



“Although there is still a long way ahead for Ukraine, we must give credit to the number of serious reforms undertaken so far.”

Edgars Rinkēvičs at the Ukraine Reform Conference, July 2021

MAIN CHANGES IN 2021

The new framework document “Policy Guidelines for Development Cooperation 2021-2027” was adopted by the government in April 2021. The document sets out thematic priority areas, priority countries and policy indicators. Significant increase of national development aid allows also to widen the geographical support from Eastern Partnership and Central Asia also to Africa. The document is followed by the three year plan starting also to apply the multi-annual approach. Both documents are based on the SDGs and multi-stakeholder approach, giving the significant role also to the civil society and CSO projects. The process of the development of the new national agency has started and is expected to increase the engagement in the development aid activities.

In 2021 Latvia increased its bilateral aid, and it is positive that the approach of 50% of the open call financing to CSOs is continued. Still, the ODA goal will not be met by 2027 as stated in the new policy guidelines. Certain amounts have been also devoted to support civil society in Belarus. In 2021, the Latvian government increased participation (mostly financial) in the different UN agencies as well as support multilateral EU-based initiatives. This included donations of COVID-19 vaccination doses to both specific recipients and via the COVAX scheme.

New initiatives on capacity building together with the OECD have been started and CSOs have been invited as equal partners to participate. Also with the mutual cooperation with the Ministry of foreign affairs, the new guidelines on the implementation of horizontal priorities have been developed in the Latvian Platform for Development Cooperation (LAPAS).



CASE STUDY

During 2021, the NGO Centre “Marta” created and executed a development cooperation project with partners in Uzbekistan. The project aimed to increase the capacity of non-governmental organisations in the provision of public services to women and other population groups in vulnerable rural areas in Uzbekistan and promote the creation of women’s consultative groups in 5-7 pilot sites, public service centres. This was considered a Team Europe Initiative and received financial support of Latvian MFA amounting to EUR 31 230. TEI projects carried out by NGOs effectively strengthen local civil society and thus, society as a whole. This is crucial for the region faced with the war carried out by Russia.

The recommendations of the previous report have been mainly addressed, including a 50% of open calls in bilateral secured by CSOs; the definition of the approach to the humanitarian aid system in the policy framework (and practiced in the remarkable amount of the humanitarian aid to Ukraine); the increase of the bilateral aid and the work on capacity-building of the impact assessments. However the support to the civil society in Belarus has not been continued due to the aggressive invasion of Russia in Ukraine and related challenges.

THE GOVERNMENT’S RELATIONSHIP WITH AND ATTITUDE TOWARDS CSOs

CSOs have taken an active role and have been supported in the process of defining the policy framework and capacity events, direct support is provided to the national platform to cover membership fees in the international platforms, attend main events and implement educational and information activities. The specific competence of the CSOs has been used in the cooperation with Belarus civil society. The overall concern is about the benefits to civil society in the partner countries and the

understanding that CSOs are not defined so much by their legal status rather by their activities on behalf of civil society. Some private sector or local government formed CSOs formally meet the requirements, but the impact of their work might not be directed towards civil society itself.

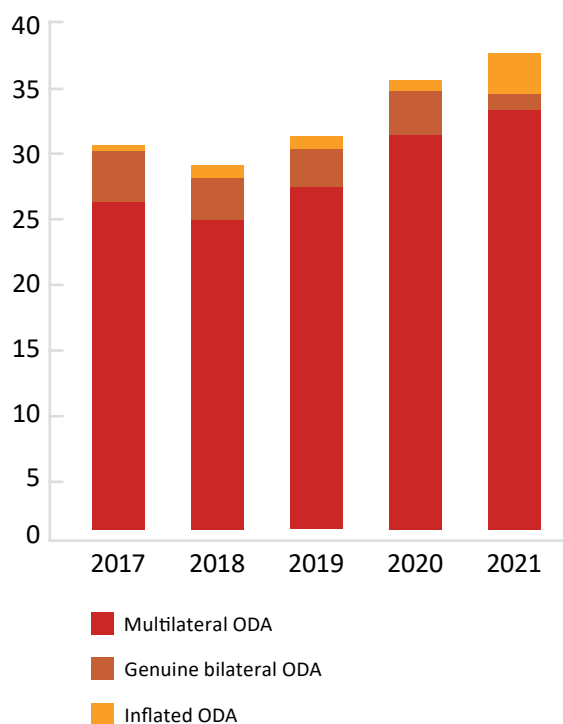
TRENDS AND PROJECTIONS FOR 2022 AND BEYOND:

- The route to membership of the UN Security Council in 2025 could play an important role in the recognition of development cooperation policy and increase in the ODA.
- More attention will be paid to the implementation of the horizontal priorities like climate change, human rights, digitization and gender equality.
- Involvement of the private sector in development cooperation will increase, so there still is a need to develop a clear distinction between national development cooperation and export policies.
- Ukraine will most likely be the recipient of a major part of Latvian ODA for the foreseeable future, so the multi-stakeholder approach and investment monitoring must be implemented.

RECOMMENDATIONS TO THE NATIONAL GOVERNMENT:

1. The Latvian MFA should still secure at least 50% of the open call in the bilateral aid to the CSOs as this is the main financing source for smaller local CSO cooperation and building social resilience in the partner countries.
2. The MFA should also develop further the humanitarian aid system as global political, social and environmental crises become part of the day-to-day agenda.
3. The increase of bilateral ODA should be combined with the review of the overall project impact assessment and improvement of the financing system ensuring equal and open access to all.
4. ODA targets as % of GNI should be updated to be more ambitious and reach the required 0.33% sooner than 2030.

LATVIA – GENUINE AND INFLATED ODA (€ million, constant 2020)



ODA TO LDCS (€ million, constant 2020)

Year	ODA to LDCs	%GNI	% ODA
2017	5.78	0.02	18.96
2018	5.67	0.02	19.65
2019	6.11	0.02	19.57
2020	6.10	0.02	17.11

AID MODALITY (€ million, constant 2020)

Year	Bilateral (gross)	Grants	Loans	Loans (% of gross bilateral)
2017	4.3	4.3	0.0	0.0
2018	4.1	4.1	0.0	0.0
2019	4.1	4.1	0.0	0.0
2020	4.4	4.4	0.0	0.0

ODA TO CLIMATE FINANCE (€ million, constant 2020)

	ODA for mitigation	ODA for adaptation	Total climate finance	Adaptation finance as % of climate finance	Climate finance as % of ODA
2017	0.0	0.0	0.0	0.0	0.1
2018	0.0	0.0	0.0	46.5	0.1
2019	0.0	0.0	0.0	22.9	0.0
2020	0.0	0.0	0.0	53.5	0.0

ODA TO SUPPORT GENDER EQUALITY (€ million, constant 2020)

	Bilateral allocable	Total screened	Not screened	None	Significant	Principal	Significant (% of screened)	Principal (% of screened)
2017	3.7	3.7	0.0	3.6	0.0	0.0	1.3	1.2
2018	2.9	1.2	1.7	0.6	0.6	0.0	45.8	3.7
2019	2.7	0.8	2.0	0.4	0.3	0.0	44.8	5.2
2020	3.2	3.2	0.0	2.4	0.7	0.1	20.6	3.5

ODA TO SUPPORT CSOs (€ million, constant 2020)

	Non-CSO	CSO Earmarked	CSO Core funding	Total bilateral CSO support (% bilateral)	Total bilateral CSO support (% ODA)	Core bilateral CSO support (% bilateral)	Core bilateral CSO support (% ODA)
2017	4.1	0.1	0.1	4.1	0.6	1.6	0.2
2018	4.0	0.1	0.1	3.8	0.5	2.1	0.3
2019	3.9	0.1	0.1	4.1	0.5	2.4	0.3
2020	3.7	0.5	0.1	15.1	1.8	2.5	0.3