Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:

19 December 2002 [shall come into force on 1 January 2003];

13 February 2003 [shall come into force on 6 March 2003];

10 March 2005 [shall come into force on 6 April 2005];

22 June 2006 [shall come into force on 1 August 2006];

26 April 2007 [shall come into force on 30 May 2007];

8 November 2007 [shall come into force on 1 January 2008];

20 November 2008 [shall come into force on 3 December 2008];

25 February 2010 [shall come into force on 1 April 2010];

16 December 2010 [shall come into force on 1 January 2011];

13 October 2011 [shall come into force on 1 December 2011];

3 April 2014 [shall come into force on 16 April 2014];

26 May 2016 [shall come into force on 16 June 2016];

27 April 2023 [shall come into force on 16 May 2023].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*1 has adopted and

the President has proclaimed the following law:

**Regional Development Law**

**Chapter I**

**General Provisions**

**Section 1. Terms Used in This Law**

The following terms are used in this Law:

1) **regional development** – productive changes in the social and economic situation in the entire territory of the State or separate parts thereof;

2) **regional policy** – guidelines and purposeful activity of the government in promoting regional development by coordinating sectoral development in conformity with the development priorities of separate parts of the State territory and by providing direct support for development of separate parts of the State territory;

3) **territorial development index** – artificial index which compiles separate territorial group indicators and characterises the development level of the territory;

4) **territorial development planning document** – a development planning document which is drawn up in order to ensure balanced and sustainable development of the State and its territories (planning region, local government), coordinating the socio-economic and spatial development priorities according to its potential and resources.

[*8 November 2007; 25 February 2010*]

**Section 2. Purpose of this Law**

The purpose of this Law is to promote and ensure balanced and sustainable development of the State, taking into account special features and opportunities of the entire State territory and of separate parts thereof, to reduce the unfavourable differences among them, and also to preserve and develop the features characteristic of the natural and cultural environment of each territory and the development potential thereof.

**Section 3. Regional Development Support Measures**

Regional development support measures are a programme and a set of relevant projects to be implemented in order to attain the objectives of this Law.

**Section 4. Basic Principles of Regional Development**

In the process of planning, management, financing, monitoring, and assessment of regional development the following basic principles shall be complied with:

1) **principle of concentration** – financing channelled in support of regional development shall be concentrated towards attainment of specific priority objectives;

2) **principle of programming** – regional development support measures shall be implemented on the basis of development planning documents drawn up at the national level, the level of planning regions and local governments;

3) **principle of partnership** – cooperation between State administration institutions, international institutions, planning regions, local governments, associations and foundations and merchants shall be ensured;

4) **principle of additionality** – the priorities determined in the State regional policy shall be financed from the State budget with the financial participation of local governments, foreign financial assistance, payments of legal persons and natural persons, including donations; the priorities determined at the level of planning regions and local governments shall be financed from the budget of the relevant local government with financial participation of the State, foreign financial assistance, payments of legal persons and natural persons, including donations, moreover, regional development support financing at various levels shall be mutually supplementary and shall not replace one another.

5) [13 October 2011]

6) [13 October 2011]

7) [13 October 2011]

[*13 February 2003; 20 November 2008; 25 February 2010; 13 October 2011; 3 April 2014*]

**Section 5. Planning Regions**

(1) A planning region is a derived public person. Its decision-taking institution is the Planning Region Development Council.

(2) The Cabinet shall determine the territories of the planning regions in accordance with proposals submitted by local governments.

(3) The planning regions are Kurzeme Planning Region, Latgale Planning Region, Rīga Planning Region, Vidzeme Planning Region, and Zemgale Planning Region.

[*22 June 2006*]

**Chapter II**

**Regional Development Planning Documents**

[13 October 2011]

**Chapter III**

**Competence of Public Institutions**

**Section 14. Competence of the Cabinet**

The Cabinet shall:

1) approve regional policy guidelines;

2) determine the procedures for the implementation, evaluation, and financing of State regional development support measures;

3) [13 February 2003];

4) determine the procedures for the monitoring and assessment of regional development;

5) determine the procedures for the calculation of a territorial development index and the publication of the values thereof;

6) determine the criteria and procedures for the allocation of a State budget grant to local governments and planning regions for the implementation of the projects co-financed by the European Union structural funds and Cohesion Fund;

7) determine the procedures by which earmarked grants for investments are granted and used;

8) determine the criteria and procedures for evaluating local government investment project applications for the receipt of a State loan.

[*19 December 2002; 13 February 2003; 22 June 2006; 8 November 2007; 20 November 2008; 13 October 2011; 3 April 2014; 27 April 2023*]

**Section 15. National Regional Development Council**

[3 April 2014]

**Section 16. Ministry of Environmental Protection and Regional Development**

The Ministry of Environmental Protection and Regional Development is the leading institution for the drawing up, implementation, and monitoring of the State regional policy, and also the coordination of implementation of the support measures for territorial development. The Ministry of Environmental Protection and Regional Development shall supervise the activity of planning regions.

[*13 February 2003; 22 June 2006; 16 December 2010; 3 April 2014*]

**Section 16.1 Competence of a Planning Region**

(1) Planning regions, within the scope of their competence, shall ensure the planning and coordination of regional development and cooperation between local government and other State administration institutions. In addition to the competences specified in other laws and regulations, planning regions shall:

1) determine the main basic principles, objectives, and priorities for the long-term development of the planning region;

2) ensure the coordination of the development of the planning region in conformity with the main basic principles, objectives, and priorities laid down in the development planning documents;

3) manage and monitor the drawing up and implementation of the planning documents of the planning region development;

31) provide an opinion on the conformity of a long-term development strategy and development programme of local level with the territorial development planning documents of regional level, and also with the laws and regulations governing the development planning document system;

4) ensure the cooperation of local governments and the cooperation of the planning region with institutions of national level for the implementation of regional development support measures;

5) evaluate the conformity of the Sustainable Development Strategy of Latvia, the national development plan, and sectoral development programmes with the development planning documents of the planning region and, upon detecting a non-conformity, propose to amend the development planning documents of national level or decide on amendments to the planning region planning documents;

6) evaluate the project applications of local governments or private individuals for the receipt of regional development State aid and provide opinions in respect of them;

7) in cooperation with local governments and State institutions, draw up development planning documents of the planning region, ensure their mutual coordination and conformity with the Sustainable Development Strategy of Latvia and the National Development Plan, and also implementation of these planning documents;

8) coordinate and promote the drawing up, implementation, monitoring, and assessment of regional development support measures of the planning region;

9) prepare opinions on the conformity of development planning documents of national level with the development planning documents of the planning region;

10) draw up and implement projects within the scope of regional development support measures;

11) promote economic activity in the territory of the planning region.

(2) In order to implement the competences of planning regions, the Planning Region Development Council:

1) shall approve the by-laws and budgets of the planning region;

2) may establish, reorganise, and liquidate planning region institutions and capital companies;

3) may decide on participation in associations and foundations;

4) may specify remuneration in respect of the fulfilment of the duties of council chairperson, members of the council and administrative employees and the procedures for the payment thereof;

5) may specify the types of paid services provided by the planning region and the amount of payment.

[*22 June 2006; 8 November 2007; 25 February 2010; 13 October 2011; 26 May 2016*]

**Section 17. Planning Region Development Council**

(1) The Planning Region Development Council shall be elected from among the councillors of the relevant local governments by a general assembly of the chairpersons of local governments located in the planning region. The general assembly of the chairpersons of local governments, unless otherwise laid down in law, shall take decisions as follows:

1) if none of the participants of the general assembly objects, decisions shall be taken without voting, by agreement;

2) if even only one of the participants of the general assembly objects, the decision shall be voted upon. A decision shall be taken if more than half of the participants of the general assembly vote for it and those voting for the taking of the decision represent not less than half of the total number of inhabitants of the relevant planning region local governments. The number of inhabitants shall be determined in conformity with Population Register data not earlier than one week prior to the day of the general assembly.

(2) The chairperson of the Planning Region Development Council shall be elected by the Planning Region Development Council from among the council members elected to it.

(21) The powers of the Planning Region Development Council shall terminate upon election of a new council. If a new council is not elected within two months after notification of the results of local government elections, the Cabinet shall, after consultations with the local governments belonging to the relevant planning region, appoint a person who exercises the competence of such council and its chairperson until election of a new Planning Region Development Council.

(3) Meetings of the Planning Region Development Council shall be open and representatives of State administration institutions, international institutions, associations and foundations, merchants, and other local governments located in the planning region may participate in such meetings in an advisory capacity.

(4) The by-laws shall determine the procedures by which a decision is taken by the Planning Region Development Council.

(5) The chairperson of the Council may, in addition to the competence specified in the by-laws of the planning region and other laws and regulations, participate in meetings of the Cabinet, meetings of a Cabinet committee, and meetings of State Secretaries in an advisory capacity, and also represent the planning region in the Regional Development Sub-council.

[*22 June 2006; 25 February 2010*]

**Section 17.1 Procedures for the Financing of Planning Regions**

(1) The sources of financing for planning regions may be the following:

1) State budget grants for the support of planning regions and other State budget grants;

2) own revenue, including revenue from paid services provided by the planning region;

3) according to preferences of a local government – a grant from a local government budget or a grant from a local government budget in accordance with the agreements entered into by and between the local government and the planning region;

4) foreign financial assistance funds;

5) donations and gifts.

(2) For the receipt of State budget funds and for the implementation of the tasks to be performed therefrom, a planning region shall open a current account with the Treasury. The responsible ministry in conformity with the State budget appropriation shall pay the grant into the current account. The non-used grant of the State budget shall be transferred in the State budget revenue at the end of the year, except for the grant for the implementation of the European Union policy instruments and the projects and measures co-financed by other foreign financial assistance. The non-used grant of the State budget for the implementation of the European Union policy instruments and the projects and measures co-financed by other foreign financial assistance shall remain at the disposal of the planning region at the end of the year, and the planning region may use such grant for corresponding objectives in the next economic year.

(3) A planning region may open a current account with the Treasury for the accounting of such funds as are not planned in the State budget. At the end of the year the account surplus shall remain at the disposal of the planning region, and the planning region may use it in the next financial year.

[*8 November 2007; 20 November 2008; 3 April 2014*]

**Section 18. Planning Region Cooperation Committee**

(1) In order to ensure coordination and cooperation with national level institutions and planning regions for the implementation of regional development support measures, each planning region shall establish a Planning Region Cooperation Committee.

(2) The meetings of the Planning Region Cooperation Committee shall be open and the chairperson of the Planning Region Development Council shall chair them.

(3) Ministries and the secretariats of special task ministers (hereinafter – the ministries) shall appoint cooperation coordinators who shall ensure exchange of information between the planning region and the ministry. Each ministry shall inform the Planning Region Development Council and the Ministry of Environmental Protection and Regional Development of the appointing of a cooperation coordinator.

(4) The composition of a Planning Region Cooperation Committee shall include:

1) representatives assigned by the Planning Region Development Council;

2) representatives assigned by the ministries.

(5) The chairperson of the Planning Region Development Council not later than two weeks prior to a meeting of the Planning Region Cooperation Committee shall inform the relevant ministry cooperation coordinators of the issues to be discussed at the meeting of the Planning Region Cooperation Committee and invite the relevant ministry to ensure its participation in the meeting of the Planning Region Cooperation Committee.

(6) In the case referred to in Paragraph five of this Section, a ministry shall assign its representatives for participation in the meeting of the Planning Region Cooperation Committee in conformity with issue to be discussed.

[*22 June 2006; 16 December 2010*]

**Chapter IV**

**Financing of Regional Development**

**Section 19. Sources of Financing of Regional Development**

(1) Regional development support measures shall be financed from the State budget, budgets of local governments, foreign financial assistance resources, and from payments by legal persons and natural persons, including donations.

(2) Regional development support measures which have been included in the National Development Plan shall be financed from the State budget, budgets of local governments, and foreign financial assistance resources, and also from resources of legal person and natural person.

[*13 February 2003; 10 March 2005*]

**Section 20. Regional Fund**

[25 February 2010]

**Section 21. Allocation of Regional Development Financing**

(1) Regional development financing shall be allocated to target territories or their parts in conformity with the support directions of target territories of the regional policy specified in the Regional Policy Guidelines.

(2) Regional development financing shall be allocated to the projects and programmes of local governments and planning regions which conform to the objectives, priorities, planned action, and investments specified in the territorial development planning documents of regional or local level.

(3) Upon planning public investments, the principle of territorial differentiation of services specified in the Regional Policy Guidelines which determines the scope of services for different groups of populated areas included in the Sustainable Development Strategy of Latvia, territorial development planning documents of regional or local level is applied for ensuring individual services.

(4) Within the scope of sectoral policies, public investments in the relevant territories are based on the development possibilities and priorities identified at the local or regional level which are justified in the territorial development planning documents, except for the planning of the placement of the objects of national significance.

(5) In the case referred to in Section 14, Clause 8 of this Law, the local government investment projects for the receipt of a State loan shall be evaluated within the scope of the amount of financing provided for in the annual State budget law.

[*3 April 2014; 27 April 2023*]

**Chapter V**

**Target Territories of Regional Policy**

[*3 April 2014*]

**Section 22. Concept of Target Territories of Regional Policy**

The target territories of regional policy are territories characterised by specific challenges and development potential in relation to their placement within the national spatial structure and due to the features related to such placement.

**Section 23. Status of Target Territories of Regional Policy**

(1) The purpose for the determination of target territories of regional policy is to implement regional development support measures corresponding to the specific needs and development potential of these territories in order to promote the establishment of equal social and economic circumstances in the entire territory of the country.

(2) Development of target territories of regional policy is promoted by the investment measures and support measures of other type implemented within the scope of regional policy and sectoral policies which are differentiated in conformity with the socio-economic indicators of local governments or parts of their territory belonging to the target territories, and also the needs and development possibilities and which are specified in the territorial development planning documents of planning regions or local governments.

**Section 24. Determination of Target Territories of Regional Policy**

Target territories of regional policy are determined, taking into consideration the Sustainable Development Strategy of Latvia. The local governments belonging to the target territories are determined in the Regional Policy Guidelines, evaluating territorial development planning documents of planning regions.

**Chapter VI Activity of State Administration in Regions**

[*25 February 2010*]

**Section 25. Delegation of Administration Tasks and Transfer of Competence to Planning Regions**

(1) Planning regions may be delegated administration tasks which are within the competence of an institution of direct administration. If the administration task is delegated by an agreement, the draft thereof shall be coordinated with the Minister for Environmental Protection and Regional Development.

(2) The Cabinet shall continuously evaluate which competence of institutions of direct administration is transferred to planning regions, and also issue the necessary laws and regulations or prepare and submit relevant draft laws to the *Saeima*.

(3) If an administration task is delegated or competence is transferred to a planning region, such planning region shall implement the relevant task or competence by such amount of the financial resources from the State budget which is at least for 10 per cent less than it would have been necessary if the relevant task or competence would have been implemented by an institution of direct administration.

(4) The head of the State institution of direct administration shall, in cooperation with the chairperson of the Planning Regional Development Council, organise takeover of the administration tasks or competence from institutions of direct administration.

[*16 December 2010*]

**Section 26. Territorial Structures of Institutions of Direct Administration**

(1) Institutions of direct administration shall organise their territorial structures in conformity with the territories which are specified in accordance with Section 5, Paragraph two of this Law, unless it is laid down otherwise in the Law or by the Cabinet.

(2) If the tasks to be performed by the structures of institution of direct administration allow it in any territorial unit, the Cabinet shall decide on partial or complete merging of the relevant territorial structures and additionally also on performance of the actions referred to in Section 25 of this Law upon proposal of the Minister for Environmental Protection and Regional Development.

[*16 December 2010*]

**Transitional Provisions**

1. With the coming into force of this Law, the Law on the Specially Supportable Regions is repealed (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 1997, No. 13; 1999, No. 10).

2. The Regional Development Council, established in accordance with the Law on the Specially Supportable Regions, shall continue to perform its functions until the establishment of the National Regional Council.

3. The status of specially supported region, granted in accordance with the Law on the Specially Supportable Regions, shall be in force until 27 June 2004.

4. The Regional Fund established in accordance with the Law on the Specially Supportable Regions shall continue its operation until the moment the Regional Fund provided for in this Law is established which shall be its successor in rights and obligations.

5. The Cabinet shall:

1) by 1 September 2002, issue the regulations and recommendations provided for by Section 6 of this Law, offer proposals in respect of the territories of the planning regions and determine procedures by which the issue regarding the territories of the planning regions shall be coordinated with the local governments located therein;

2) by 15 October 2002, determine the territories of the planning regions provided for in Section 5 of this Law;

3) by 1 January 2003, approve the by-laws of the National Regional Development Council provided for in Section 15, Paragraph three of this Law;

4) by 31 December 2003, issue the regulations provided for in Section 6, Paragraph two of this Law regarding the procedures for development, implementation, monitoring, and public discussion of the National Development Plan;

5) by 1 September 2003, issue the regulations provided for in Section 14, Clause 2 and Section 21, Paragraph three of this Law;

6) by 1 October 2003, in accordance with Section 20, Paragraphs one and three of this Law, establish the Regional Fund and approve the by-laws thereof;

7) by 31 January 2008, issue the regulations provided for in Section 14, Clauses 5 and 6 of this Law;

8) by 31 December 2012, issue the regulations provided for in Section 14, Clause 7 of this Law.

[*19 December 2002; 13 February 2003; 8 November 2007; 13 October 2011*]

6. Planning region development councils referred to in Section 5 of this Law shall, within two months after the Cabinet has approved the borders of a planning region, appoint their representative for work in the National Regional Development Council.

[*13 February 2003*]

7. [10 March 2005]

8. [13 February 2003]

9. Until establishment of the planning regions provided for by this Law, the functions of the planning regions shall be performed by the planning regions established in accordance with the Territorial Development Planning Law.

10. A Planning Region Development Council which has been established and operating up to 1 August 2006 shall be deemed to be the derived public person decision-taking institution referred to in Section 5, Paragraph one of this Law until the day when the Planning Region Development Council is elected in conformity with the provisions of Section 17, Paragraph one of this Law.

[*22 June 2006*]

11. A district local government shall transfer its development programme to the planning region by 1 August 2009. If one municipality is established in the territory of the district, the development programme of the district local government shall be transferred to the relevant municipality.

[*20 November 2008*]

12. Until the day of coming into force of the regulations referred to in Section 14, Clause 5 of this Law, however, not later than until 1 April 2009, Cabinet Regulation No. 730 of 15 September 2008, Procedures for the Calculation of the Territorial Development Index and Application Thereof, shall be applied.

[*20 November 2008*]

13. Until the day of coming into force of the regulations referred to in Section 14, Clause 6 of this Law, however, not later than by 1 July 2009, Cabinet Regulation No. 815 of 30 September 2008, Regulations Regarding Criteria for Allocating the Grant of the State Budget to Local Governments and Planning Regions for the Implementation of the Projects Co-financed by the European Union Structural Funds and Cohesion Fund, shall be applied.

[*20 November 2008*]

14. Section 26, Paragraph one of this Law shall come into force on 1 July 2010.

[*25 February 2010*]

15. The Cabinet shall, once in two years, prepare and submit to the *Saeima* an informative report on the implementation of Section 25, Paragraph two and Section 26 of this Law.

[*3 April 2014*]

16. [13 October 2011]

17. [13 October 2011]

18. [13 October 2011]

19. The Cabinet shall, by 30 June 2014, issue the regulations referred to in Section 14, Clause 5 of this Law. Until the day of coming into force of this Regulation, however, not later than by 30 June 2014, Cabinet Regulation No. 482 of 25 May 2010, Regulations Regarding the Procedures for the Calculation of the Territorial Development Index and Values Thereof, shall be applied.

[*3 April 2014*]

The Law has been adopted by the *Saeima* on 21 March 2002.

Acting for the President, Chairperson of the *Saeima* J. Straume

Adopted 9 April 2002