterm: Limited**

During the first year of implementation of this action plan, the draft law was discussed in the working group. The Cabinet of Ministers extended the deadline for the approval of the draft to 31 December 2016. As a result, by the midpoint of the action plan, the commitment had limited completion. For more information, see the 2015–2016 IRM midterm report.<sup>1</sup>

### **End of term: Complete**

The commitment is technically implemented, since it aimed to develop—not implement—a draft law, which falls under the exclusive domain of the executive. Nonetheless, the law is not in force, nor has it been approved by Parliament, which began its review of the bill on 16 March 2017.<sup>2</sup> At the time of writing this report, the bill remained under review.

During the second year of implementation, the State Chancellery led the process of drafting the law through coordination with public institutions and members of the public, which included a harmonisation meeting in July 2016. The draft law was approved by the Cabinet of Ministers in March 2017.<sup>3</sup> The State Chancellery added a special section on whistleblower protection to the web page of the Cabinet of Ministers, explaining the main concepts and describing the process of developing the law.<sup>4</sup> On the official law portal, on social networks, and in the media, the State Chancellery also provided an explanation of the law and the need for it.<sup>5</sup> The State Chancellery continues to raise public awareness, for example, by organising an international conference on the issue in November 2017. At the end of 2017, a Parliament committee working group was established to develop an alternative draft law. The group includes the State Chancellery, the Ministry of Justice, the NGO “Delna”, the Employers’ Confederation of Latvia, the Latvian Association of Free Trade Unions and the Civic Alliance of Latvia. In the previous IRM report, the IRM researcher suggested adopting the draft while preserving principles in accordance with transparency standards, such as

- A requirement to build whistleblower protection systems within organisations;
- A joint framework for dealing with submissions for all institutions involved in handling reports; and
- Protection measures for whistleblowers, including anonymity, a prohibition on applying measures against the person, and a burden of proof on the side of the employer.

The principles above were preserved during the review of the Cabinet. The IRM researcher recommends that they also be preserved during the parliament’s review.

## **Did It Open Government?**

### **Public Accountability: Did Not Change**

At this stage, although the commitment is technically completed, there are no changes in government practises, since the law is not in force.

## **Carried Forward?**

The third action plan includes a commitment that envisages awareness-raising measures of whistleblower protections. The commitment’s implementation will depend on whether the draft law mentioned above is approved by Parliament. Moving forward, it will be important for civil society to remain engaged, since greater citizen demands for change will improve the chances that the law is adopted.

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<sup>1</sup> “Latvia Mid-Term Progress Report 2015–2017,” Open Government Partnership, <https://www.opengovpartnership.org/documents/latvia-mid-term-progress-report-2015-2017>.

<sup>2</sup> “Law on the Protection of Whistleblowers,” Legal Projects, Parliament, [http://titania.saeima.lv/LIVS12/saeimalivs12.nsf/webAll?SearchView&Query=\(Title\)\\*trauksmes+c%93!%C4%93ju\\*\)&SearchMax=0&SearchOrder=4](http://titania.saeima.lv/LIVS12/saeimalivs12.nsf/webAll?SearchView&Query=(Title)*trauksmes+c%93!%C4%93ju*)&SearchMax=0&SearchOrder=4).

<sup>3</sup> “Draft law ‘The Law on Protection of Whistleblowers’” Legislative Proposals, Draft Legislation of the Cabinet of Ministers of the Republic of Latvia, <http://tap.mk.gov.lv/lv/mk/tap/?dateFrom=2016-09-06&dateTo=2017-09-06&text=trauksme&org=0&area=0&type=0>.

<sup>4</sup> “Whistleblowers,” Cabinet of Ministers, <http://www.mk.gov.lv/lv/content/trauksmes-celeji>.

<sup>5</sup> Inese Kuske, “Establishment of the Whistleblower Protection Mechanism in Latvia,” *Par Likumu un Valsti*, 6 February 2017, <http://www.lvportals.lv/visi/viedokli/285003-trauksmes-celeju-aizsardzibas-mehanisma-izveide-latvija/>.



## **Commitment 9. Political Party Financing**

### **Commitment Text:**

#### **Assessment of the system of financing of political parties**

*Law on Financing Political Organisations (Parties) stipulates that political organisations may be financed by the State budget and, at the same time, lays down certain pre-conditions for receiving and using the funds. To establish whether the allocation of the State budget funds has achieved the primary objective—to reduce the impact of major donors in politics, as well as to identify which types of expenditure can be funded by the State—the functioning of the system for financing political organisations and parties needs to be evaluated, by identifying the existing drawbacks and problems, as well as proposing solutions to remedy the situation.*

*Main objective is to limit the power of money in politics.*

*To achieve the objective, the work will be undertaken in the framework of eight sub-tasks, which are included in the “Corruption Prevention and Combating Guidelines for 2015-2020” (hereinafter—the Guidelines) approved by the Order of the Cabinet of Ministers of 16 July 2015:*

- 1. Assess the functioning of the system for financing political parties and political organisations following the amendments to the Law on Financing Political Organisations (Parties) regarding the allocation of the State budget funds to political parties, and develop recommendations to ensure the functioning of parties in periods between elections, reduce the dependence of parties on large-scale donations, and promote the attraction of small-scale contributions (Deadline for the implementation of the task in the Guidelines: 31.12.2016)*
- 2. Ensure the transparency of financial activities of political organisations (parties) by raising the effectiveness of the mechanisms of imposing liability for violations and imposing less severe sanctions for lesser administrative violations in the field of political party financing, incl. considering a possibility of reducing the administrative burden (Deadline for the implementation of the task in the Guidelines: 31.12.2016).*
- 3. On the basis of applications received and controls carried out by the KNAB [CPCB], to analyse the manifestations of covert pre-election campaigning in the earlier pre-election periods and provide recommendations for legislative amendments aimed at preventing the risk of disguised campaigning (Deadline for the implementation of the task in the Guidelines: 31.12.2016).*
- 4. Ensure the creation and implementation of the electronic declaration system of political parties in Latvia (Deadline for the implementation of the task in the Guidelines: 31.12.2016).*
- 5. On the basis of earlier analysis on the issues of interest for parties and other election participants in the pre-election period and on the election days, the KNAB has to produce a methodological material for political parties to ensure proper interpretation and application of binding legislative acts while preparing for elections, as well as for publishing this information (Deadline for the implementation of the task in the Guidelines: 31.12.2015).*
- 6. Assess the impact of lobbying on the Law on the State Budget, the construction, insolvency administration procedures, and other sectors and provide recommendations for reducing the impact of disproportionate lobbying (Deadline for the implementation of the task in the Guidelines: 31.12.2018).*
- 7. Assess the legal framework related to publication of the identity of donors and set a limit to the amount of a donation, below which the information about the donor is not made public, thereby promoting the involvement of small-scale donors in funding of political organisations (Deadline for the implementation of the task in the Guidelines: 31.12.2016).*

Responsible Institution: Corruption Prevention and Combating Bureau

Supporting Institution: N/A

Start date: 2014.....

End date: 2017

**Editorial Note:** The commitment text above is drawn from the updated version of the action plan, published in October 2016 and available at <http://bit.ly/2EK34dH>. The original version of the

action plan is available at <http://bit.ly/2ptZ0sq>. To see the changes between the two versions, visit <http://bit.ly/2FPvK4r>.

Commitment Overview	Specificity				OGP Value Relevance (as written)				Potential Impact				Completion		Midterm End of Term		Did It Open Government?				
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Technology & Innovation for Transparency & Accountability	None	Minor	Moderate	Transformative	Not Started	Limited	Substantial	Completed	Worsened	Did Not Change	Marginal	Major	Outstanding
9. Overall	✓				Unclear				✓				✓				✓				
9.1. Assessment	✓				Unclear				✓			✓									
9.2. Effective liability	✓				Unclear				✓				✓								
9.3. Amendments on covert agitation	✓				Unclear				✓				✓								
9.4. Electronic declaration			✓		Unclear				✓				✓								
9.5. Methodology for political parties			✓		Unclear				✓					✓							
9.6. Regulation of lobbying	✓				Unclear				✓				✓								
9.7. Assess impact of lobbying	✓				Unclear				✓			✓									
9.8. Small donations			✓		Unclear				✓				✓								

### Commitment Aim

The amount of government subsidies for political parties is low in Latvia. Subsidies began in 2012 and amount to 0.71 euros per vote received by political parties in the previous parliamentary elections. The limited subsidies help explain why political parties are dependent on private donations and are susceptible to the influence of money. In response to this problem, NGOs suggested that the government assess the impact of its subsidies on political parties and propose changes within the framework of OGP if needed.<sup>1</sup> NGOs proposed these actions as a commitment in the second action plan. In their view, additional government subsidies would allow for more professional political parties that could develop human resources for well-crafted, long-term policy decisions. The government took up the NGO proposal, but it included the proposal in the action plan with activities that have no public-facing elements.

In general, the objective of the commitment is to reduce the role of private money in politics, especially that of large, private donors or donors of unclear origin. Eight steps are envisaged to achieve the objective:

- An assessment of how government subsidies to political parties have impacted the current situation;
- More effective liability mechanisms for political party financing violations, including the minimising of sanctions for less significant administrative violations;
- Solutions for reducing covert pre-election campaigning;
- An electronic system for declaring party finances;
- A handbook for political parties on the legal framework of their activities;
- Increased transparency in lobbying;
- An assessment of the impact of lobbying in various areas; and
- A threshold for the size of anonymous donations.

The only substantive change to the commitment text in the updated version of the action plan is the establishment of clear timelines for each of the milestones, reflected in the commitment text above.

## Status

### Midterm: Limited

Although the CPCB had prepared several legal amendments, none of the proposals were publicly available or approved by either the Cabinet of Ministers or Parliament. As a result, the completion of the commitment was considered limited.

The CPCB reported the following progress for each milestone:

- Instead of the assessment of government subsidies, CPCB reported on the development of amendments to the law on financing political parties, stating that a person must not donate all of their declared income. In this way, the government seeks to keep large donors from distributing resources to false small donors, who then donate to political parties. The amendments had been submitted to a Parliament commission, but had not been passed by Parliament by the midterm of the action plan (the amendments were passed and then adopted by Parliament after the close of the action plan on 26 October 2017).
- Effective liability measures are meant to reduce sanctions to political parties for minor administrative offences. The CPCB created draft guidelines that were not in force and were not yet publicly available for comment.
- The CPCB participated in Parliament committee meetings and was developing amendments on covert agitation. Drafts were not publicly available for comment.
- The introduction of a mechanism for electronic declaration of political party resources was underway. It will not change the information political parties disclose or the public availability of that information—the information is already submitted and made public by the CPCB. The measure will reduce the administrative burden on the bureau and will change how political parties disclose their financial information to the government. As a result, the measure is aimed at improving the effectiveness of the bureau.
- The CPCB had drafted a methodology for political parties, describing the laws and regulations that must be obeyed before elections. The material was presented to a Parliament committee. It was not published or publicly available by the midterm of the action plan (July 2016).
- On 25 October 2014, the prime minister passed a resolution that regulation of lobbying should be ensured via amendments to the existing laws. A working group was created, encompassing experts from the CPCB and Ministry of Justice. This group published for debate amendments to the Law on State Order<sup>2</sup> and to the Parliament Rules of Procedure<sup>3</sup> on 26 May 2016. Discussions among ministries and in the Parliament committee had not resulted in a viable solution.

- The CPCB committed itself to assessing the impact of lobbying on various policy areas, such as construction and the development of the state budget. The activity had not been started.
- According to the CPCB, it was working on setting a threshold under which donations to political parties would remain anonymous. However, there were no concrete results during the midterm assessment.

For more information, see the 2015–2016 IRM midterm report.<sup>4</sup>

### **End of term: Limited**

- Parliament passed amendments to the Administrative Code of Latvia (Article 276)<sup>5</sup> to ensure effective liability. As a result, political parties that commit minor administrative offences now receive less severe sanctions, which reduces the administrative burden for the enforcing institutions. The milestone is completed.
- Parliament passed amendments on covert agitation.<sup>6</sup> It set rules for the distribution of printed materials in private mailboxes, prohibited the use of publicly owned houses and institutions to distribute materials, and established pricing rules for advertising materials on privately owned spaces. The amendments were in force as of 15 July 2016. Therefore, the milestone is completed.
- The introduction of an electronic declaration system is linked to pending amendments to the Law on Financing of Political Parties in Parliament.<sup>7</sup> Therefore, the implementation of the milestone is limited.
- CPCB conducted a seminar for political parties on 21 December 2016<sup>8</sup> and published the methodology for political parties, which contains guidelines for pre-election periods.<sup>9</sup>
- The efforts for regulation of lobbying have not resulted in approved amendments, as described in the previous report. The CPCB developed new amendments to the Rules of Procedure of Parliament<sup>10</sup> and submitted them to the Legal Committee of Parliament. However, the content of the amendments is not publicly available. According to information provided by the CPCB,<sup>11</sup> the proposed amendments regulate the communication of members of Parliament with lobbyists and other persons trying to influence draft laws and the legislative process. Given that there is no progress at this stage, the implementation of the milestone is limited.
- The assessment of the impact of lobbying has not started, since lobbying is still not defined under Latvian law.
- The CPCB developed amendments to the Law on Financing of Political Parties to set a threshold for the size of anonymous donations. The amendments were passed in the second reading in Parliament on 22 June 2017. However, the adoption of the amendments by Parliament and the proclamation of the law took place after the close of the action plan (26 October 2017 and 8 November 2017, respectively).

Overall, the implementation of the commitment is limited, since several activities were not started and there was little to no progress on two of the main activities that could change “business as usual” in terms of money in Latvian politics. Specifically, the analytical study of how government subsidies impact the work of political parties was not started and not on the agenda of the CPCB, and the regulation of lobbying led to several proposals but no results.

### **Did It Open Government?**

**Access to Information: Did Not Change**

**Civic Participation: Did Not Change**

**Public Accountability: Did Not Change**

While the activities proposed by the government in this commitment are positive reforms, they are not directly relevant to open government. Hence, there was no change in the levels of access to information, civic participation, or public accountability.

## Carried Forward?

The third action plan includes a commitment to “develop regulations requiring openness on lobbying draft laws and policies.”<sup>12</sup> It will focus on holding discussions on the impact of lobbying in decision making and implementing public awareness measures.

For the future, the IRM researcher recommends prioritising the assessments of government subsidies to political parties and the impact of lobbying on Latvian politics. To ensure that these activities are relevant to open government, the government could commit to involving civil society organisations in the assessment, publicly disclosing the results of the assessment, and/or releasing data on the effects of lobbying. Policies that address the influence of money in politics should be based on the results and recommendations from these analyses. Without underlying studies, measures such as the more effective liability enforcement mechanisms and thresholds for anonymous donations proposed in this commitment could be formulated in a way that worsens the status quo. In addition, the IRM researcher recommends focusing on fewer, higher-impact activities that specify expected outcomes and how they will be achieved, rather than more vague actions.

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<sup>1</sup> Iveta Kažoka (Policy Centre Providus), interview by IRM researcher, 22 August 2016.

<sup>2</sup> “Draft Law ‘Amendments to the Law on State Administration Structure,’” Legislative Proposals, Draft Legislation of the Cabinet of Ministers of the Republic of Latvia, <http://tap.mk.gov.lv/lv/mk/tap/?pid=40390230>.

<sup>3</sup> “Draft Law ‘Amendments to the Saeima Procedural Roll,’” Legislative Proposals, Draft Legislation of the Cabinet of Ministers, <http://tap.mk.gov.lv/lv/mk/tap/?pid=40390231>.

<sup>4</sup> “Latvia Mid-Term Progress Report 2015–2016,” Open Government Partnership, <https://www.opengovpartnership.org/documents/latvia-mid-term-progress-report-2015-2017>.

<sup>5</sup> “Latvian Administrative Violations Code,” Legislation of the Republic of Latvia, <https://likumi.lv/doc.php?id=89648>.

<sup>6</sup> “Amendments to the Pre-election Campaign Law,” Legislation of the Republic of Latvia, <https://likumi.lv/ta/id/283154-grozijumi-prieksvelesanu-agitacijas-likuma>.

<sup>7</sup> “Amendments to the Law on the Financing of Political Organisations (Parties),” Legal Projects, Parliament, [http://titania.saeima.lv/LIVS12/saeimalivs12.nsf/webAll?SearchView&Query=\(\[NumberTxt\]=910/Lp12\)&SearchMax=0&SearchOrder=4](http://titania.saeima.lv/LIVS12/saeimalivs12.nsf/webAll?SearchView&Query=([NumberTxt]=910/Lp12)&SearchMax=0&SearchOrder=4).

<sup>8</sup> “Information for Campaigners,” Pre-election Campaign, CPCB, <https://www.knab.gov.lv/lv/finances/campaigning/media/>.

<sup>9</sup> “Prieksvelesanu Agitacijas Likuma Piemerosanas Vadlinijas Atbilstosi KNAB Kompetencei,” CPCB, [https://www.knab.gov.lv/upload/partijam\\_nesaistitam\\_personam/pofkn\\_reklamdevejiem\\_21.12.pdf](https://www.knab.gov.lv/upload/partijam_nesaistitam_personam/pofkn_reklamdevejiem_21.12.pdf).

<sup>10</sup> “Amendments to the Saeima Procedural Roll,” Legal Projects, Parliament, [http://titania.saeima.lv/LIVS12/saeimalivs12.nsf/webAll?SearchView&Query=\(\[NumberTxt\]=922/Lp12\)&SearchMax=0&SearchOrder=4](http://titania.saeima.lv/LIVS12/saeimalivs12.nsf/webAll?SearchView&Query=([NumberTxt]=922/Lp12)&SearchMax=0&SearchOrder=4).

<sup>11</sup> CPCB, written communication, 13 September 2017.

<sup>12</sup> Latvia National Action Plan 2017-2019, [https://www.opengovpartnership.org/sites/default/files/Latvia\\_National-Action-Plan\\_2017-2019\\_LAT.pdf](https://www.opengovpartnership.org/sites/default/files/Latvia_National-Action-Plan_2017-2019_LAT.pdf)

## Commitment 10. Code of Ethics

### Commitment Text:

#### Public Sector Code of Ethics

The public administration institutions have codes of ethics, but there is no uniform framework for ethical norms and uniform measures for the implementation of ethical norms.

Main objective: To draft the code of ethics for the public administration employees.<sup>1</sup>

Responsible Institution: State Chancellery

Supporting Institutions: Members of focus groups, Public Policy Centre NGO “Providus”

Start Date: December 2014

End Date: December 2016

**Editorial Note:** The commitment text above is drawn from the updated version of the action plan, published in October 2016 and available at <http://bit.ly/2EK34dH>. The original version of the action plan is available at <http://bit.ly/2ptZ0sq>. To see the changes between the two versions, visit <http://bit.ly/2FPvK4r>.

Commitment Overview	Specificity				OGP Value Relevance (as written)				Potential Impact				Completion		Midterm		Did It Open Government?					
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Technology & Innovation for Transparency & Accountability	None	Minor	Moderate	Transformative	Not Started	Limited	Substantial	Completed	Worsened	Did Not Change	Marginal	Major	Outstanding	
10. Overall		✓			Unclear				✓						✓		✓					

### Commitment Aim

Prior to the action plan, expectations surrounding conflicts of interest, ethics, and lobbying were unclear. While many institutions had codes of ethics, there was no single uniform standard for all government institutions. Therefore, the aim of the Code of Ethics was to standardise expectations and promote integrity in the actions of public service, while serving the interests of society in accordance with the law, values, principles, and professional ethics defined by the state. The code would supplement existing legal norms, give more details and explanations on how to behave, and provide principles that should be followed.

### Status

#### Midterm: Substantial

During the writing of the midterm report, the draft Code of Ethics was still under consultation. As part of this consultation process, the government carried out a series of intragovernmental discussions. Specifically, the government held focus groups with 27 public institutions, including new civil servants, members of ethics committees, and high-level managers. As for civil society, the organisation Providus was directly involved in the drafting of the code. The draft code was later

published on the Cabinet of Ministers' website for public comment. To ensure enough time for quality discussions, the government extended the deadline to submit the draft for a vote at the Cabinet of Ministers to the end of 2016.

The draft code contained the following sections: general issues, basic values and principles, basic rules, conflict of interests and gifts, relations with lobbyists, additional rules for managers, rules to obey outside the office, consideration of violations, and other issues. The code also made recommendations on how ethics committees within institutions should operate and offered a mechanism for mutual learning: an annual exchange of good practises in difficult situations.

The 2015-2016 Latvia IRM report stated that the commitment is not relevant to OGP values because it is internal to government and does not engage citizens. For more information, see that report.<sup>2</sup>

### **End of term: Substantial**

The State Chancellery reported<sup>3</sup> that it has developed a game application showing different aspects of ethical behavior of public officers, available at <http://www.mk.gov.lv/etika>. The State Chancellery also participated in the LAMPA festival<sup>4</sup> by organising and hosting an event titled "How to Be Honest" and conducting exercises based on the application. The LAMPA festival has been organised in Latvia for three years and gathers opinion leaders, politicians, watchdog organisations, and people interested in policy issues. It is broadly covered by the media and attracts many young people in particular.<sup>5</sup>

The State Chancellery also reported<sup>6</sup> that it has examined the draft code in light of the new 26 January 2017 recommendation of the OECD Council on Public Integrity.<sup>7</sup> However, the code was not approved by the end of the action plan's period of implementation. The draft version for comments is available on the web page of the Cabinet of Ministers.<sup>8</sup>

### **Did It Open Government?**

**Access to Information: Did Not Change**

**Civic Participation: Did Not Change**

**Public Accountability: Did Not Change**

Prior to the start of this action plan, there were laws and regulations that required civil servants to consult the groups that are most influenced by policies. Civil servants were to do so through policy impact assessments and during the development of policy documents, draft laws, and regulations. Nonetheless, these requirements could be formally fulfilled by engaging few NGOs, avoiding proactive consultations with groups that are affected by policies but that are not well organised, or responding to citizen requests without solving their issues. There are also situations in which it is not always clear how to behave in terms of conflicts of interest, moral stances, connections with lobbyists, and behavior outside of the office, among others. This gap in guidance is why the government committed to create a code of ethics.

At this stage, however, since there is only a draft, there has been no change in government practise regarding the three core OGP values: access to information, civic participation, and public accountability. Although there was an extensive consultation process to develop the code, the process involved mostly government institutions, as described above. Furthermore, given that the Latvian government regularly publishes draft documents online for public comment, involving citizens in this way did not represent a change in government practise. Nonetheless, the State Chancellery has raised public awareness of ethics in public service by developing the game cited above and by participating in public events.

### **Carried Forward?**

The commitment is carried forward to the third action plan, which proposes the approval of the code of public sector values and ethics by the Cabinet of Ministers, the development of a

methodological guide to explain the code, an online training course, and the raising of public awareness.

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<sup>1</sup> There are only minor textual differences in the commitment text of the original and updated versions of the action plan.

<sup>2</sup> "Latvia Mid-Term Progress Report 2015–2016," Open Government Partnership, <https://www.opengovpartnership.org/documents/latvia-mid-term-progress-report-2015-2017>.

<sup>3</sup> State Chancellery, written communication, 18 September 2017.

<sup>4</sup> Home page of LAMPA festival, <http://festivalslampa.lv/event/lv/508/>.

<sup>5</sup> "News," LAMPA, <http://www.festivalslampa.lv/en/news>.

<sup>6</sup> State Chancellery, written communication, 18 September 2017.

<sup>7</sup> "OECD Recommendation on Public Integrity," Anti-corruption and Integrity in the Public Sector, OECD, <http://www.oecd.org/gov/ethics/recommendation-public-integrity.htm>.

<sup>8</sup> "Recommendation Draft 'Code of Ethics for Employee of Public Administration,'" Legislative Proposals, Draft Legislation of the Cabinet of Ministers of the Republic of Latvia, <http://tap.mk.gov.lv/lv/mk/tap/?pid=40382041>.



## Methodological Note

The end-of-term report is based on desk research and interviews with governmental and nongovernmental stakeholders. The IRM report builds on assessments of progress distributed by civil society, the private sector, and international organisations; as well as the previous IRM progress report.

The government's self-assessment report was not available during the development of this report. In addition to the above, the IRM researcher used the following to complete the report: written information provided by the agencies responsible for implementation (Corruption Prevention and Combating Bureau, Cross-Sectoral Coordination Centre, Ministry of Environmental Protection and Regional Development, Ministry of Finance, and State Chancellery); publicly available information on the official websites of ministries, State Chancellery, Parliament, and official law databases; and email consultations with NGO representatives.

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The Open Government Partnership (OGP) aims to secure concrete commitments from governments to promote transparency, to empower citizens, to fight corruption, and to harness new technologies to strengthen governance. OGP's Independent Reporting Mechanism assesses development and implementation of national action plans to foster dialogue among stakeholders and to improve accountability.

*Risinājumu  
Darbnīca*

