

# Don't miss out on financial support! 1/3/22

[In our previous article](#) on financing available to businesses we informed our MindLink subscribers about additionally available grants, loans and guarantees financed out of public and EU funds. A new EU funding period has just started, with sub-programmes being developed in detail for setting EU financing priorities. The aggregate EU investment for 2021–2027 involves EUR 10.44 billion to be absorbed by Latvia's economy. A preliminary list of priorities and qualifying measures has been drawn up, and projects could be launched from mid-2022. Financing from the EU funds for project implementation is available to every Latvian citizen who has a clear idea of how to contribute to society's well-being, economic growth and sustainable development. Projects may be submitted by entrepreneurs, municipalities and governmental organisations. This article explores the priorities, available funding and programmes of the Latvian Recovery Fund, as well as financing available from the EU Structural Funds for 2021–2027.

While the two funds have similar priorities, the Recovery Fund will link payouts to achievement of the interim and final goals of a particular reform rather than the amount invested, as is the case with the Structural Funds projects.

The Recovery Fund focuses on long-term economic transformation aimed at supporting reform and investment associated with the transition to a green and digital economy as well as minimising the social and economic impact of the crisis. Latvia plans to utilise the entire support grant of EUR 1.82 billion.

The plan envisages support in six areas:

- 37% in meeting climate goals
- 20% in digital transformation
- 20% in reducing inequalities
- 11% in economic transformation and productivity reform
- 10% in the health sector
- 2% in strengthening the rule of law

Significant investment is planned in [energy efficiency](#) – insulation and energy efficiency of apartment blocks across Latvia. Also, investment is planned in electricity networks and infrastructure that is likely to reduce the price of electricity for consumers. And significant investment is planned to improve energy efficiency in businesses, using financial instruments to help entrepreneurs launch energy efficiency projects for business infrastructure.

Significant support is planned for the [digital upskilling](#) of all Latvian residents – children, adults and senior citizens. Also, investment is planned to [digitalise processes in businesses](#), for instance, to modernise management, accounting and internal resource management systems. Support is to take the form of financial instruments for the digitalisation of businesses, with support for developing and digitalising internal resource management and logistics tools.

There are plans to increase [affordable housing](#) in the provinces by developing rental housing.

Support will also be provided in exploring innovation and private investment and promoting development by investing additionally in a programme to create new, science-intensive innovative products and promote the cooperation between businesses, scientists and universities. Funds will be allocated to university governance reform, support for science and research, and the renewal of doctoral research potential.

Project submissions and launches are expected soon. The financing from the Recovery Fund will be allocated in 2022–2023 with payouts up to 31 August 2026. Expense allocation applies retrospectively from 1 February 2020.

The EU Structural Funds have the following priorities in the new planning period:

- A **smarter Europe** – innovative and smart economic transformation with research and skills development as well as support for entrepreneurship and digitalisation
- A **greener Europe** – climate neutrality, climate adaptation, and protection of the environment
- A **more connected Europe** – safe, sustainable and accessible development of mobility and ICT connectivity
- A **more social Europe** – equal opportunities and access to education, healthcare and the labour market, fair working conditions, social protection and inclusion
- A **Europe closer to citizens** – sustainable and balanced development of urban, rural and coastal areas

The ministries have already started work on drafting the required national horizontal legislation to be able to begin the scheduled utilisation of the Structural Funds.

It is important to know that various ministries are planning support for the sectors within their competence, with utilisation being monitored by the responsible ministries and their supervisory bodies. So any interested party should follow updates on their programme of interest at the relevant supervisory body. The scheduled support projects, institutions in charge and provisional timetables for the Recovery Fund can be found [here](#). The EU Structural Funds programmes with an indicative timetable can be found [here](#).

If the national legislation, which is to prescribe what an application should look like and how applications will be evaluated, has yet to be drafted, we recommend you identify financing programmes that fit your expected development strategy early and start preparing basic information. Sometimes the time limit for applying for financing is too short to prepare all the necessary documentation for more complex projects.

If you have any questions in this regard or need help in preparing project applications, please let us know. May this opportunity help you grow and develop your business!