



## European Structural Funds (2004-2006)

### Latvija (Latvia)

#### Solidarity for the benefit of all

Twenty-five Member States, 254 regions: enlargement of the European Union is both a historic opportunity for Europe and a challenge for cohesion policy. Overnight, regional disparities have doubled. European regional policy, which has proved its value in reducing disparities in the past, now has more of a reason for being than ever. Allocated more than a third of the Union's budget, it gives practical shape to European solidarity for the benefit of economic and social cohesion and the exploitation of Europe's competitive advantages, which are essential for growth and employment. More than a policy of wealth redistribution, it aims rather to create new wealth. Largely decentralised, it is based on the initiative and responsibility of all the regional development actors, bringing

to their action the coefficient of the sharing of experiences and common objectives among Europeans.

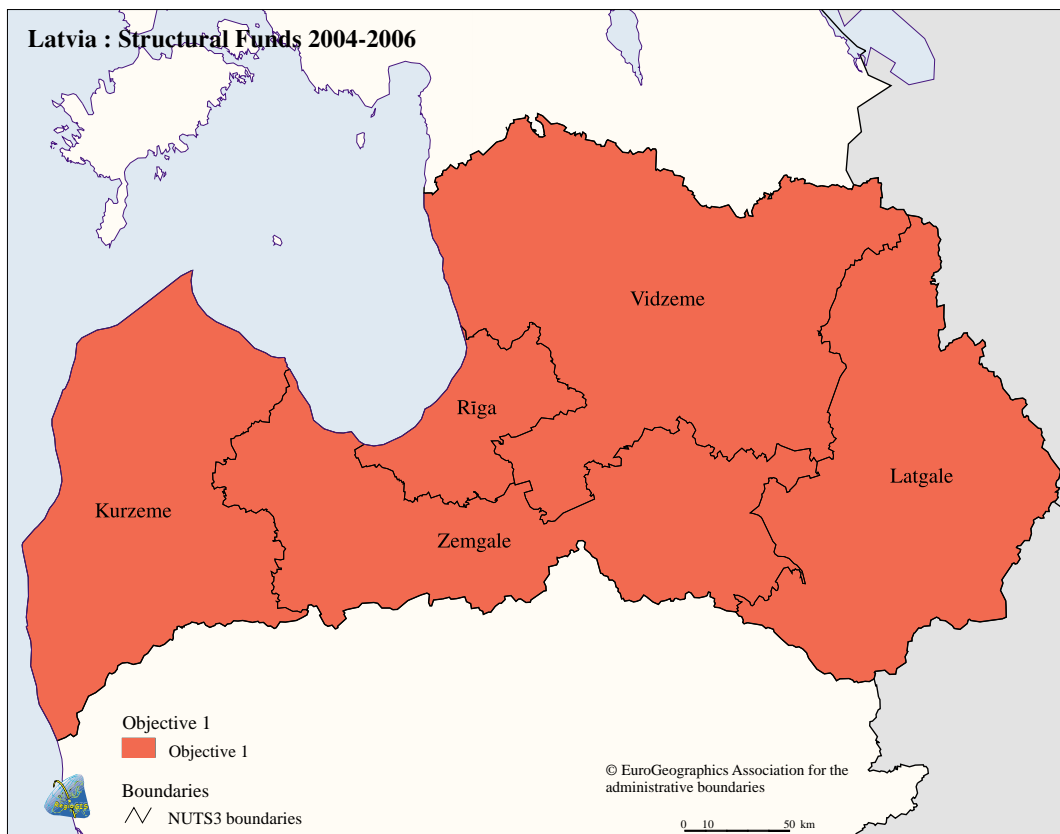
As a new member State since 1 May 2004, during the 2004-2006 period Latvia will receive aid of more than EUR 1.6 billion from Structural Funds to enable its development to catch up. This information sheet provides an overview of the wide range of actions implemented.

As to the future, the challenge will be to further strengthen European solidarity through consolidated resources and their most efficient possible use in the service of all the Union's citizens and territories, beginning with the most disadvantaged and adapting aid in line with specific situations.

For further information, please consult the European Commission's Internet site:  
[http://europa.eu.int/comm/regional\\_policy/index\\_en.htm](http://europa.eu.int/comm/regional_policy/index_en.htm)

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## Structural funds in Latvia (2004-2006)




*Veterinarian inspection in Latvia*

For the 2004-2006 period, the entire Latvian territory is receiving Objective 1 Structural Funds through a single development programme. In the long term, this programme aims to build up a diversified knowledge economy, by enabling the country's economic development to catch up with the EU average, through the rapid expansion of information and communication technologies (ICT) and by triggering a process of innovation on a national scale. Bearing in mind this long-term vision, the medium-term objectives aim to promote competitiveness and employment, develop human resources and enhance the provision of infrastructures.

### Programme priorities

Whilst addressing various transversal issues (ICT, gender equality, social inclusion and a sustainable environment), Latvia's development programme focuses on the following priorities:

- **Territorial cohesion.** This priority aims to improve quality of life, enhance the attractiveness of the various regions and promote balanced development throughout the territory. To achieve this, transport and telecommunication infrastructures have to be developed, along with infrastructures connected with the environment, health, education, employment and social services.
- **Enterprises and innovation.** The objective involves encouraging the creation of enterprises and making existing enterprises more competitive by creating the requisite conditions for intensive knowledge production. To achieve this, integrated partnership projects will be supported, covering the areas of access to funding, commercial infrastructures, innovation and competitiveness (business assistance services, notably for access to technologies).
- **Human resources and employment.** This involves strengthening the competitiveness of the workforce and promoting employment, social cohesion and economic growth through lifelong learning, local and regional development and the information society. The measures will include the improvement of the education and training system, the establishment of an active employment policy, along with job market access assistance for people threatened with social exclusion. Achieving these measures will require the creation of a solid partnership between ministries, local authorities, both sides of industry and non-governmental organisations.
- **Rural areas and fisheries.** In rural areas, the priority is to overcome the structural problems of agriculture and to develop its products, redress the lack of enterprise and bring about sustainable rural, agricultural and

	Population (2001, in thousands)	Inhab./km <sup>2</sup> (2001)	GDP/inhab. (2001, EU25=100)	Rate of employment (2002, 15-64 years of age)	Rate of unemployment (2002)
Latvia	2.355	36.5	36.6	60.4 %	12.1 %

forestry development. This notably involves the modernisation of production and transformation processes, land improvement, the appropriate use of natural resources, the encouragement of rural development initiatives and the involvement of young people in agricultural activities. With regard to fisheries, the objective is to ensure the sustainable use of fishery resources and the sale of quality products, along with the promotion of aquaculture.

- **Technical assistance** for preparation and information, follow-up, checking and assessment activities.

### Community Initiatives

Other programmes are implemented in Latvia with Structural Funds assistance in the framework of Community Initiatives:

- The INTERREG IIB “Baltic Sea Region” neighbourhood programme (11 countries on the Baltic Sea);
- The INTERREG IIC “North” zone interregional cooperation programme;
- The development partnerships in the EQUAL Initiative for equality in the employment market.

### Cohesion fund

Apart from the Structural Funds, Latvia receives additional aid from the Cohesion Fund for infrastructure projects involving the environment (drinking water, waste water, solid waste and erosion) and transportation (roads, railways, ports, airports and traffic control).

### Managing household waste in Ventspils



**Total cost:** EUR 6 190 000

**EU contribution:** EUR 3 033 100

‘The Ventspils region (population 60 000) on the Baltic coast does not have any landfill sites and the 13 existing dumps operate without reference to any environmental standards. This ISPA project involves the construction of a landfill and transit warehouse for dangerous waste, improving the access road, purchasing the necessary equipment (containers, vehicles, crusher, etc.), financing a public information campaign, installing a device for monitoring underground and surface water, closing and upgrading present dumps (approximately 31 ha), introducing sorted waste collection and recycling paper, cardboard, glass and metal.’

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<b>Structural aid in Latvia (2004-2006, in millions EUR, at current prices)</b>				
Objective 1	INTERREG	EQUAL	Cohesion F.	Total (**)
625.57 (*)	15.26	8.03	515.43	1 164.29

(\*) Out of a total cost of 856.07 million.

(\*\*) Breakdown of expenditure per sector: basic infrastructures (32.6%); enterprise competitiveness (25%); human resources (21.2%); agriculture, rural development and fisheries (18.5%); other (2.7%).

# The Structural Funds in Europe

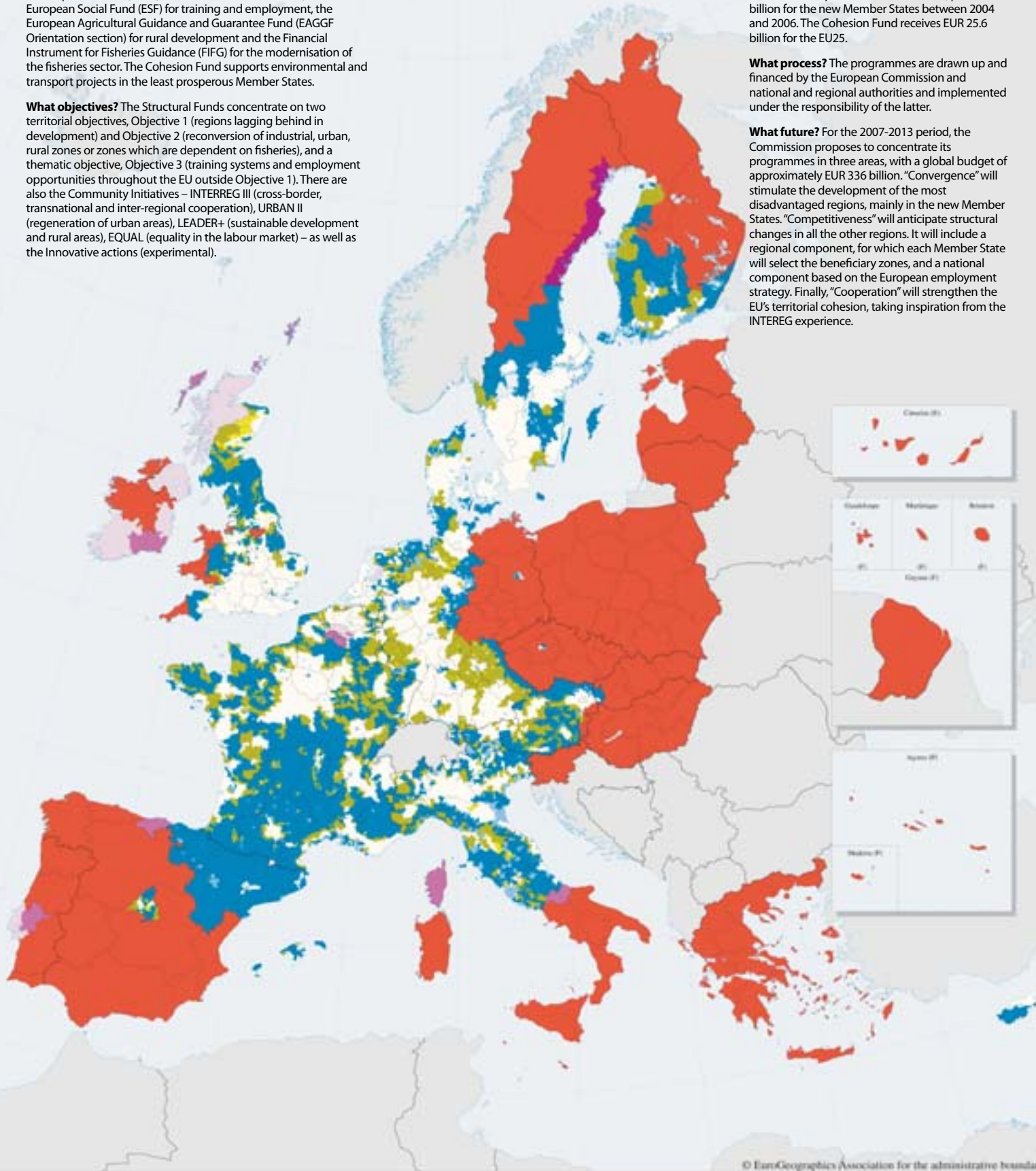
**Which Funds?** The Structural Funds are the European Regional Development Fund (ERDF) for infrastructures and SMEs, the European Social Fund (ESF) for training and employment, the European Agricultural Guidance and Guarantee Fund (EAGGF Orientation section) for rural development and the Financial Instrument for Fisheries Guidance (FIFG) for the modernisation of the fisheries sector. The Cohesion Fund supports environmental and transport projects in the least prosperous Member States.

**What objectives?** The Structural Funds concentrate on two territorial objectives, Objective 1 (regions lagging behind in development) and Objective 2 (reconversion of industrial, urban, rural zones or zones which are dependent on fisheries), and a thematic objective, Objective 3 (training systems and employment opportunities throughout the EU outside Objective 1). There are also the Community Initiatives – INTERREG III (cross-border, transnational and inter-regional cooperation), URBAN II (regeneration of urban areas), LEADER+ (sustainable development and rural areas), EQUAL (equality in the labour market) – as well as the Innovative actions (experimental).

**What budget?** The Structural Funds allocation for the 2000-2006 period is EUR 195 billion, plus 15 billion for the new Member States between 2004 and 2006. The Cohesion Fund receives EUR 25.6 billion for the EU25.

**What process?** The programmes are drawn up and financed by the European Commission and national and regional authorities and implemented under the responsibility of the latter.

**What future?** For the 2007-2013 period, the Commission proposes to concentrate its programmes in three areas, with a global budget of approximately EUR 336 billion. "Convergence" will stimulate the development of the most disadvantaged regions, mainly in the new Member States. "Competitiveness" will anticipate structural changes in all the other regions. It will include a regional component, for which each Member State will select the beneficiary zones, and a national component based on the European employment strategy. Finally, "Cooperation" will strengthen the EU's territorial cohesion, taking inspiration from the INTERREG experience.



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