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REPUBLIC OF LATVIA

NATIONAL  
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EUROPEAN UNION

European Union  
Structural Funds  
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# Evaluation of the efficiency and impact of European Social Fund investments in the development of public administration and professional enhancement of employees

SUMMARY

FM2019/44 (TP IZV)

2020



Central and  
Southern Europe  
CENTRE OF  
EXCELLENCE



SAFEGE  
Baloja

# Objective and methodology of the evaluation

The **evaluation object** is Measure 3.4.2.1. "Professional Improvement of Public Administration in the Development of Better Legal Regulation in the Areas of Support for Small and Medium-Sized Enterprises, Prevention of Corruption and Reduction of the Shadow Economy" of Operational Program's (OP) "Growth and Employment" of the EU Funds Programming Period 2014-2020.

The methodological framework of evaluation comprises two complementary evaluation approaches: **implementation evaluation and theory-based impact evaluation**. The evaluation methodology consists of a combination of several evaluation methods used in international evaluation practice - the theory of change, analysis of impact factors and evaluation rubrics.

Objective of the evaluation is to carry out an independent, external study to assess the effectiveness and efficiency of European Social Fund funding investments, as well as the impact on public administration development and professional development in support of small and medium-sized enterprises, corruption prevention and the shadow economy.

To validate data and findings methodological triangulation was used – several sources and several data acquisition and analysis methods, incl., **77 individuals were interviewed and 38% of involved institutions participated in a survey.**

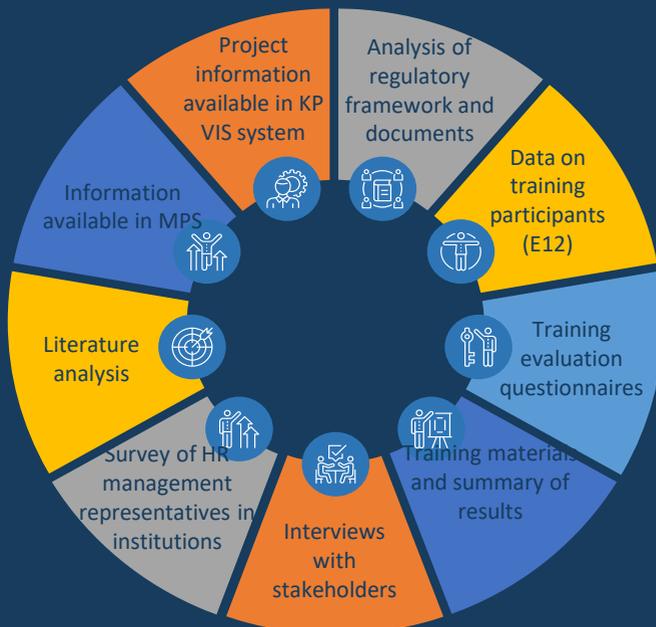


Figure No.1. Data acquisition methods and main data sources

## Description of Measure 3.4.2.1.

Four following projects were implemented within the Measure:

Professional development of public administration human resources in the development of better regulation in the field of support for small and medium-sized enterprises - <b>U-project</b>	The Latvian School of Public Administration	06.01.2016 - 30.06.2022	3 558 196 EUR
Professional development of public administration human resources in the field of prevention of corruption and reduction of shadow economy - <b>K-project</b>	The Latvian School of Public Administration	06.01.2016 - 30.06.2022	2 863 077 EUR
Professional development of public sector auditors in the field of improvement of business environment, prevention of corruption and reduction of shadow economy - <b>State Audit Office project</b>	The State Audit Office	01.01.2017 - 30.09.2020.	299 745,90 EUR
Senior Management Development Program - <b>State Chancellery project</b>	State Chancellery	01.01.2017 -- 30.09.2020	926 094 EUR

Outcome and result indicators achieved within the Measure:



Figure No. 2. Outcome and result indicators achieved within the measure



## Efficiency, effectiveness and impact of the U-project

The project outcome and result indicators have been achieved proportionally with the planned. Training under the project involves a critical mass of public administration institutions, which has promoted a change in attitudes, behaviour and habits in public administration:



Most of the training participants have confirmed that the knowledge gained in the project will be applied in their work. Several positive cases have been identified, that demonstrate improvements in the work or services of the institutions. The practical applicability of LEAN training and the contribution of design thinking training to the improvement of the operational processes of certain public administration institutions are emphasized:

*«So far, we have designed the processes so that everything works quickly inside the institution. Now we realise that the service needs to be designed to be convenient for the customer as well. There has been a change of focus.»*

It can be stated that the knowledge and skills acquired in the project have been used to initiate a number of significant changes to improve the business environment and reduce administrative burdens, e.g.:

The State Construction Control Bureau has improved the possibilities for digital coordination of construction documents, which reduces the number of documents submitted in paper, submission and the service is available 24/7.

The State Environmental Service simplified the procedure for issuing a fishing permit (licenses) for industrial fishing in inland waters. The customer should in future apply only to the municipality and not to two institutions.

Successful synergy of the U-project with SO 3.4.2.3 project “Development and approbation of public service transformation methodology” plays an important role in these changes.



## Efficiency, effectiveness and impact of the K-project

Significant progress has been made in achievement of the output and result indicators. The training implemented in the project is based on the needs of the sector policy. The training topics are in line with the tactical and strategic goals of the target audience institutions.



The approach chosen by the project - to promote close communication between different institutions, has promoted formation of a more unified image of the anti-corruption problem in the system as a whole and a common interpretation of concepts, which is also recognized by foreign experts:

*«Latvia was able to involve judges, prosecutors, police officers, investigators, tax investigators. It was unique. People from different institutions worked together, they formed a common understanding. [...] they speak a common language.»*

The K-project has an evident impact on the capacity of anti-corruption and anti-shadow economy institutions, and training has contributed to the effectiveness of strategic and operational analysis methods, e.g.:

The project implemented inter-institutional co-operation activities - cases related to the illegal circulation of exclusive cars, suspicious real estate transactions and "money mules" were investigated in practice. As a result, a number of criminal cases were opened for identified offenses in these areas.

Legal aid was addressed in relation to money laundering, as this type of crime is transnational in nature. It has strengthened cooperation between the US and Latvian authorities (representatives of Latvian law enforcement agencies, the Prosecutor's Office and the Federal Bureau of Investigation).

The training has facilitated changes in several Latvian regulatory enactments that will allow for a more effective fight against the shadow economy, including the **Criminal Procedure Law**, the **Law on the Prevention of Money Laundering and Terrorist and Proliferation Financing**, and the **Sanctions Law**. As a result of project activities, the number of detected, investigated and prosecuted cases as well as the number of institutions for which internal anti-corruption plans have been developed is increasing.



# Efficiency, effectiveness and impact of the State Audit Office project

Within the framework of the training project, the State Audit Office has exceeded the planned project result and outcome indicators due to optimal involvement of responsible persons at all levels in the planning and organization of activities. Most of the staff of the State Audit Office, as well as internal auditors from several other institutions participated in the project's professional development activities.



The training participants were selected taking into account the operational priorities of the State Audit Office, e.g., individual pilot audits, as well as the need to improve staff competencies in carrying out specific audits. Most of the training was aimed directly at improving the institution's internal processes and the quality of work, which is expected to improve the perception of the institution's performance. As a result of the project, several improvements have been introduced in the work of the State Audit Office in connection with the assessment of the financial and economic impact of audits - written and visual communication methods for explaining audit results and expressing opinions to both revised entities and the general public, such as:

As a result of the project, new guidelines for assessing the financial and economic impact of audits in monetary terms have been developed and implemented in the process. As a result, communication with the general public about the need for the audit and its results has been improved. Financial, economic and other benefits are being calculated and clarified.

The impact in the work of the institutions represented by the **internal auditors** is less substantial. Changes and improvements in the decision-making processes driven by the acquired knowledge and skills have been identified, but there is a need for further processes in order to implement the changes in the work of all institutions:

*"The MoF is currently preparing a report to the Cabinet of Ministers on the need for measures to increase the competence of internal auditors. The Internal Audit Board has decided to draw the Government's attention to the need to increase the capacity and qualifications of internal auditors."*



# Efficiency, effectiveness and impact of the State Chancellery project

Achieved result and outcome indicators in the State Chancellery project have exceeded the planned values. This was facilitated by diverse training approaches, innovative training methods, thematic concentration and the active involvement of senior management. The systemic approach to training used in the project, which included both individual work (needs assessment, individual development plan, training, support tools) and collaboration (module training, discussion platforms), is considered good practice.



The critical variable of the project is the **successful project implementation strategy** - implementation is entrusted to the State Chancellery, which is responsible for public administration reform processes. The team involved in project implementation, close cooperation with the School of Public Administration and opportunity to ensure synergies with other parallel processes are the most important factors that increase the potential impact of the project.

*«Cooperation, awareness raising, information exchange is a successful benefit. Finally, the heads of the institutions see, talk, exchange ideas - this is one of the achievements. There was no such opportunity before.»*

*«It is a very valuable thing to stop absence of communication between the institutions.»*

In 2018, the State Chancellery started implementation of the project #GovLabLatvia Innovation Laboratories, which is gradually striving to become the competence center of public sector innovation. In the course of the evaluation, synergies were identified between the #GovLabLatvia Innovation Laboratory project and the annual themes of the State Chancellery project, such as the 2019 theme “Innovation and Experimentation”.

During the evaluation, the direct project impact can be seen in some cases: the changes are mostly individual, and no signs of systemic change have yet been identified. At the same time, the evidence suggest that the opportunities provided by the project, flexibility and the different levels of intervention have facilitated commencement of public administration reform processes with a high potential.