

PPP in Latvia



Valsts aģentūra Latvijas Investīciju un attīstības aģentūra
Latvian Investment and Development Agency

Andra Feldmane
Director of Public Sector Development Department

Content

- PPP policy and legal framework in Latvia
- Latvian Investment and Development Agency's (LIAA) role in PPP development
- PPP projects overview in Latvia
- Further activities – Norwegian Financial Mechanism

PPP policy and legal framework in Latvia

Who is doing what?



Ministry of Economics, Latvia

Elaborates PPP Policy

- PPP policy planning
- Legal acts
- Information channeling
- Consultations



PPP project support

- PPP project consulting
- Methodology elaboration/support
- Information channeling
- Consultations



Procurement Monitoring Bureau,
Ministry of Finance

Public Procurement Monitoring



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The Latvian rational to start PPP

- Established Policy Framework (2005) and
- PPP Action Plan 2006-2009
- Commitment of the Central government is needed
 - Establish PPP Consultation Board
- PPP requires institutional changes
 - Establish the legitimacy and powers of public authorities to enter PPP contract

PPP legal framework

- **Existing legal framework:**
 - Concession Law (concession contracts);
 - Public Procurement Law (DBFO, RFO etc. contracts).
- **Legal initiative for improvements – Draft of Contractual Public Private Partnership Law:**
 - defines PPP, PPP contract, PPP resources, public partner;
 - provides two types of PPP contracts: concession contract and availability contract (DBFO, RFO etc. contracts);
 - states that competitive dialog (competitive dialog will regulate Public Procurement Law) should be used only for complicated projects;
 - provides step in rights of financial institution;
 - defines compensation mechanism.

LIAA role



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Role of LIAA within Latvian economy

- Attraction of foreign direct investment
- Promotion of foreign trade
- Administration of state aids via EU Structural Funds
- Promotion of PPP

LIAA role in PPP development

- Main objective
 - Promote application of PPP's in the national economy, by providing the information support and consultations on the application of PPP model in different sectors of economy
- Main sectors of interest
 - Energy (CHP, district heating, etc)
 - Social sector (kindergartens, schools, social/rent housing, etc.)
 - Environment (water management and solid waste)
 - Transport (roads)

LIAA activities

- Developed PPP project implementation methodology:
 - Guidelines for implementation of contractual PPP's
 - Bulletin "PPP in Latvia" (*in Latvian only*)
- Developed legal document's templates / standard:
 - *For DBFO projects* - building and operating of kindergartens
 - *For concessions* - renovation and operating of city's district heating system

PPP projects overview in Latvia

PPP projects in Latvia

- PPP project pipeline – at the identification / development stage
- The most significant identified holders of PPP resources in Latvia are:
 - Ministry of Transport (Reconstruction and Management of State Main Roads)
 - Ministry of Culture (Concert Hall project, Contemporary Art Museum)
 - Ministry of Justice (VfM assessment in building of prisons)
 - Ministry of Interior (building of administration premises)
 - Municipality of Riga (New Administrative Centre, Northern Corridor in Riga)
 - Municipality of Ventspils (Development of District heating system in Ventspils)

LIAA further activities – Norwegian Financial Mechanism



LIAA further activities with Norwegian Financial Mechanism

- Preparation and implementation of Program - *Promotion of Public Private Partnership*
- Total amount of program – 1,8 million EUR
- The main objective of the program is to support regional bodies for the implementation of consequent and reasonable PPP approach for the development of infrastructure and public services
- Activities under the program:
 - Elaboration of PPP feasibility studies (value for money analysis)
 - Elaboration of the tender documents for the PPP projects, including the draft agreement

Welcome to Latvia!



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Perses iela 2, Rīga, LV 1442, Latvia

Phone: +371 7039400 Fax: +371 7039401

E-mail: invest@liaa.gov.lv

<http://www.liaa.gov.lv> <http://www.exim.lv>