



## **Weekly Briefing**

**Latvia political briefing:**  
**Latvia improves the efficiency of public services**  
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## **Latvia improves the efficiency of public services**

*The political developments of July 2020 mark multiple regulations within the fields of justice system and effective tool implementation in the governance sector. The State Digital Reform and establishment of Economic Court both highlight that Latvia is focusing on improving internal and external efficiency in multiple fields thus improving the pace of communication and decision-making process.*

### **Latvia launches the State Digital Reform**

As with the year of 2020 the importance of information and technology sector experienced a rapid increase, both residents and authorities of Latvia had to adapt to the virtual tools in order to ensure continuation of various activities such as education, work and others digitally. For example, on May of 2020 the Latvian Parliament was introduced with one of the first in the world e-Parliament tools, which allowed proper continuation of the Parliament of Latvia remotely. As the importance of digital tools has grown, it is necessary to have convenient and user-friendly virtual tools to ensure efficiency. Because of that the Cabinet of Ministers approved the "Reform of the Architecture of Public Administration Information Systems".

The rapid development of technology makes it necessary to review the information processing solutions of public administration institutions. In order to prevent the use of outdated technological solutions and information and communication technology support organization approaches, which hinder the further development of digitalisation not only of public administration services, but also of the whole economy, a nationwide digitization reform is needed. The Reform of the Architecture of Public Administration Information Systems aims to promote the use of digital technologies in all sectors of the economy and to promote the country's competitiveness.

The first step of the country's digital reform is the reform of the Information Systems Architecture, which will remove the limitations created by today's inadequate information systems. The problem of the legacy of aging technological solutions is getting worse, limiting and hindering the further development of information systems. For example, public administrations still maintain systems that are not suitable for providing an information-sharing approach because, at the time of their acquisition, the benefits of technological opportunities in

the world had not yet been sufficiently appreciated. The maintenance and improvement of such systems is disproportionately expensive for the state.

The reform of the information systems architecture also envisages the integration of data and service management. The introduction of a unified and comprehensive data management model is a precondition for the country's digital development. Within the framework of State Digital Reform there will be created new data managing tools in a well-thought-out manner and organized the management of existing data, and introduced the capacity to measure both the efficiency and quality of public services provided and the costs associated with the provision of services. An orderly exchange of data between public administration institutions, local governments, as well as the private sector will promote the improvement of existing commercial services and the formation of new services.

With the implementation of State Digital Reform public administration information and communication technology management in Latvia will become higher quality, more efficient and more environmentally friendly. According to the data of the State information systems register, currently more than half of the state information systems are older than 10 years.<sup>1</sup> Consequently, public administration information and technology systems are outdated and unable to ensure modern efficiency. The reform of public administration digitalisation will be able to ensure the availability of new and convenient services to the public. To achieve this, new and smart solutions are needed that are easily interconnected and in line with the capabilities of modern technological solutions, as well as modern knowledge for the wider application of digital solutions, including artificial intelligence, in public administration. The transition to a modern technological solution architecture will not only ensure the flexibility of systems for the dynamic development of services, but also significantly increase the efficiency of the use of Latvia's digital infrastructure, performing data processing tasks with less negative impact on the environment.

The Digital State Reform includes six main directions:

- **Reform of the state information and system architecture.** Scheduled reconstruction of obsolete public administration information systems in accordance with the requirements of modern information and communication technologies will

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<sup>1</sup> <https://www.mk.gov.lv/lv/aktualitates/ministrs-puce-piesaka-valsts-digitalizacijas-reformu>

allow to obtain diversity and flexibility of solutions, thus ensuring increased productivity and environmentally friendly working conditions.

- **Service lifecycle management reform.** Transformation of public administration services, providing opportunities to measure the efficiency and quality of services, as well as obtaining data for policy improvement

- **Information and data management reform.** A high-quality public administration data space open to the public, which will ensure efficient data exchange between public administration and the private sector, will promote the digitalisation of the economy. Mutual sharing of information between economic actors is one of the preconditions for the country's development.

- **Guidelines for digital transformation.** High-level integrated strategies have been developed to ensure the use of modern technologies and the creation of new opportunities in the economy. The introduction of open digital platforms for public administration will also facilitate the digitization of the private sector.

- **Consolidation of state and information and communication resources and competencies.** Strengthening information and communication technology management by developing strong information and communication technology competence centres that effectively provide shared information and communication technology services not only within ministerial sectors, but also within the entire public administration

- **E-government law.** It is planned to create a model for the coherent and interdependent maintenance, development and change management of information systems solutions, which will prevent the losses caused by the implementation of mutually uncoordinated changes.

### **The Latvian Parliament approves the decision to establish the Economic Court**

The mutual evaluation report of the European Commission and the Moneyval Committee of the Council of Europe on the Latvian Money Laundering and Terrorist Financing Prevention and Combating System has highlighted problems in dealing with money laundering cases. It has been concluded that the examination of complex and specific cases often takes longer. Additionally, the authors of the draft law regarding Economic Court in the Ministry of Justice note, that one of the most important indicators of the efficiency of the judicial system is the

length of proceedings and the quality of a final court judgment. <sup>2</sup>The new amendments regarding establishment of Economic Court are intended to ensure the efficiency of court proceedings and the quality of rulings.

With the establishment of a new court, it will be possible not only to develop the existing specializations of commercial disputes, but also to ensure specialization in the settlement of disputes important for the legality of the business environment, which have so far had jurisdiction over courts in general. It will also be possible to address the issues of prompt and effective investigation criminal offenses that have a significant impact on the business environment and the development of the national economy.

The Economic Court and the judges of this court will be fully covered by the legal framework of the district (city) court and the judge, including rights, obligations and guarantees. The same mechanisms for supervising the work and actions of a judge as in other courts will also remain. Without changing the total number of judges of district (city) courts and regional courts, ten positions of judges will be allocated for the commencement of the activities of the Court of Economic Affairs. The court will start operating in 2021.

## **Summary**

Most of the current digital government tools of Latvia have been identified as outdated as the technology support organization approaches hinder the public administrative services. As the importance of digital tools has grown due the influence of the Covid, having convenient and user-friendly virtual tools to ensure efficiency has been essential both to the authorities and citizens of Latvia. Because of that the Cabinet of Ministers approved the "Reform of the Architecture of Public Administration Information Systems". The Reform aims to promote the use of digital technologies in all sectors of the economy and to promote the country's competitiveness. The Digital State Reform focuses mainly on six aspects, for example, reform of the state information and system architecture, service lifecycle management reform, information and data management, consolidation of state and information and communication resources and competencies.

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<sup>2</sup> <https://www.saeima.lv/lv/aktualitates/saeimas-zinas/29046-saeima-dod-zalo-gaismu-ekonomisko-lietu-tiesas-izveidei>

Following the report of both European Commission and the Moneyval Committee of the Council of Europe on the Latvian Money Laundering and Terrorist Financing Prevention and Combating System showed that duration of cases on money laundering cases cannot ensure proper efficiency of the judicial system as the average length of proceedings was too long. However, with the establishment of Economic Court it is seen that it will lead to improvements in the business ecosystem and economy of Latvia by ensuring specialization in the settlement of disputes and duration of the cases.