**KNI initiatives in the Republic of Latvia**

A three level system of outcomes and output indicators has been developed in the country. Outcomes and output indicators have been set in various state policy planning documents, operational strategies of the institutions and budget requests of state budgetary programmes. Below please find enclosed a table outlining the indicators set on various levels:

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| **No** | **Document** | **Set output indicators** | **Where is the information on the implementation of the particular indicator reflected** |
| 1.  | **National Development Plan of Latvia for 2007 - 2013** | Indicators have been set in line with the strategic objective, priorities and tasks to be undertaken  | Within the informative reports submitted to the Cabinet of Ministers  |
| In accordance with the hierarchy the top medium term development planning document. The objective of the plan is to facilitate a balanced and sustainable development of the country, as well as to ensure an increase in Latvia’s competitiveness. It is our contribution to the common strategy of the EU member states and to the implementation of the Lisbon programme. |
| **Strategic Development Plan of Latvia for 2010 - 2013** | Indicators have been set for state development priorities stipulated in the plan  | Within the informative reports submitted to the Cabinet of Ministers |
| Taking into account the economical recession and considering the State’s development objective stipulated in the National Development Plan (increasing of the life quality through moving from labour-consuming economy to development of economy based on the knowledge and skills) the Plan offers a strategic goal, priorities and orientation of activities topical to the existing socio-economic situation.  |
| **Policy planning documents – plans, basic guidelines etc in various areas** | Indicators for particular areas have been set  | Within the informative reports submitted to the Cabinet of Ministers |
| 2. | **Operational strategies of state administration institutions**  | Incorporate outcomes set by the policy planning documents, setting output indicators for the particular area | Within the annual public statements of the institutions, which are as well being submitted to the Ministry of Finance and State Chancellery |
| 3. | **Budgetary requests and supporting documents** | Incorporate operational outputs anticipated for the particular programmes within the operational strategies of the institutions | Report on the budget implementation submitted to the Ministry of Finance  |

In order to characterise the outcome indicators for achieving the objectives stipulated in planning documents we will be using the example of state’s main planning documents and one of the policy areas – state administration.

**1. National Development Plan of Latvia for 2007 - 2013**

In order to ensure monitoring over the implementation of the National Development Plan in accordance with its strategic objective, priorities and tasks to be undertaken, implementation monitoring outcome indicators have been developed. These indicators have been set for achievement of the Plan’s overall objective as well as for each of the priorities set by the plan:

* An educated and creative person;
* Technological excellence and flexibility of enterprises;
* Development of science and research;
* Development of the state and society;
* Orderly entrepreneurship and living-space;
* Growth of welfare.

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| **Nr.** | **Description of the outcome indicators set for achievement of the Plan’s overall objective** |
| **1.** | **GDP per inhabitant** (% of EU-27 level according to the purchasing power equality standards (PPES) |
| **2.** | **GDP growth speed** (%) |
| **3.** | **Work productivity** (GDP according to PPES per worker % of EU-27 level)  |
| **4.** | **Employment level** (% of the number of employed inhabitants aged 15 to 74) |
| **5.** | **Number of commercial entities** per 1000 inhabitants  |
| **Proportion of innovative enterprises** (% from the total number of enterprises) |
| **6.** | **Overall budget expenditure for higher education** (% against GDP) |
| **7.** | **Total domestic funding for research** (% from GDP) |
| **8.** | **Export increase speed** (% against the previous year) |

**2. Strategic Development Plan of Latvia for 2010 - 2013**

In order to achieve priorities stipulated in the Plan the following indicators have been set:

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| --- | --- |
| **Priority** | **Indicator** |
| **1. Economic growth** |
| Macroeconomic stability | General government budget deficit (% of GDP) |
| Entrepreneurship environment  | Place in the Doing Business index |
| Knowledge based economy | Amount of resources allocated for research and development activities (% of GDP) |
| Proportion of innovative enterprises, % |
| Energy efficiency  | Total energy consumption referred against the GDP (year 2000 in comparable prices) – tons in oil equivalent per 1000 Euro |
| **2. Social security** |
| Employment and social support  | Poverty risk index after social transfers, % |
| Decreasing regional isolation  | Regional GDP dispersion per 1 inhabitant, % |
| Education | Youth education level (proportion of youth aged 20-24 possessing at least secondary education, %) |
| Health | Proportion of persons, which have indicated that in the event of necessity have not conducted a health check due to the insufficient accessibility of healthcare services, % |
| Physical safety | Number of crimes per100 000 inhabitants  |
| **3. Public governance reforms** |
| State governance efficiency | State governance efficiency index, % |

**3. State Administration Policy Development Guidelines for 2008 - 2013**

State administration policy objective is a legal, effective and sufficient quality state administration, able to ensure services provided by state administration in accordance with the needs of the society. Guidelines implementation policy outcomes and its indicators have been set in accordance with the objectives, sub-objectives and main courses of action stipulated in the guidelines.

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| --- | --- |
| **Policy operation outcome** | **Output indicator** |
| **1. Policy planning and financial management** |
| Qualitative assessment of the impact of state policies  | Proportion of legal acts announced in the Meeting of State Secretaries and developed in accordance with policy planning documents approved by the Cabinet of Ministers |
| **2. Governance quality: services and institutional system**  |
| Quality and accessibility of state administration services   | Proportion of appeal cases (proportion of administrative regional court cases) accepted and satisfied (of the total number of cases)completed  |
| Proportion of state and local government services corresponding to the 4th and 5th level of electronization in accordance with services incorporated into the electronic catalogue of public services  |
| **3. Regularity of state administration operations**  |
| Administrative procedure takes place in line with the objectives stipulated in Administrative Procedure Law | Average overall length of administrative cases hearing in all administrative court levels (in months)  |
| **4. Human resources development in state administration**  |
| State administration as an employee on equal basis competes with private sector and EU institutions  | Turnover among state administration employees (staff turnover coefficient) |
| **5. Participation and co-operation of the general public**  |
| State administration considers interests of the general public, excluding illegal and corruptive action  | Corruption perception index of Latvia against the average indicators of Scandinavia (Norway, Sweden, Finland) |

State policy document “Basic Guidelines for Outcome and Output Indicators System for 2008 – 2013” anticipates measures for gradual implementation of a new system of indicators, which would be used to provide to the general public, the cabinet of Ministers as well as the Parliament (*Saeima*) information on the level of achievement of objectives defined by the planning documents as well as to reflect effectiveness of state budgetary resources utilisation and compliance with the objectives set by the policy planning documents.

To enable using the output indicators for state budget planning purposes as of 2012 draft state budget development it is anticipated to improve linkage between the state budget and system of outcome and output indicators.

Strategic planning system sets documental framework for the system of indicators in state administration. Strategy of state institution is a central document, which provides for unification, accumulation and assessment of the outcomes of each sector (or institution). On 4 January 2011 Cabinet of Ministers instruction on the procedure for developing and updating operational strategies of the institutions and assessing its implementation has been approved. This instruction stipulates that when developing operational strategies for 2012 – 2014 the institutions shall reflect information on the objectives, priorities and outcomes to be achieved within their particular policy areas. Until 31 July 2011 the Cabinet of Ministers has planned to develop amendments to the legislation in order to set procedure obliging the institutions to include in their annual statements on the implementation of state budget information on the achievement of the outcomes set for specific budgetary programmes as well as achievement of the set output indicators.