



# Are the preconditions created in Latvia for achieving the UN Sustainable Development Goals?

Riga 2023



Latvijas Republikas  
Valsts kontrole

## Audit report

Are the preconditions created in Latvia for achieving the UN Sustainable Development Goals?

28 February 2023

Compliance audit “Are the preconditions created in Latvia for achieving the UN Sustainable Development Goals?”.

The audit was performed based on audit schedule No 2.4.1-10/2022 of the Fifth Audit Department of the State Audit Office of 21 March 2022 and amendments thereof.

The cover design includes an image from *www.depositphotos.com* (ID: 181232450).

Dear Reader,

We are publishing this audit in a year that marks the midpoint of countries' commitment in 2015 to implement 17 sustainable development goals (SDGs) for a better future for our planet by 2030.

Since Latvia also expressed its readiness to contribute to this work, we clarified during the audit whether we established safe foundations or prerequisites for working with the UN SDGs in Latvia. By informing and involving the public, incorporating sustainable development goals into our national and municipal development plans, setting priorities that are important for Latvia, providing adequate budget funds for achieving goals and monitoring progress are the actions that must be started and which ensure effective progress towards achieving goals.

Unfortunately, we discovered during the audit that the necessary preparations were done very incompletely. One gets the impression that after the President of Latvia approved the Agenda 2030 together with more than 150 Heads of State and Government at the UN General Assembly in New York on 25 September 2015, this document has been placed on the deepest shelf of Latvia's political agenda. Work with the UN SDGs in Latvia has mostly been based on the interest and initiative of individual people without a specific and determined political leadership.

Ensuring the leadership of the political process is precisely the call of the State Audit Office of Latvia to the Prime Minister and the government in general. The leadership of top political officials would give the much-needed push to fill a broad concept, sustainable development, with very specific content that corresponds Latvia's situation in particular.

Sustainable development is not just a goal, it is our responsibility to future generations. The UN SDGs are a beacon for national governments, businesses, non-governmental organizations and all of us by helping to steer our efforts in a unified direction.

These goals are also an important measure by which society can hold politicians accountable for translating political commitment into action to ensure sustainable balancing of economic, environmental, and social dimensions. The measure of sustainability will also be used by investors increasingly to assess the future competitiveness of both countries and specific enterprises and to decide on investments in that or another country or enterprise.



I hope that the audit report will provide motivation for politicians, civil servants, and public representatives to focus on working with the UN SDGs with new energy to safeguard the greatest possible progress in achieving them by 2030.

Thank you to the representatives of all the eight local and regional governments involved in the audit, the Ministry of Environmental Protection and Regional Development and the Ministry of Foreign Affairs, as well as Ms Inese Vaivare, Director of Association "Latvia's Platform for Development Cooperation", and Mr Tālis Juhna, Rector of Riga Technical University, for the productive cooperation during the audit! I would like to express my special thanks to the specialists of the Cross-Sectoral Coordination Centre, which is now part of the State Chancellery, for their support and professional dialogue. Your enthusiasm in implementing the UN SDGs in Latvia is highly appreciated!

Respectfully  
Mr Edgars Korčagins  
Department Director

A handwritten signature in black ink, appearing to be 'EK', written over a light blue horizontal line.

## Summary

### Motivation

For overcoming challenges common to all countries of the world successfully, such as economic crises, dwindling natural resources, sharp differences in the level of welfare in society, the United Nations Organization (hereinafter referred to as UN) approved<sup>1</sup> resolution “Transforming Our World: the 2030 Agenda for Sustainable Development” or the Agenda 2030 in 2015. It defines 17 sustainable<sup>2</sup> development goals (hereinafter referred to as the SDGs) and corresponding 169 sub-goals to be achieved by 2030 so that the world’s development to be sustainable (*see Figure 1*). These goals are intended to be used as a basis for decision-making at the national, regional, and international levels in the period up to 2030.



Figure 1. 17 UN Sustainable Development Goals. Source: <https://www.pkc.gov.lv/lv/attistibas-planosana-latvija/ano-ilgtspējigas-attistibas-merki>.

Global problems are increasingly affecting everyday life in Latvia. For example, climate change-induced changes in rainfall and frequency of droughts affect crop yields, flood damage to roads and infrastructure<sup>3</sup>. However, there are still many challenges in progress towards achieving the SDGs in Europe and the world, including in Latvia. According to Eurostat’s assessment<sup>4</sup>, Latvia’s progress in four SDGs is ahead of the European average; Latvia’s indicator values for nine SDGs are below the European Union average; and Latvia’s actions in four goals distance it from achieving the SDGs. It is possible to improve the progress of achieving the SDGs significantly by streamlining the integration and implementation measures of the SDGs at the national and local levels.

Supreme Audit Institutions around the world support countries’ progress towards achieving the SDGs by assessing the actions by which public administration has coordinated, led, and monitored the implementation of the SDGs. Such audits are conducted both on the progress of specific SDGs and on a country’s overall readiness to achieve the SDGs. The United Nations, international organizations, as well as the International Organization of Supreme Audit Institutions (INTOSAI) have identified the most essential prerequisites for achieving the SDGs in every country, which



include:

- ✓ Coordination of the achievement of SDGs and broad public involvement;
- ✓ Integration of SDGs<sup>1</sup> into national development planning documents and their further inclusion in laws and regulations, and state budget;
- ✓ Monitoring progress towards achieving the SDGs.

The audit conducted by the State Audit Office of Latvia also aimed at assessing Latvia's readiness to achieve the SDGs and is carried out to verify whether the prerequisites for systemic SDG achievement at the national and municipal level have been established in Latvia in line with international best practice.

## Main conclusions

Although Latvia is committed to implementing the SDGs and seven years have passed since the approval of the goals, **significant improvements are needed in Latvia both at the national and municipal levels to safeguard all the prerequisites for achieving the SDGs.** In Latvia, full-fledged measures for integrating the SDGs into the Latvian development and budget planning system, popularizing the SDGs and involving stakeholders, as well as monitoring the progress of SDG implementation should be more actively determined, managed, and coordinated.

The goals set in the Agenda 2030 affect every citizen of our country, every industry, every local or regional government. Therefore, the top management in working with Agenda 2030 must be ensured at the highest level to determine actions necessary to achieve the goals set in Agenda 2030, to connect these actions with financial planning and to ensure the mutual coherence of the decisions taken by state and municipal institutions.

In accordance with the Law on the Structure of the Cabinet of Ministers<sup>5</sup>, determining main political guidelines in the work of the Cabinet of Ministers, as well as developing and implementing the government's declaration, is the task of the Prime Minister. So far, the SDGs have been mentioned only in the 2022 government declaration and only in the field of culture<sup>6</sup>. Also, the Prime Minister can implement the management of Agenda 2030 through the National Development Council because the said Council under the leadership of the Prime Minister ensures the long-term national planning and is entitled to make recommendations to the state and municipal institutions in planning and assessing the long-term development of the country<sup>7</sup>.

The State Audit Office of Latvia considers that Latvia's progress towards the implementation of the SDGs has an untapped potential to progress in the field of sustainability and improve the country's image, public well-being, as well as international competitiveness.

Unlike the countries of Western Europe and Nordic countries where work with the SDGs is given wide attention, the actions carried out in Latvia have been fragmented so far. Latvia's international

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<sup>1</sup> Integration refers to a coordinated and attuned inclusion of country-relevant SDG sub-goals in the national development system at the national and local levels. One of the ways to assess the degree of integration of the SDGs, which was also used in this audit, is mapping the link between the sub-goals and indicators of the SDGs and existing planning documents: whether it is possible to track the inclusion of the SDGs in the national planning system and transparently obtain information about national and sectoral goals and indicators corresponding to the SDGs, whether it is possible to find indications of a link with the SDGs in the documents.

indicators reflect that as well. For example, according to the opinion of the Organization for Economic Cooperation and Development (hereinafter - OECD)<sup>8</sup>, Latvia has several problem areas in which the achievement of SDG indicators is particularly far away, including the availability and costs of healthcare, the spread of HIV/AIDS and tuberculosis, alcohol consumption, one of the highest levels of poverty among OECD countries (in addition, this indicator has worsened over the last ten years). The OECD has calculated<sup>9</sup> that Latvia will have achieved 30 or 18% of the SDG sub-goals by 2030.

When the country's top officials sign global and comprehensive agreements, the public hopes that the direction of the country's development will be better and more sustainable, its development potential and the country's competitiveness will increase. In their turn, when executive institutions leave the implementation of these agreements on their own accord, a gap between the political power and the population increases, and the state's development capabilities are weakened. This directly affects trust in the government and state executive institutions, as hopes for a better life are not fulfilled.


#### Management of the implementation of the Agenda 2030 and public involvement

Following international good practice, managing, and coordinating the SDG implementation process are required in a country, involving both all levels of state administration and non-governmental sector and other interested parties by popularising the SDGs and creating a common understanding of their significance in the public. **However, the work with the SDGs takes place without process management, a specific plan, and a specific division of tasks and responsibilities in Latvia.** The implementation of SDGs involves the Cross-Sectoral Coordination Centre (hereinafter referred to as CSCC), which is not even assigned the task of managing SDG implementation directly in the laws and regulations, the Central Statistical Office (hereinafter referred to as CSO) and ministries, but local and regional governments, non-governmental sector and other interested parties are not sufficiently involved in SDG implementation processes. Other countries have implemented extensive public involvement measures to popularize the SDGs and to discuss the actions to be taken, **but no regular, systematic, and inclusive measures are implemented to create a common understanding of the SDGs, their meaning and practical implementation in public and private sectors in Latvia.**

As a result, public understanding of the SDGs and their importance is still low, which is also illustrated by the low level of response to the European Sustainable Development Week events, within the framework of which public and private sector organizations implement initiatives to promote the SDGs every year in European countries. For example, 4-8 SDG promotion activities were organized annually in Latvia between 2015 and 2019, but no activity<sup>10</sup> has been applied for implementation in 2020-2022. For comparison, 73 activities were implemented in Estonia<sup>11</sup>, 249 activities in Finland, and 3,842 activities in Germany<sup>12</sup> in 2022.

#### Integration of the Agenda 2030 into the development and budget planning system of Latvia

The United Nations calls on countries to adapt the SDGs to their local situation by integrating the relevant goals and sub-goals into national and local planning processes. The UN recommends starting this task by comparing existing development planning documents with the SDGs and their sub-goals at all levels of government to identify gaps and areas for improvement. As a result, in cooperation with ministry planning specialists and CSO representatives, the Centre mapped<sup>13</sup> SDGs in a *MS Excel*



file which evaluates the link of the SDG sub-goals and their indicators with the goals and indicators included in the development planning documents of Latvia. However, this evaluation was not completed, it lacked or had incomplete information in many places, and that evaluation did not result in conclusions, and no proposals were made for further action. In addition, not all stakeholders, such as local and regional governments participated in its elaboration.

**When evaluating the information included in the SDG mapping about the integration of the SDGs into national level development planning documents, the State Audit Office of Latvia concludes that all sub-goals applicable to Latvia are not included in them.**

While comparing the SDGs and Latvia's development planning documents, state institutions have identified 139 relevant sub-goals for Latvia in the SDG mapping, or 82% of the total number of sub-goals. In the mapping carried out at the same time<sup>14</sup>, no direct connection of 69% of these sub-goals with Latvia's sustainable development strategy was found, and no connection of 55% of these sub-goals with the National Development Plan 2021-2027 was found. In total, 49% of the sub-goals identified by the state institutions applicable to Latvia are not connected either to Latvia's sustainable development strategy or the National Development Plan. Similarly, in the comparisons made in the state administration, no link can be found between 36% of the SDG sub-goals relevant to Latvia with the policy planning documents that are developed to implement the policy in one or more sectors. In addition, 36% of the sub-goals have been identified in relevant policy planning documents, but the top national-level planning document has not been identified, from which these goals would cascade according to the hierarchy of development planning documents. In many previous audits, the State Audit Office of Latvia has also found deficiencies in the interconnection of goals set in development planning documents of different levels, and this also manifests clearly in the context of the SDGs.

The fact that the SDGs are not integrated completely into the development planning documents of Latvia has also affected the further implementation of these goals negatively because the goals that are not integrated into the national planning process are not implemented purposefully, for example, sub-goal 12.3, which is related to reducing the amount of food waste, is not integrated in the planning system of Latvia, and the State Audit Office of Latvia has identified significant problems in the field of biological waste management during its audits. Moreover, the SDGs, which are not fully integrated into planning documents at the national level, are also not implemented at the municipal level. Only four of the eight local and regional governments included in the audit sample have evaluated the link of their development planning documents with the SDGs.

**In addition, the SDGs are not integrated into budget systems and processes either at the national or municipal level.** Identifying either the total funding directed to the achievement of individual SDGs, or the connection of individual programs with the SDGs and the funding intended for them is currently impossible. When assessing ministerial budget requests for 2022 and development planning documents, with which the link was indicated in the budget requests, only three development planning documents<sup>15</sup> have an identifiable link with the SDGs. However, it is not related to specific operational directions and necessary funding, which, in its turn, makes it impossible to identify expenses to achieve the SDGs.

In its turn, after evaluating the current development programs and investment plans of eight local and regional governments, one can conclude that it is possible to estimate the amount of expenses that are directed to achieving the SDGs only in four local and regional governments<sup>16</sup> and in addition, it is

possible to determine the amount of funding for achieving a specific SDG only in one regional government<sup>17</sup>.

### The role of local and regional governments in the implementation of the Agenda 2030


In working with SDGs, it is especially important for countries to ensure the active involvement of local and regional governments in SDG implementation processes. International practice has recognized<sup>18</sup> that local and regional governments are the level of government that can best link global goals with local communities, enabling the involvement of all stakeholders and promoting sustainable development that meets the needs of local communities. According to the United Nations, up to 65% of the 169 SDG sub-goals are related to activities under the competence of local and regional governments, and it is the level of local self-government that will be a decisive stage in achieving the SDGs<sup>19</sup>. When assessing autonomous functions of local and regional governments stipulated in the Law on Local and Regional Governments, the auditors consider that at least 53% of the functions of Latvian local and regional governments are related to SDGs. However, the local and regional governments in Latvia are not active promoters and facilitators of SDG implementation, neither among the residents of municipal administrative territory, nor among municipal institutions. Having evaluated the events organized by local and regional governments and the published information for citizens, only one of the regional governments<sup>20</sup> included in the audit sample has organized awareness raising campaigns about the SDGs and systematic measures to promote awareness of the Agenda 2030.

### Monitoring the implementation of the Agenda 2030

Regular monitoring of the progress of achieving the SDGs and the correction of actions according to the conclusions reached is another important aspect for the implementation of the SDGs is. **However, regular, and systematic monitoring of SDG progress is not carried out in Latvia.** Although the progress of SDG implementation has been summarized twice by preparing two Latvia's reports to the United Nations on SDG implementation, there are no established procedures or plans for monitoring the progress of SDG implementation. Latvia submits data to Eurostat regularly, and statistical data are available both on the Official Statistics Portal and on various institutional websites and databases, some of which are also related to SDG dimensions, but regular information about the progress of achieving Latvia's SDGs is not generally available to citizens in one place neither in public reports, not on websites. Ministries also do not draft reports regularly on how the policies implemented by them help to achieve the SDGs. Since Latvia has already drafted two reports, which is the minimum recommended by the United Nations, and there are no specific guidelines for monitoring the progress of the SDGs in Latvia, in the view of the State Audit Office, there are currently no prerequisites for fully monitoring the progress of achieving the SDGs and informing the public about it in the future. There are also challenges in the availability of data necessary for the evaluation of SDG progress both at the national and municipal levels, as data is only available for measuring 57% of SDG progress indicators in Latvia according to the UN assessment.

Working with the SDGs is a tool that allows countries to assess their development on a global scale to identify their weaknesses and take targeted action to improve them in the long term by balancing various development needs, promoting a high standard of living and satisfying society. It is not for





nothing that countries that show good results in SDG progress evaluations (for example, Finland, Denmark, Germany) also rank high in various quality of life and population satisfaction surveys. In addition, Estonia<sup>21</sup> and Lithuania are also ahead of Latvia in these indicators.

## Key recommendations

Following the audit findings and conclusions, the Cross-Sectoral Coordination Centre, the Ministry of Environmental Protection and Regional Development, and local and regional governments were given ten recommendations to create a common understanding in the state administration about the importance and practical implementation of the Agenda 2030, as well as to facilitate the fulfillment of the prerequisites for achieving the SDGs:

- ☑ Assess the necessary actions for identification and involvement of all stakeholders in the SDG implementation processes;
- ☑ Evaluate the necessary actions for the integration of all SDGs relevant for Latvia into the development and budget planning system;
- ☑ Implement regular monitoring of SDG progress, including ensuring the availability of necessary data;
- ☑ Improve the methodological support of state administration in the field of development planning;
- ☑ Streamline methodological support for local and regional governments in their work with the integration of SDGs in their development and budget planning processes.

To safeguard coordinated implementation of the Agenda 2030 in Latvia, the State Audit Office of Latvia will call on the Prime Minister to assess the most suitable model for managing the implementation of the Agenda 2030 and the possibilities of determining the responsible institution and its exact competence by allocating adequate resources to coordinate and monitor the implementation process of the Agenda 2030, stakeholders, and the results achieved.

## References

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- <sup>2</sup> Sustainable development is development when meeting the needs of today does not compromise the ability of future generations to meet their own. It has three dimensions: economic, social, and environmental. Source: <https://www.latvija2030.lv/ilgtspejas-celvedis/kas-ir-ilgtspejiga-attistiba/>, resource viewed on 9 May 2022.
- <sup>3</sup> Presentation of the Head of Sustainability Development of JSC “Swedbank” od 12 October 2021 at Forum “Local or Regional Government is a Creator of Digital Society”. Available at: <https://www.zzdats.lv/pasvaldibu-forums-2021/>, resource viewed on 23 September 2022.
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- <sup>5</sup> Section 6.1 of the Law on the Structure of the Cabinet of Ministers.
- <sup>6</sup> Declaration on the planned activities of the Cabinet of Ministers headed by Arturs Krišjānis Kariņš of 14 December 2022.
- <sup>7</sup> Article 1, 6, 5.1 of Cabinet Regulation No 38 “Regulation of the National Development Council” of 21 January 2014.
- <sup>8</sup> “The Short and Winding Road to 2030: Measuring Distance to the SDG targets”, Organisation for Economic Cooperation and Development, 2022, pp. 11, 52, and 61–65. Available at: <https://www.oecd.org/publications/the-short-and-winding-road-to-2030-af4b630d-en.htm>, resource viewed on 14 June 2022. Also Annex to document “Measuring Distance to the SDG Targets – Latvia”, p. 2. Available at: [Measuring distance to the SDG targets – Latvia \(oecd.org\)](https://www.oecd.org/publications/measuring-distance-to-the-sdg-targets-latvia/), resource viewed on 15 June 2022.
- <sup>9</sup> “Measuring Distance to the SDG Targets – Latvia”, Organisation for Economic Cooperation and Development, 2022, p. 1. Available at: [Measuring distance to the SDG targets – Latvia \(oecd.org\)](https://www.oecd.org/publications/measuring-distance-to-the-sdg-targets-latvia/), resource viewed on 15 June 2022.
- <sup>10</sup> Activity overview sections of the European Sustainable Development Week website: Latvia. Available: <https://esdw.eu/country/latvia/>, Activities Overview ESDW, resource viewed on 22 November 2022.
- <sup>11</sup> Activity overview sections of the European Sustainable Development Week website: Estonia. Available: <https://esdw.eu/country/estonia/>, resource viewed on 22 November 2022.
- <sup>12</sup> Activity overview section of the European Sustainable Development Week website. Available: [Activities Overview ESDW](https://esdw.eu/country/latvia/), resource viewed on 22 November 2022.
- <sup>13</sup> “SDG Mapping” section of the website of the Cross-Sectoral Coordination Centre. Available: <https://pkc.gov.lv/lv/attistibas-planosana-latvija/ano-ilgtspejigas-attistibas-merki/iam-kartejums>, resource viewed on 05.04.2022.
- <sup>14</sup> Linking the Sustainable Development Goals (SDGs) of the United Nations (UN) and their sub-goals with the Latvian Planning System, Cross-Sectoral Coordination Centre, 2022. Available: <https://www.pkc.gov.lv/lv/attistibas-planosana-latvija/ano-ilgtspejigas-attistibas-merki/iam-kartejums>, resource viewed on 05.04.2022.
- <sup>15</sup> Development Cooperation Policy Guidelines 2021-2027 (approved by Cabinet Order No 245 of 14 April 2021), Public Health Guidelines 2021-2027 (approved by Cabinet Order No 359 of 26 May 2022), Transport Development Guidelines 2021-2027 (approved by Cabinet Order No 710 of 21 October 2021).
- <sup>16</sup> Bauska Regional Government, Liepāja City Municipality, Riga City Municipality, Valmiera Regional Government.
- <sup>17</sup> Bauska Regional Government.
- <sup>18</sup> “What is Localization?” section of the Local 2030 Initiative website. Available: <https://www.local2030.org/discover-tools>, resource viewed on 30.05.2022.
- <sup>19</sup> See, for example, the methodological material developed by the UN Sustainable Development Solutions Network “Getting started with SDGs in cities: a guide for stakeholders”, 2016, p. 15. Available: <https://irp-cdn.multiscreensite.com/be6d1d56/files/uploaded/9.1.8.-Cities-SDG-Guide.pdf>, as well as informational material of the UN Economic and Social Commission for Asia and the Pacific “Localizing the 2030 Agenda”, available: <https://www.unescap.org/projects/dal1/sdglocalization>. Resources viewed on 10 June 2022.
- <sup>20</sup> Jekabpils Regional Government.
- <sup>21</sup> See, for instance, Eurostat data. Available at: [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Quality\\_of\\_life\\_indicators\\_-\\_overall\\_experience\\_of\\_life&oldid=523382](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Quality_of_life_indicators_-_overall_experience_of_life&oldid=523382), resource viewed on 14 September 2022.