



# LATVIA

## “ High increase but at what cost ”

By Latvian Platform for Development Cooperation - LAPAS

### Main trends

In 2022 Latvia's ODA, especially the bilateral aid, increased dramatically from EUR 40 million in 2021 to EUR 80 million in 2022. Unfortunately, the main reason for this change was not positive, but the sad result of Russia's war of aggression in Ukraine.

Humanitarian and development aid to Ukraine was allocated as additional financing and complemented the very high levels of donations from civil society and the private sector. This rapid increase of ODA requires the implementation of more and stronger monitoring and accountability measures, evaluation against the policy framework and agreed priorities. Only a very small portion of the increased bilateral aid is distributed in the form of open calls. In addition, the methodology does not account for refugee costs and could be the focus of more in-depth analysis.

Latvian ODA has always been of high quality due to a small number of projects and consequent transparency, no tied aid or private sector instruments. Still there is space to develop the methodology as to how horizontal priorities like climate impact and gender equality are assessed, given that projects are now mainly linked to the general SDG framework. This also applies to the large amounts of multilateral aid where the coherence to Latvia's policy framework is not directly visible.

The year 2022 was also marked by institutional change, the beginning of the new MFA development programmes, including feasibility study visits and targeted capacity-building activities for project implementers. The cofinancing programme had a small increase and offered more opportunities for Latvian NGOs to apply for multilateral development projects. Since the beginning of 2022, the Central Finance and Contracting Agency (under the Ministry of Finance) has become the national

Reported ODA: EUR 80 million

**0.25%** GNI (up from 0.12% in 2021) ↑

Non-inflated ODA: EUR 76 million

**0.23%** GNI (up from 0.12% in 2021) ↑

Total inflated ODA: EUR 4 million

**5.4%** of total



development agency and launched its first projects, working with NGOs and other partners.

### Government's relationship with civil society

MFA involves LAPAS in decision-making processes including timely informal consultations on legal acts and policy documents, the work of the consultative body on development cooperation and there is an openly elected NGO representative in the project evaluation commission of the bilateral open call by MFA. At the same time, despite the very rapid increase of ODA, direct MFA support by for the national platform LAPAS has remained unchanged since 2018 at EUR 21 000 annually for communication activities and membership in international platforms.

### The Latvian government should:

- **Increase the proportion of the MFA bilateral financing for the open project call to ensure transparency and accountability.**
- **Develop the mechanisms to review the bilateral and multilateral commitments beyond MFA financing as part of Latvia's development cooperation policy framework.**
- **Increase the direct support to LAPAS to meet the growing need of NGOs for capacity-building and partnerships with Ukraine and other Eastern Partnership countries.**
- **Apply transparent and open principles in the management of the new national development agency.**