



### Council meeting minutes No 3 (49)

Riga

April 26 2021

#### **Chairwoman:**

Chairwoman of Fiscal Discipline Council – I.Šteinbuka

#### **Participants of the meeting:**

Member of the Fiscal Discipline Council	M.Abolins
Member of the Fiscal Discipline Council	A.Jakobsons
Member of the Fiscal Discipline Council	A.Ubelis
<i>Secretariat –</i>	
Fiscal Discipline Council secretary	N.Malnačs
Fiscal Discipline Council lawyer-clerk	I.Jansone
Fiscal Discipline Council fiscal risks expert	A.Migunovs
Fiscal Discipline Council macroeconomics expert	V.Zaremba

#### **Invited participants 1 item of the agenda:**

Member of the Latvian Productivity Council LV PEAK	A.Piebalgs
Member of the Latvian Productivity Council LV PEAK	J.Binde
Chairman of the Latvian Productivity Council LV PEAK	G.Bērziņš
Chairman of the Scientific Council of the Productivity Institute of the University of Latvia	J.Priede
Expert	J.Platais
Expert	O.Baranovs
Expert	O.Bogdanova

#### **Taking minutes:**

Fiscal Discipline Council lawyer-clerk

I.Jansone

#### **I.Šteinbuka opens the meeting**

Šteinbuka, Chairman of the Fiscal Discipline Council (hereinafter - FDC), opens the meeting and informs the meeting participants that today there is an FDC, in cooperation with representatives of the Productivity Council LV PEAK (hereinafter - LV PEAK) and invited experts, approval of the assessment prepared of the Recovery and Sustainability Mechanism Plan (hereinafter - RRF Plan).

The meeting starts at 17:00 and takes place in remote meeting mode via MS Teams.

#### **1 On the Recovery and Sustainability Mechanism Plan (RRF Plan)**

**Rapporteurs:** I.Šteinbuka

I. Steinbuka reminds all present that in response to the invitation of the Ministry of Finance, FDC, in cooperation with LV PEAK, established an expert panel to evaluate the RRF Plan. The aim of the expert panel was to identify the macroeconomic and fiscal impact of the RRF Plan and to assess the compliance of the included reforms and projects with the tasks and priorities defined in the RRF Plan.

In view of the above, and despite the high level of uncertainty associated with the changes to the RRF Plan and the evaluation process, a review of the RRF Plan has been prepared and an opinion has been expressed on the plan. When evaluating the RRF Plan, an assessment of the macroeconomic and fiscal impact of the RRF Plan and an assessment of the compliance of the RRF Plan with the objective was performed.

I. Steinbuka expresses his gratitude to the present participants for the work done and asks the participants of the meeting to express their opinion on the assessment prepared by the RRF Plan. I. Steinbuka would like to thank the employees of the FDC Secretariat, especially V. Zaremba, for preparing a quality report in the conditions of limited information and stressful weather.

The participants in the meeting welcomed the progress made in such a short period of time and concluded that:

- The RRF Plan was developed in the shadow of the general public fatigue of the Covid-19 crisis. The amount of funding requested for the submitted projects significantly exceeded the capacity of the RRF Plan, which put additional pressure on the government and those developing the RRF Plan. The work of the Ministry of Finance in difficult circumstances and the procedure of drawing up a democratic plan, with the broad involvement of the social partners, are to be commended.
- Although the RRF Plan includes many good measures that are useful for the economy and society, the program has a rhetorical approach.
- A closer link of the RRF Plan with other national planning documents is needed, especially the National Development Plan. It is necessary to ensure that the RRF Plan complements other national projects to achieve the priority objectives by creating synergies and a multiplier effect.
- The government needs to develop a fiscal “exit” strategy, as after the end of the active phase of RRF projects, the national budget will have to live.

I. Steinbuka thanks all the participants of the meeting for the expressed opinion and asks the FDC secretariat to summarize and include the expressed comments in the summary of the evaluation of the RRF Plan.

With reference to the above, the Council decides:

- 1.1. Approve the prepared assessment of the RRF Plan.
  - 1.2. To instruct the Council Secretariat to clarify the assessment of the RRF Plan as expressed at the meeting.
  - 1.3. To entrust the Chairman of the Council to check the compliance of the final version of the RRF Plan with what was discussed at the meeting.
  - 1.4. To instruct the Council Secretariat to send the assessment of the RRF Plan to the Ministry of Finance by April 27.
- I.Steinbuka votes for;  
A.Jakobsons votes for;

M.Aboliņš votes for;  
A.Ūbelis votes for.

## **2 On granting additional funding to the Productivity Council LV PEAK**

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**Rapporteurs:** N.Malnačs

N.Malnačs informs the Council that starting cooperation with LV PEAK in the evaluation of the RRF Plan and in accordance with the cooperation agreement concluded on 18 February 2021, FDC transferred LV PEAK funds in the amount of 5000 euros to attract researchers and unique experts in the evaluation of the RRF Plan.

In view of the fact that FDC has received additional funding for the implementation of this project, where EUR 2050 is earmarked for LV PEAK, I ask the Council to take a decision to transfer the above amount to LV PEAK.

Discussion of the participants on the additional funding allocated for the project implementation.

Decided:

2.1. To support the transfer of funds in the amount of 2050 euros LV PEAK.

I.Steinbuka votes for;  
A.Jakobsons votes for;  
M.Aboliņš votes for;  
A.Ūbelis votes for.

The meeting was closed at 19:00.

Council Chairwoman

I.Šteinbuka

Meeting Secretary

I.Jansone

Visa: Council Secretary

N.Malnačs

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