

Treasury  
Republic of Latvia

# Treasury's Public Report

# 2025

<i>Abbreviations used in the report</i>	3		
Treasurer's Statement	4		
<b>Basic information</b>	5		
<b>Treasury activities in 2025</b>	6		
<b>1. Accomplishments in the Execution of the Central Government Budget</b>	6		
1.1. Organisation and Enhancement of the Execution of the Central Government Budget	6		
1.2. Accounting and Reporting	6		
1.3. Services of the Treasury	7		
1.4. Performance Indicators of Operational Targets	9		
1.5. Steps Planned for 2026	9		
<b>2. Accomplishments in Central Government Debt and Cash Management</b>	10		
2.1. Operational Principles and Development Trends	10		
2.2. Central Government Debt Indicators	11		
2.3. Borrowing Measures in 2025	11		
2.4. Savings Bonds	12		
2.5. Credit Rating of the Country and Counterparty Relationship Management	13		
2.6. Central Government Debt Portfolio Management	13		
2.7. Cash Management	14		
2.8. Performance Indicators of Operational Targets	15		
2.9. Steps Planned for 2026	15		
<b>3. Accomplishments in State Loan and Guarantee Management</b>	16		
3.1. Description of the Situation and Development Trends	16		
3.2. State-Issued Guarantees	16		
3.3. State Loans	17		
3.4. Performance Indicator of Operational Target	18		
3.5. Steps Planned for 2026	18		
<b>4. Accomplishments in the Implementation of the Functions of the Certifying Authority of EU Funds and Foreign Financial Assistance</b>	19		
4.1. Description of the Situation and Development Trends	19		
4.2. Functions as a Certifying Authority in the 2014–2020 Programming Period	19		
4.3. Functions of the Certifying Authority for the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism in 2014–2021	19		
4.4. Functions of the Accounting Authority in the EU Funds 2021–2027 Programming Period	20		
4.5. Functions of the Paying Authority for the Swiss Cooperation Programme	20		
4.6. Functions of the Certifying Authority for the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism in 2021–2028	20		
4.7. Performance Indicators of Operational Targets	21		
4.8. Steps Planned for 2026	21		
<b>5. Accomplishments in the Accounting and Bookkeeping Service</b>	22		
5.1. Service Provision and Development Trends	22		
5.2. Performance Indicator of Operational Target	23		
5.3. Steps Planned for 2026	23		
<b>6. Accomplishments in the Governance of the Institution</b>	24		
6.1. Funding of the Treasury and the Spending Thereof	24		
6.2. Work Environment	36		
6.3. Personnel and Personnel Management	36		
6.4. Quality, Process Measurement, Risk, and Information Security Management	36		
6.5. Internal Control System	37		
6.6. Public Communication, Customer Survey	37		
6.7. Performance Indicators of Operational Targets	38		
6.8. Steps Planned for 2026	39		

EUR – euro, official currency of the European Union

ERDF European Regional Development Fund

EU European Union

EUROSTAT Statistical Office of the European Union

ESF European Social Fund

GDP Gross domestic product

CF Cohesion Fund

LOC Latvian Olympic Committee

REDMINE Open source project management tool

IPSAS International Public Sector Accounting Standards

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# Treasurer's Statement

# 2025



We are looking back at a dynamic year full of challenges. A year which provided the State with the financial resources it needs, taking further steps towards the transition to a centralised accounting and bookkeeping service provided through a shared service centre as quickly as possible, continuing the strengthening and modernisation of secure payment services, and bringing digitisation and automation into the analytics of information and data on execution of the central government budget.

Global tensions caused by armed conflicts and political developments in different regions, changes in US foreign policy and its unpredictability, 'tariff wars' and investor concerns about the capacity of the world's economy to maintain growth and fiscal sustainability in the face of rising defence spending, all bring about high volatility and uncertainty in international financial markets. It is in these financial market conditions that we worked to maintain as much flexibility in our borrowing as possible, actively monitoring global events and watching the reactions they elicited on financial markets to raise the necessary resources at the most opportune time and at the lowest possible rates. In 2025, the Treasury issued 1 billion euros' worth of five-year bonds on international financial markets in May, and 1.25 billion euros of 10-year bonds in September. We raised close to 1 billion euros through primary dealers in government securities auctions in 2025.

We made preparations to expand the scope of government securities auction participants in February 2026 by concluding a cooperation agreement with a new primary dealer, DZ BANK, one of Germany's largest banks, with almost 150 years on the market. This new international partner joining auctions held by the Treasury will expand the investor base for government securities, spurring investor competition and demand for Latvian government securities.

The demand for savings bonds among Latvia's residents is stable and robust, representing their visibility and the trust of the general public in this publicly guaranteed investment instrument. In 2025, we expanded the range of savings bonds available at [www.krajobligacijas.lv](http://www.krajobligacijas.lv), with new maturities: two years and three months. This diversified and expanded our offer in the most popular segment of maturities. Three-month savings bonds quickly became popular, and in the last two months of the year, the general public purchased bonds amounting to 22.5 million euros. The automatic

reinvestment function available on the website since early 2025 enables investors to repeat their savings bonds investments, whereby they can select savings bonds of any maturity available, without having to perform any additional payment actions.

The Treasury continued the implementation of one of the largest projects in its history, as it was assigned by the government to carry out, as soon as possible, the transition to a centralised accounting and human-resources record-keeping information system service provided through a shared service centre. As part of this work, we made it possible for the next batch of institutions, specifically, the Ministry of Justice, the Ministry of Culture, the Ministry of Finance, the Ministry of Education and Science, as well as the School of Public Administration, the State Chancellery, the National Electronic Mass Media Council of Latvia, the Public Electronic Mass Media Council, the State Data Inspectorate, and the Judicial Academy to join the 31 institutions already using the service in January 2026, for a total of 109 institutions. The overall goal of the project is to ensure that by 31 December 2026, 80% of the State administration workforce receives this service in a centralised way. Once the support functions are used in a centralised way by the State administration institutions, the number of employees needed to carry them out will fall. Uniform solutions and standardised processes will enable more quantitative and qualitative data analysis on central government budget expenditure, tailored to the needs of users and available more quickly, thus promoting more efficient data management and more resources saved that institutions need to support these processes. The resources that become available as a result can be repurposed for core functions.

Every year, we have expanded the public's capacity to analyse and use central government budget data for various purposes: we have continued to digitise and automate the preparation, submission, and compilation of execution of the central government budget analysis information, storing and automating data in a single database, while reducing the manual work and administrative burden on institutions. We introduce modern solutions that make data 'alive' and easy to understand, all in order to promote the use of data, to make the data easier to interpret, and to facilitate the public's understanding of State financial management.

Working to comply with European Parliament and Council regulations requiring the verification of the recipient's IBAN and name in payments, we sped up the payment process so that payments ordered by customer reach the recipient earlier, and incoming payments are sooner credited to customer accounts. This helps prevent situations in which, due to fraud or error, the customer makes a payment to the wrong recipient before authorising the payment.

Looking back at our achievements, we can be satisfied with the outcome in terms of service quality, with customer satisfaction reaching 93%, the integration of a growing number of accounting staff as part of the centralisation, and the successful performance of the functions assigned to the Treasury, despite challenges created by external factors. I would like to thank each and every employee for the work they contributed, and for their professionalism, loyalty, and integrity in performing their duties. Your knowledge, experience, and attitude are the Treasury's greatest assets. Looking ahead, we will continue to think big and pursue ambitious plans. By strengthening cooperation and accountability, we will deliver even better results through the sustainable management of State financial resources.



Treasurer  
Kaspars Āboliņš

Riga, 24 April 2026

## Legal Status

The Treasury is a direct administrative institution under the Ministry of Finance designed to effectively implement the functions of public administration in the area of public financial management. The legal status, functions, tasks, competence, and rights of the Treasury are set in Cabinet Regulation No. 677, 'Regulations of the Treasury' of 3 August 2004.

## Main functions

- 1) organising the execution and financial accounting of the central government budget;
- 2) granting allocations and effecting payments from central government budget revenue;
- 3) central government debt and cash management;
- 4) financial management of EU Funds and other foreign financial assistance mechanisms;
- 5) provision of a centralised accounting and bookkeeping service;
- 6) other functions defined by laws and regulations.

**Operational Strategy for 2023–2026** (updated in 2025) focuses on:

- 1) principles of sustainable development;
- 2) modern services and technologies;
- 3) further digital transformation of processes.

Figure 1. Operational Strategy Framework of the Treasury



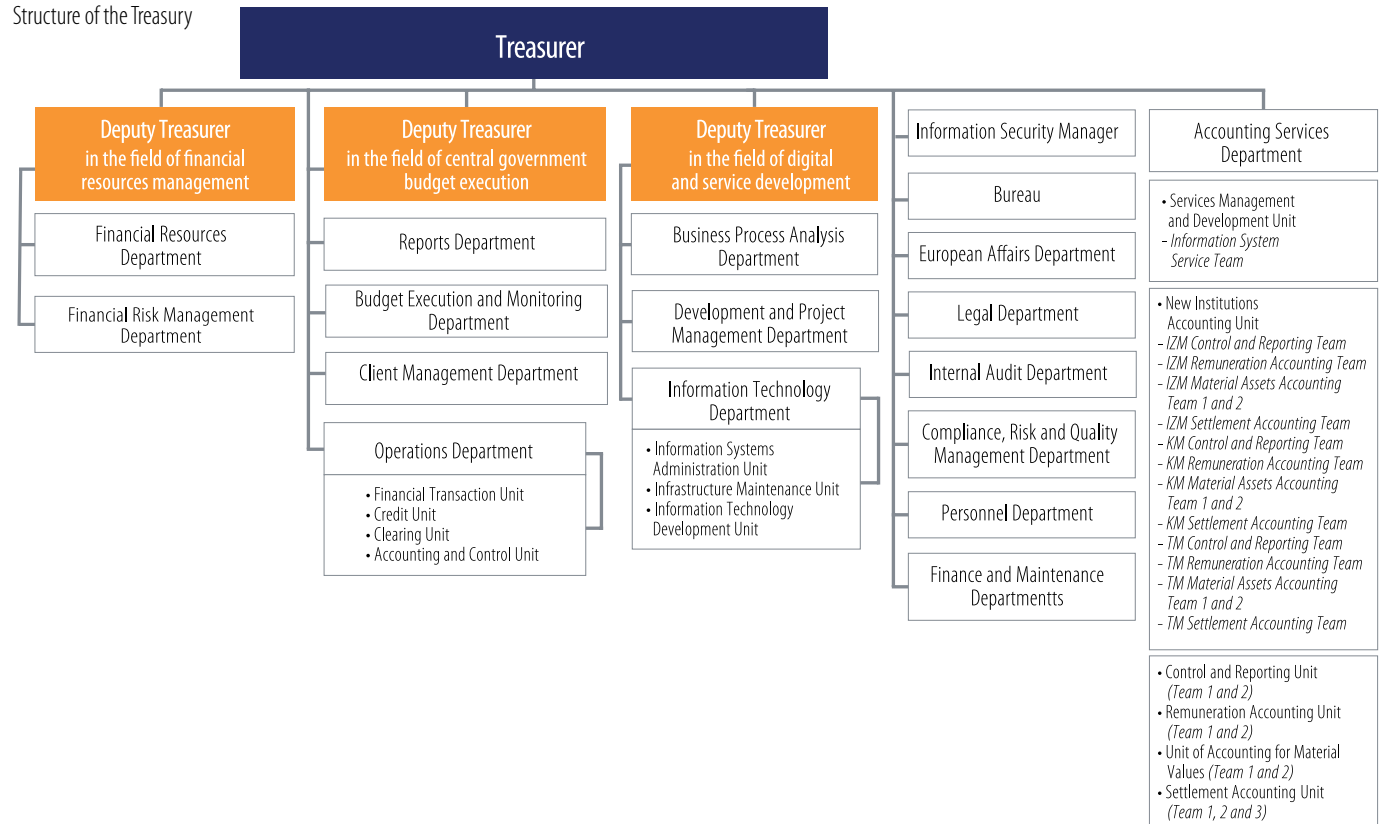
## Structure and its Changes

A major change in the functioning and structure of the institution has been implemented to provide centralised accounting and personnel management information system services to the public administration by reorganising the structure of the Accounting Service Department. As part of the centralisation of accounting specialists in the Treasury for ministries and their subordinate institutions, the Treasury started providing accounting services to 78 more institutions from January 2025 (in total, the Treasury already provides the service to 109 institutions).

The following committees operated in 2025 for the successful performance of functions and tasks and the adoption of uniform decisions:

- 1) Audit Committee;
- 2) Credit Committee;
- 3) Crisis Management Committee;
- 4) Quality and Risk Management Committee;
- 5) Debt and Funds Management Committee;
- 6) Resource Liquidity Committee;
- 7) Management committee;
- 8) Accounting Committee.

Figure 2. Structure of the Treasury



## 1. Accomplishments in the Execution of the Central Government Budget

### *Goal of the Operational Direction*

**To ensure the effective and economic execution of the central government budget and conformity of the services provided by the Treasury to financial management best practice.**

### 1.1. Organisation and Enhancement of the Execution of the Central Government Budget

Within the framework of the State financial management cycle, the Treasury organises the execution of the central government budget, sets the requirements for the accounting and bookkeeping of the general government and performs the financial accounting of the central government budget. The execution of the central government budget is organised within a single funds account, which is recognised in global practice as the most effective financial management method.

The Treasury provides budget execution services to customers in the form of electronic services: it awards assignments and grants from the general revenue, provides payment services, prepares State and municipal budget execution and financial reports, as well as provides information to institutions administering budget payments on taxes, fees paid and other Central government budget revenue.

#### Granting and Execution of Assignations

In 2025, to ensure the execution of Central government budget execution, the Treasury granted assignments in the amount of EUR 17,856.1 million: EUR 13,113.6 million for the basic budget, and EUR 4742.5 million for the special budget. The assignments were granted to 165 central government budget institutions in 2291 basic budget and special budget expenditure accounts.

#### Automation and Digitisation of the Analysis of the Execution of the Central Government Budget

In 2025, in order to strengthen the monitoring of the execution of the central government budget and improve the circulation of data within State administration, central government budget execution analysis explanations began to be submitted and stored

electronically via the e-services portal of the Treasury. The solution was implemented in accordance with Cabinet of Ministers Instruction No 2, 'Instruction on Analysis of the Central Government Budget Execution' of 10.04.2018, which requires ministries and central institutions to provide the Ministry of Finance with information concerning budget fulfilment analysis, deviations from planned performance indicators, and the implementation of targeted funding and priority measures. The digitised process makes it possible to process the data automatically and to store the information in a single location, reducing the administrative burden. This enables more timely and in-depth analysis of the execution of the central government budget, for better transparency and more effective decision-making. Information about budget execution targets is publicly available [on the Treasury's website \(State Budget Fulfilment Analysis\)](#) and in the [Open data portal](#).

The institution created an internal chatbot, called 'Tavs palīgs grāmatvedības jautājumos' ('Your assistant for accounting issues'), in order to streamline the methodological work in accounting, helping to prepare answers in the field of accounting and preparation of reports, and supporting employees in navigating the laws and regulations, guidelines and documents that apply to them.

#### Customer and Counterparty Analysis

In providing financial services, the Treasury improves its internal control system according to the requirements pertaining to international and national sanctions, anti-money laundering, and the prevention of terrorism financing, fraud and corruption. At the same time, the institution studies its customers and counterparties, and monitors transactions. In 2025, in order to fully implement its internal control system, the Treasury established an internal procedure for first-line-of-defence supervision, defining the frequency and scope of the checks to be carried out, as well as a uniform control checklist (check form).

In order to bolster the robustness of State financial management and mitigate compliance risks, the Treasury conducts control measures aimed at the early identification and prevention of the provision of financial services that do not comply with sanctions, anti-money laundering, and the prevention of financing of terrorism and proliferation requirements. Within the competence of the institution, it identifies signs of suspicious and unusual transactions that may suggest money laundering or links to terrorist financing. An automated payment screening tool is used for this purpose, checking

outgoing and incoming payments against sanctions lists, thus reducing the risk of circumventing sanctions and providing additional controls for transactions involving high-risk countries.

The amount and scope of the sanctions set by the European Commission and the USA substantially increased the number of enhanced payment due diligence checks that the Treasury performs in order to comply with the laws and regulations and to prevent possible attempts to circumvent sanctions. In response to the growing cyber security threats in Europe due to Russian military aggression, the Treasury has improved its business continuity plan and carried out appropriate tests.

### 1.2. Accounting and Reporting

In order to strengthen the reliability of financial data in Latvia's public sector and ensure their international comparability, the Treasury continuously refines public sector accounting requirements, prioritising the harmonisation of Latvian laws and regulations with IPSAS, which is a globally recognised best practice. The Treasury regularly analyses and assesses the latest changes in IPSAS and introduces appropriate amendments in the laws and regulations. This helps make it possible to prepare State and local government annual accounts in line with top quality requirements. Before introducing significant changes, the Treasury consults with experts and coordinates the possibility of implementing the requirements with representatives of ministries and local governments. Accounting and disclosures compliant with IPSAS make it possible for investors, international institutions, and the public to obtain accurate, high-quality, complete, and transparent information about the economic situation in the country.

Putting together accounting and budget execution data provided by State and local government institutions, the Treasury prepares monthly and quarterly budget execution reports, as well as its largest document, the consolidated economic year report for the Republic of Latvia, providing transparent and reliable information on State finances and central government budget execution. This report is audited by the State Audit Office, and the opinion provided by it serves as confirmation that the information delivered by the Treasury is complete and reliable. All the reports prepared and data submitted by institutions are available to anyone interested at.

## 1. Accomplishments in the Execution of the Central Government Budget

In order to prevent budget execution reporting from being just a set of numbers, we introduce modern solutions that make data 'alive' and easy to understand, all in order to promote the use of data, to make the data easier to interpret, and to facilitate the public's understanding of State financial management:

- 1) In July 2025, the Treasury implemented a modern data visualisation demonstrating the fulfilment of the consolidated state budget via the *Power BI* tool. It enables users to select the positions that interest them, to explore data using various parameters, and compare indicators through dynamically generated graphs;
- 2) The 'Daily Reports' section shows visualisations with the latest data on the state budget fulfilment figures for the previous day. The visualisation conveniently shows the progress of budget fulfilment, enabling the earlier detection of deviations and a more in-depth focus on specific fulfilment positions.

In accordance with the Freedom of Information Law, the Treasury publishes 13 datasets (three new datasets added in 2025) via the open data portal to provide its users with the data they need on national and municipal state budget fulfilment and financial data. Publishing the data ensures their accessibility, builds public trust, and enables public institutions, researchers, businesses, and other stakeholders to analyse and use them for a variety of purposes, such as decision-making, research, and innovation.

### 1.3. Services of the Treasury

The Treasury's E-services (ePakalpojumi) portal offers easy user authentication with electronic identification tools supported by *Latvija.gov.lv*, uniform navigation between services, and a modern design that meets usability requirements. In order to reduce maintenance costs and expand the system, the Treasury replaced and upgraded the *ePakalpojumi* portal authentication/authorisation solution, introducing the uniform open source user identification system *Keycloak*, which is integrated with *Latvija.lv* and *eParaksts*, making it possible for users to authenticate using qualified authentication tools.

In 2025, in order to gradually introduce the submission of applications for all types of Treasury services (account services, payment services, reporting services, borrowing services, accounting services, etc.) via the *ePakalpojumi* portal in a structured data format, thus significantly streamlining the processing of the data, substantially reducing

data processing workload and the number of incorrectly submitted service applications, it became possible to assign user rights in the 'Budget' and 'Financing plans' sections of the *ePakalpojumi* portal, which was also expanded with a 'My data' section.

### Institution Reports (ePārskati)

The 'Institution reports' service (*ePārskati*) is intended for managing financial and budget fulfilment data of budget institutions, and for monitoring or collecting information on the use of state budget funds and their impact on the state budget. Budget institution reports are prepared, checked, signed, and submitted online via the *ePakalpojumi* portal under the 'Institution reports' section, thus saving administrative and time resources on both sides. In 2025, 4095 unique users were registered in *ePārskati*.

10 ministries use *ePārskati* to monitor or collect information on the use of state budget funds and their impact on the state budget, putting the data together in 50 reports. The biggest users of the service are the Ministry of Finance with 13 reports and the Ministry of Education and Science, with 12 reports.

In 2025, as part of refining the service, improving its user-friendliness and automating the circulation of data, the Treasury considered and implemented the updates in its forms necessary to enable the import of data for all other data system reports.

In accordance with amendments to the Law on Budget and Financial Management, according to which, starting in 2025, derived public entities partially funded from the budget and institutions not funded from the budget were required to prepare budget fulfilment and annual accounts independently of their sector, the Treasury began cooperation with 52 derived public entities partially funded from the budget and institutions not funded from the budget, providing advice on accounting and reporting, making changes in *ePārskati*, enabling the preparation of reports and consolidated reports in accordance with the amendments. The cooperation of the Treasury with the derived public entities partially funded from the budget and institutions not funded from the budget has been professional, constructive, and goal-oriented, seeking to achieve accurate accounting and the disclosure of financial data.

### Financing Plans

Ministries and institutions subordinated to them use the 'Financing plans' of the *ePakalpojumi* portal for the preparation, approval, and submission of draft financing plans to the Treasury, based on which the Treasury awards assignments and grants from general income. 2291 financing plans for the main budget and special budgets were processed in 2025.

### Budget

As part of the EU Recovery and Resilience Facility Plan, Investment 2.1.2.1.i. 'Centralised governance platforms and systems', Project 2.1.2.1.i.0/1/23/1/VARAM/009 'Uniform planning of financial resources in State administration and provision of accounting and bookkeeping services for State administration', the Treasury continued the development of a single central government budget planning and finance management solution in 2025. One of the project's performance indicators is to create a centralised platform for State administration budget planning and financial management, in order to improve State financial management and process efficiency.

In 2025, the use of the 'Budget' section of the *ePakalpojumi* portal began for supporting the budget planning process of central government budget institutions, including for detailed institution budget planning and the preparation of cost estimates for budget programmes, sub-programmes, and measures. In 2025, 2291 basic budget and special budget estimates were processed.

The solution fosters a uniform approach to institution budget planning and financial management throughout all of the State administration, reducing the amount of manual work, improving the availability and quality of data, and strengthening results-based decision-making.

## 1. Accomplishments in the Execution of the Central Government Budget

### Borrowings (*eAizņēmumi*)

The service *eAizņēmumi* makes it possible to apply remotely for receiving a State loan, electronically process a loan application, submit a loan disbursement application within the framework of the concluded State loan agreement, remotely manage the loan, apply for early reimbursement, as well as electronically generate and sign the agreement. In 2025, 527 users were registered in *eAizņēmumi*.

### Payments (*eKase*)

The Treasury enables central government budget payments by using the service *Payments* and its online data exchange module. As part of the service, the Treasury makes it possible for its customers to fulfil payment orders, see payment order fulfilment results, and receive financial information: account balance, account turnover statements, and a summary of revenue and expenditure, as well as assets for covering expenditure. In 2025, 9050 users were registered in *eKase*. In accordance with Regulation (EU) 2024/886 of the European Parliament and of the Council (13 March 2024), the Treasury implemented changes to the systems to ensure the implementation of the requirements of the Regulation: checking the IBAN against the name of the payment recipient at the time payments are entered. This helps prevent situations in which, due to fraud or error, the customer makes a payment to the wrong recipient before signing (authorising) the payment. The result of the check provides the customer with information about the eligibility of the recipient, including whether the recipient's name matches, partially matches, or does not match the account number.

The online data exchange module of *Maksājumi* automatically exchanges payment data (payment status and account statement) between the Treasury and the customer.

The Treasury provides incoming and outgoing instant payments using the instant payment infrastructure maintained by the Bank of Latvia. Thus, settlement of accounts between the public and the State take place within seconds, 24 hours a day, on weekends as well as official holidays. In 2025, 61% (4.15 million) of the payments coming into the central government budget took place as instant

payments. The share of outgoing instant payments in the total number of outgoing Single Euro Payments Area (SEPA) payments reached 35.6% (6.36 million). The maximum amount of an outgoing instant payment order was gradually increased from EUR 10,000 to EUR 15,000 as of 01.10.2025.

In 2025, the Treasury automated the processing of outgoing and incoming other SEPA payments (that are not instant payments), thus ensuring the faster transfer of customer payments to service provider recipients and the faster crediting of incoming payments to the Treasury's customer accounts.

### Payment Cards Tied to Treasury Accounts

In conjunction with AS Citadele banka, the Treasury makes it possible for central government budget institutions to perform payments using payment cards tied to Treasury accounts. The payment card service is intended for performing official trips, business trips, and business expenses. In 2025, 118 institutions used payment cards tied to the accounts of the Treasury, and 852 cards were issued in total.

### Acceptance of Payment Cards when Collecting Central Government Budget Payments

The Treasury, via AS Citadele banka, ensures an acceptance service of payment cards to State and municipal institutions by providing for the possibility to pay for the services provided by it using *VISA Electron*, *MasterCard* and *Maestro* payment cards in a payment card acceptance terminal or other alternative system. In 2025, the service provided by the Treasury was used by 76 customers. In 2025, payment card terminals installed in State and local government institutions, processed 889,446 transactions for a total amount of EUR 30,551,406.

### E-invoices

The Treasury actively participates in the modernisation of State administration processes by providing substantial support to the Ministry of Finance in drafting amendments to the Accounting Law concerning the duty to format supporting documents as structured electronic invoices, as well as concerning exceptions and deadlines for implementation.

Treasury experts actively participate in working groups organised by the State Digital Development Agency and the State Revenue Service, on providing the structured electronic invoice functions via the *Latvija.gov.lv* State administration services portal, so that the circulation of electronic invoices between businesses and public authorities is as automated and user-friendly as possible.

## 1. Accomplishments in the Execution of the Central Government Budget

### 1.4. Performance Indicators of Operational Targets

**Table 1.**  
Performance indicators of the operational targets for central government budget execution

Result	Performance indicator	Performance indicator numeric values in 2025	
		Planned	Implemented
1. Outgoing instant payments introduced.	1.1. Number of outgoing instant payments (% of total outgoing SEPA payments).	30	35.6
<i>The indicator is met. The successful achievement of the target in 2025 was further affected by the increase in the maximum outgoing instant payment amount to EUR 15,000.</i>			
2. New open-source technical solutions introduced or existing commercial software products replaced with open-source technical solutions <sup>1</sup> .	2.1. Number of open-source technical solutions implemented.	1	1
<i>The indicator is met. Replacement and modernisation of the authentication/authorisation system of the Treasury ePakalpojumi portal implemented.</i>			
3. Understanding of industry and technology developments and their impact on Treasury development.	3.1. Studies of innovative industry and technology solutions and opportunities carried out.	Will not be measured	Was not measured
4. Digital literacy workshops/events about the services provided by the Treasury organised for its clients.	4.1. The number of digital literacy workshops/events for clients is not less than the indicated value.	1	6
<i>The indicator is met. Events organised:</i> 1) Information seminar on Budget planning and financial management solution function pilot service 1 'Institution-level budget planning function service' (Part 1); 2) First webinar on the preparation of Instructions 2 <sup>2</sup> in ePārskati; 3) Information webinar on Budget planning and financial management solution 'Institution-level budget planning function' (Part 2); 4) Information webinar on mid-term budget planning within the structure of the law, starting in 2027; 5) Second webinar on the preparation of Instructions 2 <sup>3</sup> in ePārskati; 6) Webinar on Budget planning and financial management solution 'Institution-level planning function'.			

<sup>1</sup> For example, the replacement of existing commercial database management systems or application servers of Treasury information systems with open-source systems, or the introduction of new systems based on open-source technologies, the replacement of existing commercial authentication systems with open source, and new open source technical solutions for data publishing, visualisation, and infrastructure containerisation.

<sup>2</sup> Cabinet of Ministers Instructions No. 2 'Instructions on the analysis of state budget fulfilment' of 10.04.2018.

<sup>3</sup> Cabinet of Ministers Instructions No. 2 'Instructions on the analysis of state budget fulfilment' of 10.04.2018.

### 1.5. Steps Planned for 2026

The Treasury will continue building on the groundwork made, introducing *ePieteikumi*, which will enable customers to apply for services in the *ePakalpojumi* portal of the Treasury, significantly streamlining the data processing process and substantially reducing the employee workload in processing these data, the time necessary for processing applications, and the number of mistakenly submitted service applications. As part of the project, new communication functions will be implemented, making communication with the Treasury quicker and more convenient.

Using Recovery and Resilience Facility funding, the Treasury will continue the implementation of the EU Recovery and Resilience Facility Plan, Investment 2.1.2.1.i. 'Centralised governance platforms and systems', Project 2.1.2.1.i.0/1/23/1/VARAM/009 'Uniform planning of financial resources in State administration and provision of accounting services for State administration', developing and implementing medium-term budget planning functions, budget explanations, and annual budget amendments in 2026.

The Treasury will create an analytical platform for managing budget data, developing an innovative data analysis solution using the *Apache Superset* platform, which will enable the automatic retrieval of data from *Budžets (Budget)* (the central government budget planning and financial management solution) and the conversion of these data into dynamic reports and visualisations. The solution is intended as a single point of information that offers budget planning reports and is compatible with other information sources, such as budget execution data and open data, with a sustainable approach and the preparation of in-depth analytics.

Mid-term, the Treasury will continue the digital transformation of the execution of the central government budget process, with consistent improvements through information technology solutions. At the same time, the digital skills of employees will be developed and improved, strengthening their ability to use modern technologies effectively in their everyday work. This will lead to a higher level of digital maturity and a more efficient, streamlined, and complete use of time, human resources, and information technology assets.

## 2. Accomplishments in Central Government Debt and Cash Management

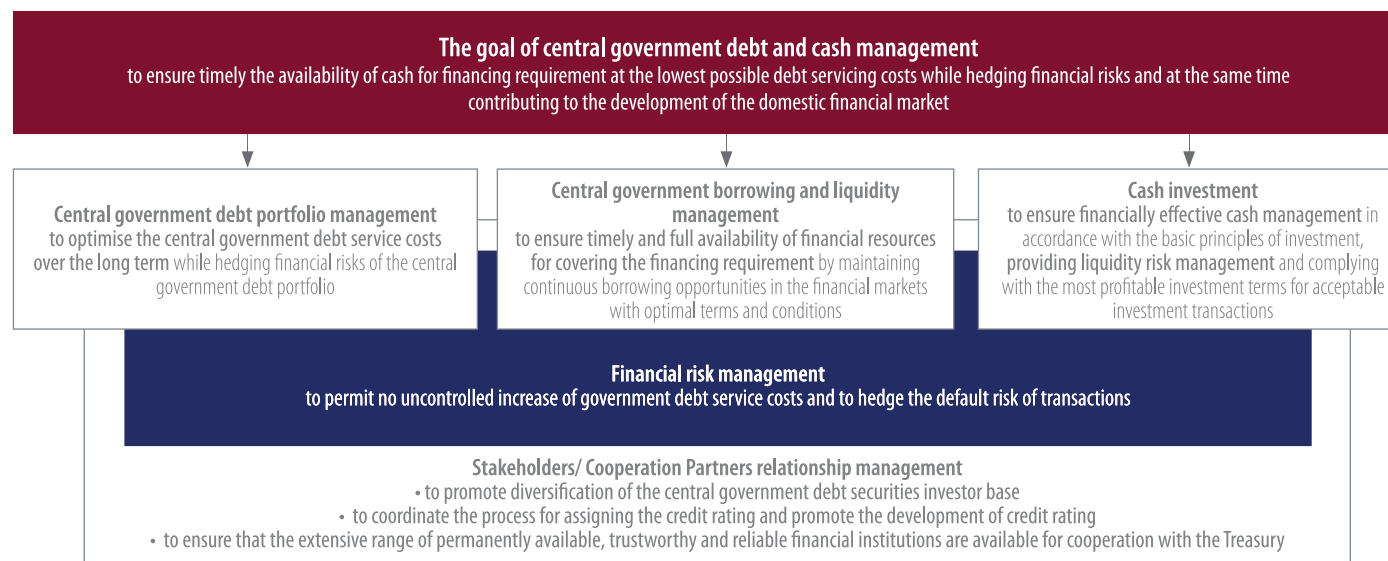
### Goal of the Operational Direction

**Ensure the timely availability of funds for financing necessities at the lowest possible debt servicing cost, limiting financial risks and at the same time contributing to the development of the domestic financial market.**

### 2.1. Operational Principles and Development Trends

In 2025, the activities of the Treasury in the field of central government debt and cash management were determined by the *Central Government Debt and Cash Management Strategy* approved by the Minister for Finance (see Figure 3).

Figure 3. Central Government Debt and Cash Management Strategy



In the field of central government debt and cash management, the Treasury acts in accordance with the following priorities:

- 1) ensure borrowing in the international financial markets with the public issuing of medium-term and long-term central government debt securities and retaining flexibility in relation to choosing the time and loan instruments in order to ensure the raising of resources on favourable terms;
- 2) promote the liquidity of central government debt securities by ensuring the continuous and regular supply of government securities through auctions via primary dealers;
- 3) maintain a regular supply of savings bonds at interest rates in line with the current financial market situation, maintain and develop the savings bond distribution channel, and take measures to stimulate retail demand for savings bonds;

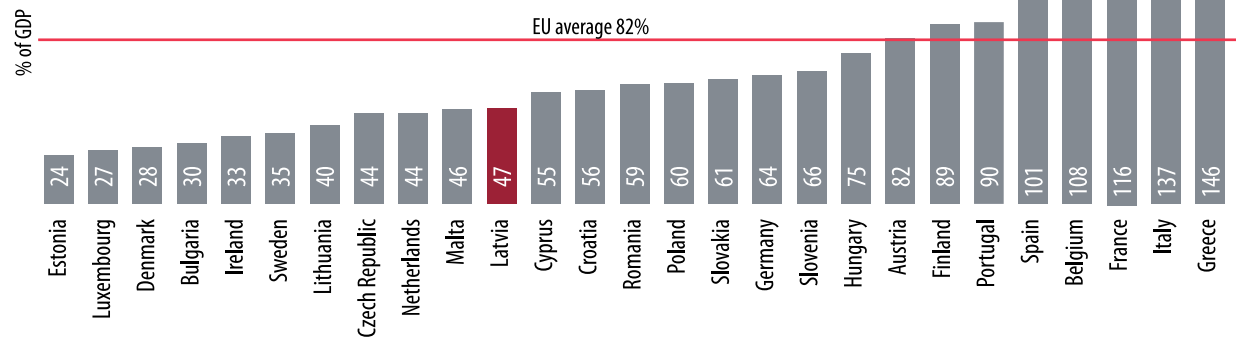
- 4) ensure safe and financially effective cash management;
- 5) ensure the diversification and expansion of the range of State security investors through regular and continuous dialogue and long-term work with the investor community and counterparties, facilitating the active participation and competition of investors from various global regions in the primary placement of central government debt securities;
- 6) coordinate the process of determining the credit rating of the country, by providing credit rating agencies with an objective and consistent view of the situation in Latvia in cooperation with the involved institutions, as well as maintaining active communication with the credit rating agencies;
- 7) maintain and develop long-term cooperation with existing and new counterparties, ensuring a sufficient range of counterparties for the performance of financial transactions.

## 2. Accomplishments in Central Government Debt and Cash Management

### 2.2. Central Government Debt Indicators

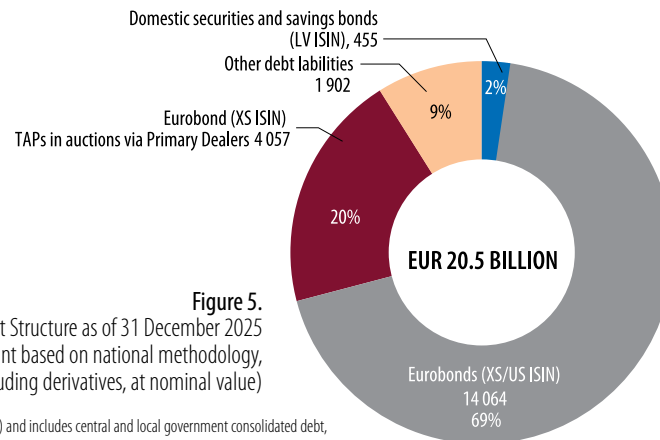
As of the end of 2025, Latvia's general government debt<sup>4</sup> accounted for 46.9% of GDP. Latvia's general government debt is increasing, but still remains one of the lowest among EU Member States, and is also below the average indicator in the EU (see Figure 4).

**Figure 4.**  
General government debt as of 31.12.2025  
(% of GDP) according to the ESA 2010 methodology<sup>4</sup>  
(Source: EUROSTAT)



The level of general government debt is mainly affected by central government debt<sup>5</sup>, which, at the end of 2025, according to the operational data of the Treasury, was EUR 20.5 billion (at nominal value without derivative financial instrument results), growing by EUR 1.6 billion since the end of 2024. The increase in central government debt was due to the need to finance the central government budget deficit, affected by an increase in State defence spending. Eurobonds issued in financial markets account for the largest share (88% of total central government debt) in the composition of central government debt (see Figure 5).

**Figure 5.**  
Central Government Debt Structure as of 31 December 2025  
(million EUR and % of the total amount based on national methodology, excluding derivatives, at nominal value)



<sup>4</sup> General government debt is assessed according to the common methodology of the European System of Accounts (ESA 2010) and includes central and local government consolidated debt, debt liabilities of companies classified in the general state sector, and other liabilities according to ESA 2010 methodology requirements.

<sup>5</sup> Based on national methodology, central government debt consists of debts of public bodies, including State-issued debt securities, borrowings, savings bonds, and customer deposits, placed in the Treasury and balances of current accounts.

<sup>6</sup> Further information and data are available in the [Central Government Debt Management Report 2025](#)

### 2.3. Borrowing Measures in 2025

Every year, new challenges and factors uphold increased volatility and uncertainty in financial markets, with 2025 seeing a particular focus on geopolitical tensions and regional conflicts, 'tariff wars', the ability of global economies to maintain growth, and the sustainability of national fiscal policies in the face of rising defence spending. Given the uncertainty of the global financial market and rapidly changing situation, the timing of borrowing for issuers is largely determined by the use of particular,

often very short-term beneficial moments, when financial markets slightly stabilise, and investors become more disposed towards making new investments. Like in previous years, the Treasury maintained as much flexibility as possible in its borrowing operations, diversifying its borrowing instruments and using the most appropriate time for Eurobond issue.

In order to raise the funding necessary to cover overall financing needs (central government budget deficit, central government debt repayment, State borrowing) at the lowest possible rates, the Treasury's borrowing management activities in 2025 focused on taking advantage of relatively calm periods beneficial for borrowing, avoiding periods of heightened volatility in financial markets, which distract investors and reduce their willingness to invest in securities. The necessary resources were raised through bond issues on international financial markets, auctions of additional issues of outstanding bonds through primary dealers, as well as savings bonds from private individuals<sup>6</sup>.

Actively monitoring global events and the reactions of financial markets to them, the Treasury determined the best time for borrowing, and offered the purchase of Latvian government bonds on international financial markets on two occasions. In 2025, it was the euro financial market that provided the optimally low interest rates that made it possible to issue a benchmark amount of liquid, long-term securities.

The Treasury organised borrowing on international financial markets in both the first and second half of 2025, issuing five-year bonds for a total of EUR 1.0 billion in May, and ten-year bonds for EUR 1.25 billion in September. As the maturities of the bonds were in line with investor interest at the time, demand for the bonds exceeded supply, reaching EUR 2.5 billion for the May issue and EUR 3.3 billion for the September issue. The timing for issuing the bonds selected by the Treasury and the high investor demand in these transactions enabled borrowing on favourable financial terms.

Traditionally, banks, asset managers and international financial authorities from European countries (Germany, Austria, the UK, Ireland, the Nordics, etc.) form the core of those investing in Latvian government securities. Since 2014, for borrowings on international financial markets, the Treasury has been using the GMTN (Global Medium Term Note programme) legal framework of external government securities (Eurobonds) documentation, which allows the Treasury to make prompt use of favourable conditions on international financial markets, and issue government securities in different currencies.

## 2. Accomplishments in Central Government Debt and Cash Management

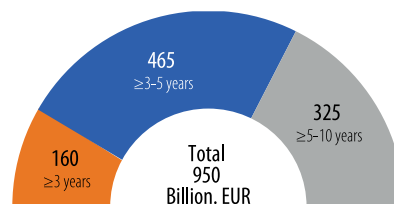
In 2025, the Treasury held regular auctions via primary dealers, offering investors additional tranches of outstanding Eurobonds originally issued on international financial markets and maturing between 2028 and 2033. The Treasury concentrated its securities offerings in auctions for such maturities of securities that elicited the strongest investor demand and the most favourable borrowing conditions, given the corresponding financial market conditions.

Primary dealers — credit institutions that have entered into a primary dealer agreement with the Treasury (AS Citadele banka, Luminor Bank AB, AS SEB banka, AS Swedbank, and Erste Group Bank AG), took part in government securities auctions in 2025. As of 12.02.2026, the Treasury had expanded the scope of participants in its government securities auctions by concluding a primary dealer agreement with DZ BANK, one of Germany's largest banks with almost 150 years of experience that provides a broad range of financial services both in Germany and in other countries. Because DZ BANK has demonstrated its capacity in trading Latvian government securities in recent years, the bank's inclusion in the primary dealer group is another step towards strengthening closer cooperation with the Treasury.

The amount of resources raised through primary dealers in the 2025 auctions was EUR 950 million. The Treasury offered securities of different maturities via 18 auctions: this approach improves the liquidity of the securities and facilitates secondary market trading. Since the offering of additional issues of Eurobonds at auctions, the interest of international investors in Latvian government securities has increased, allowing them to raise resources at favourable interest rates. In order to ensure that central government debt securities are available to a wider range of investors on the primary market, the Treasury offered securities with a minimum purchase amount of EUR 1000 at 13 auctions (the rest of the auctions in 2025 offered securities with a minimum purchase amount of EUR 100,000).

Investor demand and the Treasury's offer at the auctions focused on securities with a remaining maturity of three to five years. Investor demand exceeded the volume sold in auctions by an average of three times, and in some auctions, by as much as six times. With demand for liquid government securities remaining strong and interest rates at auction reflecting the downward trend in market rates, the fixed yields ranged between 2.420% and 3.378% (depending on maturity and market conditions).

**Figure 6.** Securities Sold at Auctions Through Primary Dealers in 2025, by Maturity Remaining (million EUR)

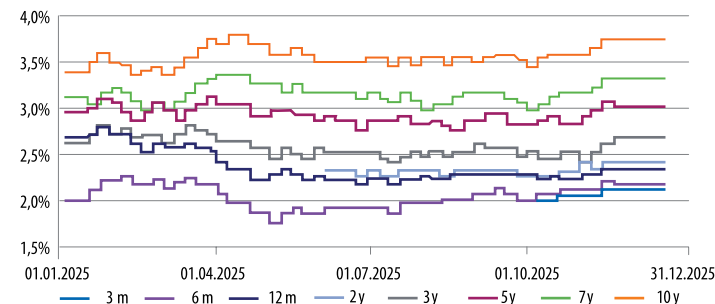


### 2.4. Savings Bonds

Savings bonds are government securities with a fixed interest rate available to citizens of Latvia (private individuals) only; the Treasury has been issuing these on behalf of the Republic of Latvia since 2013. Savings bonds are a good alternative to commercial bank deposits, offering a competitive yield compared to bank deposit rates after tax, serving as a good deal for medium- and long-term investments. Savings bonds can be purchased by citizens online at [www.krajobligacijas.lv](http://www.krajobligacijas.lv), at any time. Savings bonds with maturities of 3, 6, and 12 months, as well as 2, 3, 5, 7, and 10 years, are available for investment.

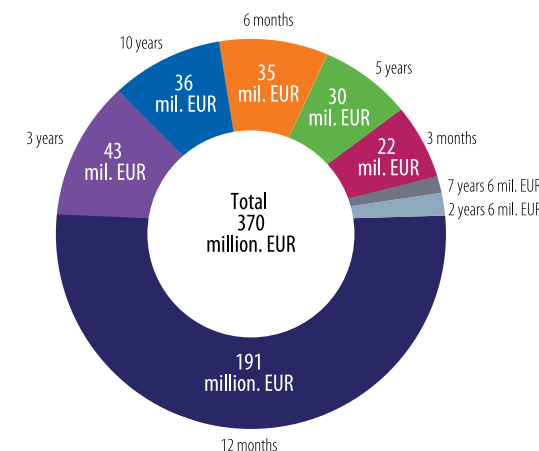
The value of savings bonds held by Latvia's citizens reached EUR 370 million at the end of 2025, increasing by around EUR 48 million over the year. The value of the savings bonds issued in 2025 was EUR 323 million, substantially exceeding the amount of savings bonds redeemed (EUR 274 million), with the number of investors at the end of the year approaching 7900. Demand for savings bonds was stable in 2025, indicating investor confidence in the instrument: more than 60% of savings bonds redeemed were reinvested, often with higher investment amounts and various maturities. Investors also made active use of the automatic reinvestment tool available on the savings bonds website, making it possible to reinvest the amount invested in existing savings bonds into new savings bonds of the chosen maturity on the maturity date without any additional payment actions. The interest of citizens in savings bonds is fuelled by interest rates that are in line with financial market trends, the ability to receive untaxed fixed-rate interest revenue until the end of the investment term, the reliability of investments guaranteed by the State, and the ease of purchasing savings bonds.

**Figure 7.** Savings Bond Interest Rates in 2025 (%)



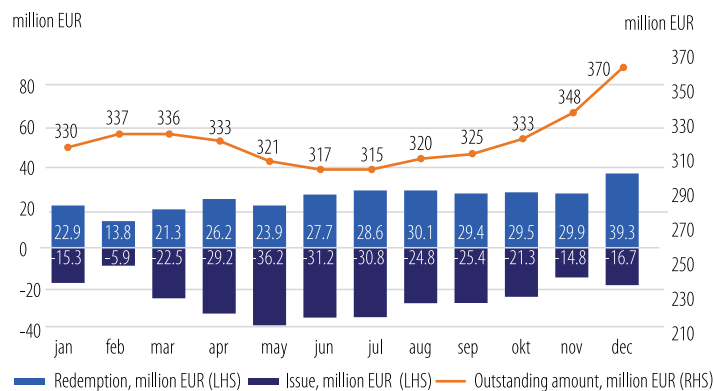
In 2025, the public offering of savings bonds, available on the website at all times, setting interest rates according to the current financial market situation, was expanded with bonds of new maturities: two years (since June) and three months (since November), diversifying and expanding the selection of savings bonds in the most popular maturity segment. The three-month savings bonds quickly became popular, and in the last two months of the year, citizens bought EUR 22.5 million of them.

**Figure 8.** Savings Bonds Owned by Investors as of 31.12.2025



## 2. Accomplishments in Central Government Debt and Cash Management

**Figure 9.** Amount of Savings Bonds Issued, Redeemed and Owned by Private Individuals in 2025 (million EUR)



### 2.5. Credit Rating of the Country and Counterparty Relationship Management

The aim of relationship management with collaborating financial institutions is to regularly ensure the widest, safest, and most reliable range of partners possible for collaboration with the Treasury, which would ensure competitive terms for the performance of financial transactions. Therefore, the Treasury regularly prepares analytical materials and promptly provides information to counterparties through a set of targeted and structured communication measures.

In 2025, the Treasury communicated with counterparties, credit rating agencies, and investors by providing the latest information about the situation in the Latvian economy and finances, as well as the State borrowing strategy, thereby also ensuring the dissemination of information and clarifications to the investor community, which decides on investments in government securities.

The national credit rating is a critical aspect in organising borrowing transactions, and a significant factor for the availability of financial resources, as it has an influence on the price of the financial resources raised. Based on Latvia's credit rating and available information, including that provided by the Treasury, investors decide whether to invest in Latvian government securities or not.

As part of managing central government debt, the Treasury organises the credit rating assessment for Latvia through the three leading international credit rating agencies: Fitch Ratings, S&P Global, and Moody's Investors Service, as well as Japan's credit rating agency R&I. Credit rating agencies not only review the credit rating of Latvia and its outlook every year, but also assign a credit rating to government securities. Once a year, the inter-agency working group led by the Treasury informs the Cabinet of the national credit rating of Latvia and the factors affecting it. In 2025, the Treasury provided regular, proactive, comprehensive information to the credit rating agencies on the situation in the country, to facilitate the agencies in making objective decisions on the credit rating of Latvia and its future prospects.

In 2025, Latvia's national credit rating remained firmly in the high, investment-grade A group. Moody's Investors Services, S&P Global, and Fitch Ratings, as well as the Japanese credit rating agency R&I, maintained both Latvia's credit rating and its stable outlook assessment.

Latvia's credit rating is kept in group A by:

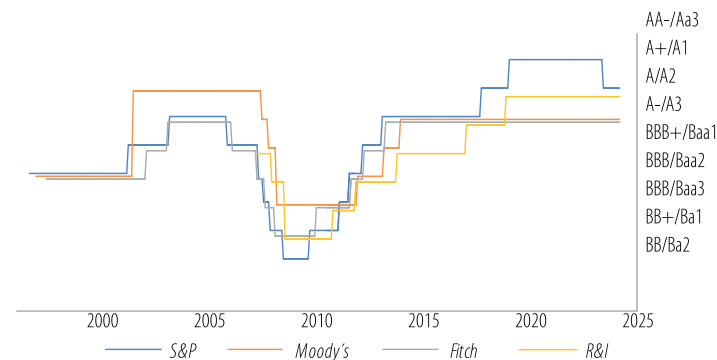
- 1) Flexibility, resilience, and adaptability of the Latvian economy;
- 2) Comparatively low state debt to GDP ratio and moderate debt servicing costs compared to the average indicators of the countries with an A-level credit rating;
- 3) Government's ability to implement tight fiscal policies in previous years;
- 4) Reliability of policies pursued, supported by EU and Eurozone membership;
- 5) Moderate private sector indebtedness level.

Factors explaining the stable assessment of Latvia's credit rating outlook and agency forecasts:

- 1) Geopolitical risks will remain high, though mitigated by Latvia's membership in NATO, the ongoing deployment of NATO troops in Latvia, and the strengthening of the country's defence capabilities;
- 2) A significant increase in defence spending, which will also cause an increase in Latvia's central government debt-to-GDP ratio, does not significantly impair Latvia's mid-term creditworthiness, as the agencies believe that Latvia's economic growth will remain robust and that its tight fiscal policy will continue to be pursued in the future;

- 3) Latvia's rising central government debt will be offset by economic growth; the agencies believe that Latvia will be able to overcome external challenges, including the impact of the Russia-Ukraine war, over the next two years;
- 4) Latvia's government will continue to pursue a tight fiscal policy, controlling the central government budget deficit and debt levels, despite the planned increase in public defence spending.

**Figure 10.** Historical Development of Latvia's Credit Rating



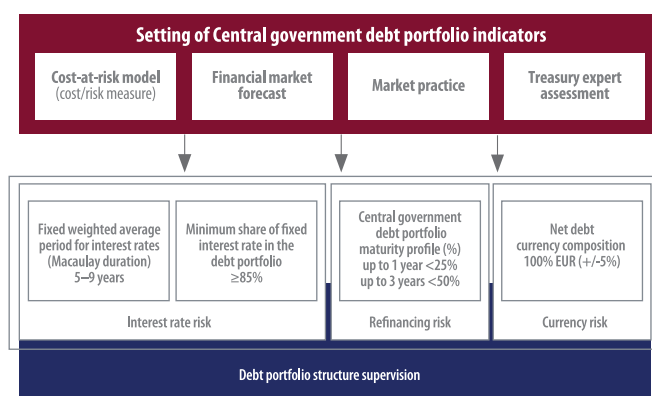
### 2.6. Central Government Debt Portfolio Management

The purpose of central government debt portfolio management is to optimise central government debt servicing costs over the long term while limiting financial risks within the central government debt portfolio. The Treasury regularly assesses debt portfolio structure parameters, as well as the need to change them. The weighted average fixed-period interest rate and fixed-rate ratio values that ensure an optimum balance between the costs and the interest rate risk (see Figure 11) are determined based on an assessment by the Treasury's experts, financial market forecasts, as well as the results of cost and interest rate risk modelling. Whereas for currency risk management, an optimal currency structure of net debt is determined and monitored taking into account financial market forecasts and the assessment of the Treasury's experts, as it allows compliance with the balance of assets and liabilities in foreign currencies, thus avoiding the impact caused by exchange rate fluctuations.

## 2. Accomplishments in Central Government Debt and Cash Management

Given the Treasury's expert assessment and financial market practices, a central government debt repayment profile is created and properly administered for the purpose of managing debt refinancing risk, making it possible to balance the debt repayment schedule and reduce the risk of refinancing.

**Figure 11.** Principles of Central Government Debt Portfolio Management



In 2025, all the debt structure indicator targets defined in the Central Government Debt and Cash Management Strategy were met (see Table 2).

Given the continued period of relatively high interest rates on financial markets, which continued in 2025, central government debt servicing costs continued to rise; however, the increase in the weighted average interest rate on the debt portfolio was very gradual, thanks to borrowing at low fixed long-term interest rates during a time when the interest rates were low.

**Table 2.**

Compliance of Central Government Debt Structure Indicators with the Parameters for Central Government Debt Portfolio Structure Set in the Central Government Debt and Cash Management Strategy

Debt portfolio parameters	Strategy		31.12.2025	
	≤ 1 year	≤ 3 years	≤ 1 year	≤ 3 years
Central government debt portfolio maturity profile (%)	≤ 25%	≤ 50%	17.20%	34.70%
Share of fixed interest rate in the central government debt portfolio	≥ 85%		93.90%	
Weighted average fixed interest rate period (years)	5.00-9.00		5.43	
Net debt currency composition	100% (+/- 5%)		100.07%	

### 2.7. Cash Management

The Treasury implements cash management in accordance with the *Central Government Debt and Cash Management Strategy* approved by the Minister of Finance, performing the management of liquidity risk and making use of the most favourable conditions for permissible investment transactions.

In 2025, cash management took place under markedly volatile financial market conditions, mainly caused by geopolitical and global economic factors. The European Central Bank maintained an approach of the gradual reduction of benchmark interest rates<sup>7</sup>. By June 2025, the overnight deposit facility rate, which has a direct impact on short-term money market transaction rates, was reduced to 2.00% and was kept there until the end of the year. The Treasury maintained a reserve in accounts in the Bank of Latvia and the European Central Bank; it also placed temporarily available funds in short-term deposits, limiting financial risks as much as possible and ensuring the prompt availability of liquid assets to cover financing necessities.

<sup>7</sup> Main interest rate for refinancing operations, interest rate for overnight loan facilities, and interest rate for overnight deposit facilities.

## 2. Accomplishments in Central Government Debt and Cash Management

### 2.8. Performance Indicators of Operational Targets

**Table 3.**  
Performance Operational Target Indicators for Central Government  
Debt and Cash Management

Result	Performance indicator	Performance indicator numeric values in 2025	
		Planned	Implemented
1. Amount of savings bonds owned by private individuals increased.	1.1. End-of-year amount of savings bonds owned by private individuals, EUR million	350	370.4 <sup>8</sup>
<p><b>The indicator is met.</b> Working in conjunction with the financial agent Nasdaq CSD, the Treasury took steps to further improve the functions of www.krajobligacijas.lv and the public offering there. The public offering of savings bonds, available on the website at all times, setting interest rates according to the current financial market situation, was expanded with bonds of new maturities: two years (since 11.06.2025) and three months (since 03.11.2025), diversifying and expanding the selection of savings bonds in the most popular maturity segment. In conjunction with the financial agent Nasdaq CSD, the website underwent a number of improvements, streamlining its functions and making it more convenient for investors (with, for example, an automatic reinvestment option, making it easier and more convenient for investors to purchase savings bonds of their preferred maturity again; the option to download the savings bond portfolio and to get an account statement in different formats; the option to easily filter the savings bonds purchased following reinvestment in the savings bond portfolio; easier keyword search in frequently asked questions). Investors can also evaluate the savings bond service after using it, and make comments on the website. Public communication took place through various information channels to stimulate the demand for savings bonds among citizens, including mass media, printed media, outdoor advertising, and social media. A survey of Latvia's residents on the topic of making savings was carried out in conjunction with SIA Latvijas Fakti, in order to gain an understanding of the areas for developing the savings bond service in the future, the factors driving demand for savings bonds, and what channels are best for disseminating information.</p>			
2. Offering of central government debt securities to a broader range of investors at least once a quarter.	2.1. Minimum annual number of central government debt securities auctions open to a broader range of investors. <sup>9</sup>	1	13
<p><b>The indicator is met.</b> Additional issues of Eurobonds originally issued on international capital markets are regularly offered at auctions to cover general financing needs. The minimum purchase amount for Eurobonds issued since November 2023 was reduced from EUR 100,000 to EUR 1000, thus making investment possible for a broader range of investors. Latvia's credit rating is in the high A group, and there is strong demand for Latvian securities in the auctions of additional issues of Eurobonds, making it possible to attract financing on favourable terms.</p>			
3. In 2024–2026, at least one issue of the benchmark amount of sustainable, social, or green government securities (at least EUR 500 million) takes place.	3.1. Minimum number of sustainable, social, or green central government debt security issues in 2024–2026.	1	0 <sup>10</sup>
<p><b>The target will be met in 2026.</b> Implementation takes place in accordance with the Operational Strategy of the Treasury for 2023–2026, which envisages the issuing of sustainable bonds by the end of 2026, based on the borrowing strategy for that year, provided that appropriate central government budget expenditure is available at that time. The 2026 borrowing strategy foresees the issuing of sustainable bonds, for which, in 2025, preparations took place in conjunction with banks and ministries involved in the inter-ministerial working group, developing the sustainable government bond framework, arranging cooperation with an independent international second-party opinion provider (Sustainable Fitch) to obtain an opinion regarding the compliance of the framework with best market practices and standards used on the international financial market.</p>			

### 2.9. Steps Planned for 2026

In December 2021, Latvia was the first of the Baltic and Nordic countries to issue sovereign sustainable bonds, demonstrating its commitment to achieving the goals set for mitigating the consequences of climate change and ensuring climate neutrality, as well as to achieving social goals. In view of the development of sustainable financial instruments, the *Operational Strategy of the Treasury for 2023–2026* envisages the introduction of sustainable, social or green central government debt securities as a regular borrowing instrument, as part of an overall borrowing strategy (to the extent possible within an appropriate level of central government budget expenditure). In 2025, Latvia's sustainable government bond framework was updated as part of preparations for a second issue of Latvian sustainable bonds in 2026.

In order to contribute to the achievement of the medium-term objectives for the volume of savings bonds owned by private individuals set out in the *Operational Strategy of the Treasury for 2023–2026*, the Treasury will continue the measures to develop and maintain the savings bonds service by ensuring the management of the public offering of savings bonds in line with the overall borrowing strategy, a convenient and secure option for purchasing savings bonds in line with modern digital service provision requirements, and implementing regular measures to stimulate and promote demand for savings bonds.

In the medium term, the Treasury will continue its digital transformation of central government debt and cash management, streamlining it with the help of information technologies and achieving an even higher level of digital maturity of the process for the more efficient, streamlined, and effective use of time, human resources, and information technology resources.

<sup>8</sup> The 2025 net increase amounts to EUR 48.6 million (EUR 322.7 million issued and EUR 274.1 million redeemed).

<sup>9</sup> Deviations from this target in 2024 are allowed if all the parties involved in the offering do not yet have full technical readiness for initiating the issuance of securities or if circumstances arise that make the offering difficult or impossible (e.g., high uncertainty and volatility on financial markets, rising geopolitical tensions). Meanwhile, failure to achieve the minimum number of auctions in 2025 and 2026 is accepted if it is influenced by the borrowing strategy for that year, investor interest that is insufficient for making an offering of government securities, or other circumstances.

<sup>10</sup> Not meeting this target is allowed if no central government budget expenditure is available for sustainable, social, or green government securities, and a deviation of +/- one year is allowed if justified by the borrowing strategy for that year, provided that appropriate central government budget expenditure is available as of that time.

## 3. Accomplishments in State Loan and Guarantee Management

### Goal of the Operational Direction

**Ensure the availability of financial resources (incl. long-term) for parties that are candidates for receiving financing in the form of a State loan on financially favourable terms through the provision of quality service. Maintain the State guarantee supervision process while limiting the credit risks of State loans and guarantees.**

### 3.1. Description of the Situation and Development Trends

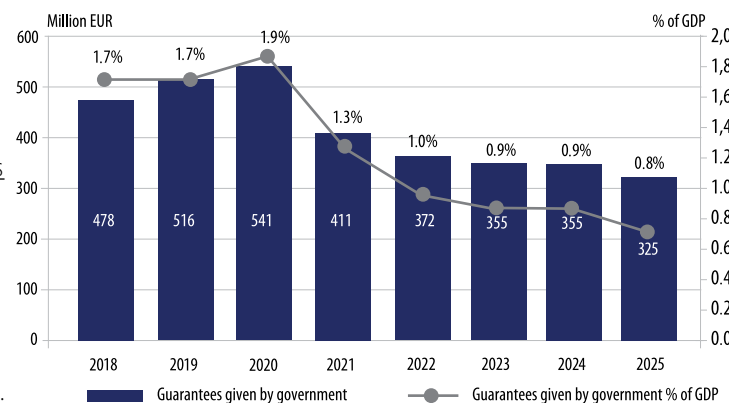
Section 36 of the Law on Budget and Financial Management defines the range of borrowing entities and loan purposes eligible for a State loan, while Section 37 governs the provision of a State guarantees, also determining what liabilities a State guarantee can be issued for. It is important for the Treasury to ensure the availability of financial resources for the implementation of economically significant investment projects co-financed by the EU on financially favourable terms, thus reducing the non-implementation of projects or risks of project freezing (e.g., due to insufficient financial flows), and the availability and quality risks of the services provided to citizens.

The Treasury provides and services State loans, also supervising the due fulfilment of obligations under Cabinet Regulation No. 888, 'Procedure by which sectoral ministries or other state institutions include state loan requests in the annual state budget draft law, and the procedure according to which state loans are granted and serviced' of 21.12.2021. According to Cabinet Regulation No. 391, 'Procedure for including requests for state guarantees in the annual draft state budget law and procedure for the provision and monitoring of guarantees' of 8 July 2014, the Treasury participates in the provision of guarantees on behalf of the state and regularly analyses and monitors the financial situation of the implementers of the state-guaranteed projects.

### 3.2. State-Issued Guarantees

The Law on the central government budget for 2025 and Budgetary Framework for 2025, 2026 and 2027 did not provide for granting new State guarantees; however, it stated that in line with the Law on Agriculture and Rural Development and Development Financial Institution Law, the State assumed liability for the guarantees in the amount of EUR 260.0 million issued by AS Attīstības finanšu institūcija Altum. As of the end of 2025, the amount of State-issued guarantees was EUR 325.6 million, consisting of the disbursed but not yet repaid part of State guarantees in the amount of EUR 325.4 million, and the not yet disbursed but still available part of State-issued guarantees in the amount of EUR 195.2 million. The balance of State-issued guarantees as of the end of 2025 was EUR 325.4 million, or 0.8% of GDP, a reduction of EUR 29.7 million compared to 2024.

Figure 12. Balance of State-Issued Guarantees as of 31 December 2025 (EUR million)

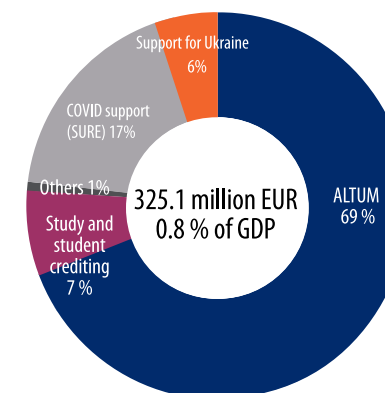


The guarantee portfolio issued on behalf of the State consists of guarantees to AS 'Attīstības finanšu institūcija Altum' for the guarantees issued by it to credit institutions for borrowings by farmers (re-guarantee), guarantee to the European Investment Bank for loans issued by AS 'Attīstības finanšu institūcija Altum' as part of the business competitiveness support programme and providing loans to the development of small and medium enterprises in Latvia (EUR 225.2 million),

guarantees for issuing study loans to students (EUR 22.8 million), and, on the basis of the Law on Measures for the Prevention and Suppression of Threat to the State and Its Consequences Due to the Spread of COVID-19, a guarantee to the European Commission in the amount of EUR 57.1 million for Latvia's participation in SURE (EU assistance instrument for reducing the risk of joblessness in emergencies), and, on the basis of the Law on Assistance to Ukrainian Civilians, guarantees to the World Bank and the European commission for supporting Ukraine in the amount of EUR 18.1 million, as well as EUR 2.2 million (for LOC and European Investment Bank investment project loans). In the future, an increasingly larger share in the State-issued guarantee portfolio is expected to consist of support to small and medium enterprises and the implementation of other State support programmes.

Figure 13.

Balance of guarantees issued on behalf of the state, by guarantee recipient, as of 31 December 2025



Despite Russia's full-scale invasion in Ukraine, the still extremely high level of uncertainty and the geopolitical situation, these factors have not had a significant impact on the performance of State-issued guarantees.

## 3. Accomplishments in State Loan and Guarantee Management

### 3.3. State Loans

The [Law on State Budget for 2025 and Budgetary Framework for 2025, 2026 and 2027](#) envisaged a total increase of State loans of EUR 334.5 million, including a total increase in local government borrowings of EUR 168.1 million. As of 31.12.2025, the total State loan portfolio rose by EUR 30.0 million compared to 2024, reaching EUR 2422.7 million.

The State loan portfolio continues to be dominated by loans to local governments and companies controlled and financed by local government bodies, amounting to EUR 1980.9 million, up by EUR 118.1 million compared to 2024.

At the end of 2025, the Treasury drafted amendments to Cabinet Regulation No. 888, ‘[Procedure by which sectoral ministries or other State authorities include State loan requests in the annual central government budget draft law, and procedure according to which State loans are granted and serviced](#)’ of 21 December 2021, which took effect on 13 February 2026, increasing the maximum repayment period for a State loan to 50 years from the date of conclusion of the loan agreement if the loan is intended for a municipal company for the purpose of the construction, renovation, reconstruction, or acquisition of a new, renovated, or reconstructed low-cost residential rental housing.

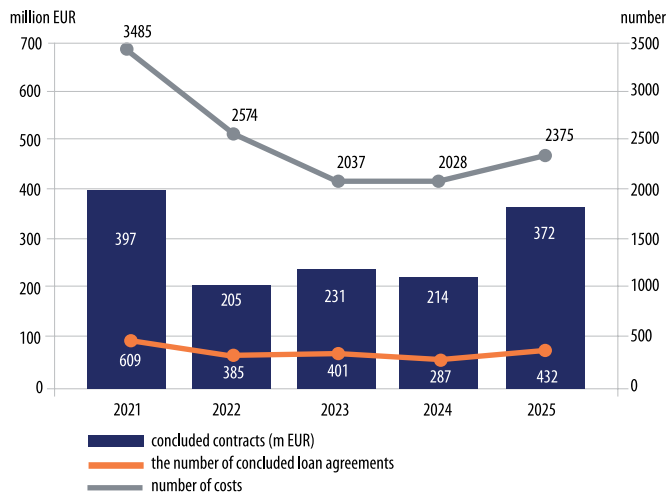
In order to expand the capacity to analyse the risks of the climate change transition and assess the amount of financing for environmentally-friendly measures, the Treasury began providing information about sustainable State loans to the Credit Register of the Bank of Latvia.

#### 3.3.1. State Loans to Local Governments and Entities Controlled and Funded by Local Government Bodies

In 2025, 433 State loan agreements were concluded for a total amount of EUR 371.6 million, of which 432 agreements were concluded with local governments, for a total of EUR 371.5 million.

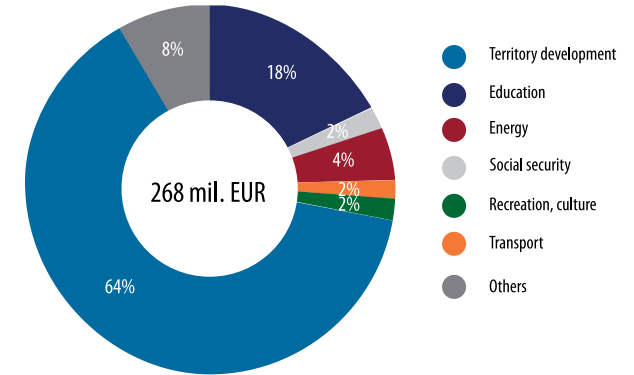
Most of the State loan agreements signed with local governments in 2025 were for the financing of sustainable projects (88.4% of the amount of State loan agreements, 79.6% of the number of loan agreements).

Figure 14. Dynamics of State Loans to Local Governments (2021–2025)



State loans in the amount of EUR 268.9 million or 79.2% of the total amount of State loans were issued to local government bodies, incl. EUR 267.9 million for local governments.

Figure 15. State Loans Issued to Local Governments in 2025, by Purpose



#### 3.3.2 State Loans to Central Government Bodies

State loans in the amount of EUR 65.9 million (or 19.4% of the total State loan amount) were issued to AS Attīstības finanšu institūcija Altum for the implementation of State assistance programmes (small and medium enterprises, agriculture, start-ups, etc.).

In 2025, four new State loan agreements of EUR 289 million were signed with AS Attīstības finanšu institūcija Altum, aiming to implement new State assistance programmes: improvement of energy efficiency in apartment buildings and the transition to renewable technologies, construction of low-rent housing, promotion of digital transformation of businesses, and support for large investment projects of exporter businesses.

## 3. Accomplishments in State Loan and Guarantee Management

### 3.3.3. State Loans to Non-Financial Corporations<sup>11</sup>

State loans of EUR 4.9 million, or 1.4% of State loans in total, were granted to local government companies for the implementation of EU-funded projects and investment projects, for the purchase of fuel to ensure the provision of services of economic importance (implementation of heating, water supply, sewer and other projects), and to the Port Authority for the implementation of EU-funded projects.

In 2026, a uniform certification form will be implemented in *eAizņēmumi*, to be used to demonstrate compliance with sustainability conditions when submitting an application for a State loan.

### 3.4. Performance Indicator of Operational Target

**Table 4.**  
Activity performance indicator in State Loan and Guarantee Management

Outcome	Performance indicator	Performance indicator numeric values in 2025	
		Planned	Implemented
1. Sustainable State loans issued.	1.1. Mid-term, the share of sustainable loans issued since the introduction of sustainable lending reaches at least 5% (% of all State loans issued in the current year through general procedure, not including loans for special purposes and programmes) from 2025 onwards.	5	88

*The indicator is met. Developments in sustainability regulations are monitored to identify potential changes in a timely manner and to implement them if necessary. Foreign experience is assessed in issuing sustainable and green loans, its benefits for lenders, borrowers, and the public, and its suitability for encouraging customers to implement projects and achieve sustainable goals through the use of State loans. Functions began to be developed, as part of which it is envisaged to implement a sustainability approval form in *eAizņēmumi* so that customers who submit a loan application can specify if the loan will finance a sustainable project. A digital solution was also developed to display sustainable State loans on the Treasury digital dashboard.*

### 3.5. Steps Planned for 2026

In order to promote the sustainable development of the financial market segment in Latvia and the move towards climate neutrality through significant reductions in greenhouse gas emissions and the fair implementation of the European Green Deal while continuing the transition to climate neutrality and the government-approved Latvian Strategy to Achieve Climate Neutrality by 2050, the Operational Strategy of the Treasury for 2023–2026 sets a target for sustainable State lending in projects aimed at mitigating the negative impact of climate change, with sustainable State loans accounting for at least 5% of all State loans issued in the given year following general procedure in 2026.

<sup>11</sup> Institutional units that are independent legal entities and market producers whose main activity is the production of goods and the provision of non-financial services.

## 4. Accomplishments in the Implementation of the Functions of the Certifying Authority of EU Funds and Foreign Financial Assistance

### Goal of the Operational Direction

**Organise and standardise the performance of the functions of the Certifying Authority in a manner that ensures compliance with the requirements of the Granting Authorities and laws and regulations of the Republic of Latvia, and the timely receipt of funds from the Granting Authorities, minimising the risk of ineligible expenditure being declared.**

### 4.1. Description of the Situation and Development Trends

The Treasury is involved in the management of a number of programmes financed by foreign financial assistance, performing the functions of:

- 1) Certifying Authority in the 2014–2020 EU Fund Programming Period;
- 2) Certifying Authority of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism;
- 3) Certifying Authority in the 2021–2027 EU Fund Programming Period;
- 4) Paying Authority of the Swiss Cooperation Programme.

In performing these functions, the Treasury ensures the accounting of the resources received and spent, prepares and submits reports about the expenses incurred within the scope of the assistance to the Granting Authority, and other duties related to financial management. Depending on the type of assistance, the Treasury also carries out inspections prescribed by laws and regulations, analyses information in its possession and its possible effect on the eligibility of the expenditures to be declared, and adjusts the expenditures to be declared, if necessary. In performing its functions, the Treasury worked closely with other authorities involved in programme management, including the Managing Authority, the Audit Authority, the Cooperation Authority, and the Programme Operators

### 4.2. Functions as a Certifying Authority in the 2014–2020 Programming Period

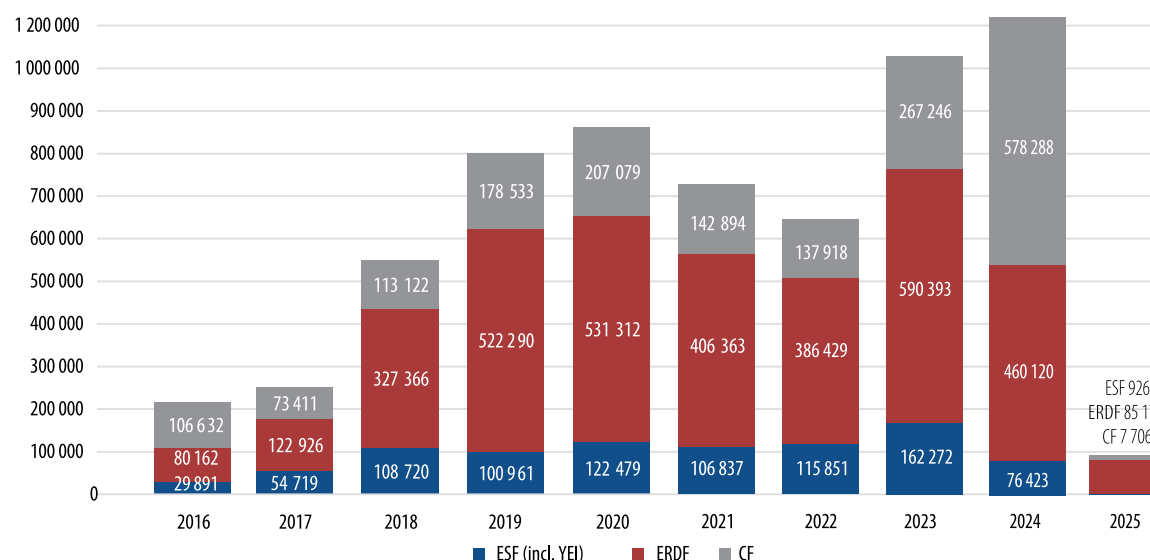
Because 2023 was the final year in which recipients of financing could incur project expenditures and the implementation deadlines for many projects were extended to their maximums, most project repayments (expenditure approvals) were made and declared to the European Commission in 2024. In line with amendments to

the European Commission's legislation, the deadline for the submission of closure documentation was extended by one year, to 15 February 2026, thus giving time for Member States to resolve any issues related to the implementation of the projects and the possibility to also declare expenditures to the European Commission in 2025, thus reducing the risk of losing the allocation of programme. Thus, in 2025, there were still projects that necessitated the resolution of expenditure eligibility issues, including with the institutions of the European Commission. The amount of expenditures declared in 2025 decreased compared to other years. Due to the fact that, with the repayments received in 2024, the full amount to be allocated by the programme was received from the European Commission, no payments were received in 2025 when the last payment applications were submitted for the programming period, while expenditures were declared to an extent that made it possible to redeem the advance payments received as part of the programme.

### 4.3. Functions of the Certifying Authority for the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism in 2014–2021

The financing available to Latvia was EUR 94.4 million (incl. EUR 9.0 million to be administered by the Financial Mechanism Office and Innovation Norway). Latvia implemented six programmes, as well as the Technical Assistance Project and Bilateral Cooperation Fund. Two milestone financial reports were submitted to the Financial Mechanism Office in 2025, requesting and receiving EUR 125 thousand from donor states. Given the fact that the eligibility period for project expenditures expired on 30.04.2024, the closure payments, which are usually substantial, were approved for the projects by the programme's managers and declared for the donor states in the final financial reports, resulting in a request of EUR 29,841 thousand in the final financial reports submitted in 2025, which is more than in the previous years.

**Figure 16.** Amount of Expenditures Declared to the European Commission (2014–2025) (thousand EUR)

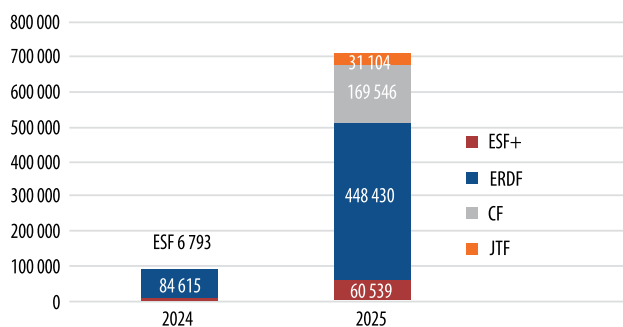


## 4. Accomplishments in the Implementation of the Functions of the Certifying Authority of EU Funds and Foreign Financial Assistance

### 4.4. Functions of the Accounting Authority in the EU Funds 2021–2027 Programming Period

EU Fund investments are planned in the amount of EUR 4.24 billion as part of the EU Fund 2021–2027 Programming Period. In 2025, there were more activity implementing projects than in 2024, and the amount of expenditures declared increased significantly. Expenditures were declared for all programme funds, with the submission of a total of 16 payment applications, requesting EUR 603,177 thousand, which also, taking the amendments made in the operational programme into account, was sufficient to meet the N+3 condition. In 2025, EUR 562,364 thousand was received from the European Commission; the difference between the amount requested and the amount received is due to the European Commission withholding a 5% reserve from payment applications until the approval of the closure of accounts (end of the accounting year). It should also be noted that some of the funding requested in 2025 was received in 2026. Additionally, the accounting authority prepared accounts closure projects covering the 4th accounting year for the Audit Authority and for receiving an opinion from it. For the preparation of payment applications and closure of accounts, the accounting authority participated in the development and improvement of necessary functions in the Cohesion Policy Funds Management Information System (defining tasks, testing, etc.).

**Figure 17.** Amount of Expenditures Declared to the European Commission (2021–2027) (EUR thousand)



### 4.5. Functions of the Paying Authority for the Swiss Cooperation Programme

With the conclusion of the Memorandum of Understanding between Switzerland and the European Union on a contribution by Switzerland towards reducing economic and social disparities and for cooperation in the area of migration in the European Union and the signing of the Framework Agreement on 19.07.2023, Latvia has access to funding in the amount of 40,400 thousand Swiss francs (estimated EUR 42,420 thousand) as part of the second investment period (2019–2029). In 2025, the Treasury provided the Ministry of Finance with the support necessary for the development of laws, regulations, and guidelines, and set up a management and control system for the administration of programme funds. In 2025, the first financial report on the Technical Assistance Project was submitted, and a reimbursement of EUR 40 thousand was received. The submission of financial reports for the other four programmes will begin in 2026.

In the second half of 2025, work also started on the development of laws and regulations governing the implementation of the financial instruments. The Treasury provided the Ministry of Finance with the support necessary for the preparation of this documentation.

### 4.6. Functions of the Certifying Authority for the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism in 2021–2028

The Memorandum of Understanding was signed with Iceland, the Principality of Liechtenstein and the Kingdom of Norway on the Implementation of the European Economic Area Financial Mechanism, and with the Kingdom of Norway, on the Implementation of the Norwegian Financial Mechanism in 2021–2028 on 09.10.2025, envisaging that the Treasury will act as the certification authority for both the instruments during the new programming period. Unlike in the previous period, the Certifying Authority will also provide reporting on non-compliances detected to the donor states. With the signing of the memorandums of understanding, Latvia has access to *EUR 91.4 million in funding*. These funds are to be used to finance three programmes, the national-level Bilateral Cooperation Fund, as well as Technical Assistance (funding for the fulfilment of the tasks of the Ministry of Finance as the Managing Authority and Audit Authority, and the Treasury as the Certifying Authority). Investments in the projects are to be supported and implemented until 30.04.2031, while the expenditures for completing the administration of the programmes and the national-level Bilateral Cooperation Fund expenditures are eligible for another year.

## 4. Accomplishments in the Implementation of the Functions of the Certifying Authority of EU Funds and Foreign Financial Assistance

### 4.7. Performance Indicators of Operational Targets

**Table 5.**  
Performance Indicators of Operational Targets  
for Performing the Functions of EU Fund and Foreign Financial Assistance  
Certifying Authority

Result	Performance indicator	Performance indicator numeric values in 2025	
		Planned	Implemented
1. Positive evaluation of the Accounting Authority function for European Union Funds by external auditors <sup>12</sup>	1.1. The external auditor rating of the Accounting Authority for the European Union Funds is not lower than '2'.	2	1
<p><i>The indicator is met (exceeded). The rating by external auditors (Audit Authority) regarding the management and control system of the Certifying Authority for EU Funds and EEA/Norwegian Financial Mechanisms is '1' (works well, no or minor weaknesses identified), which exceeds the planned target value. The established management and control system of the Accounting Authority for the preparation of payment applications and account closures complies with the requirements of the laws and regulations, ensuring that all information necessary for the declaration of expenditure is taken into account.</i></p>			
2. Positive evaluation <sup>13</sup> of Swiss assistance payment Paying Authority management and control system by external auditors.	2.2. Rating of the Swiss assistance payment Paying Authority management and control system by external auditors not lower than '2'.	2	2
<p><i>The indicator is met. The Audit Authority identified no weaknesses in the management and control system of the Paying Authority and made no recommendations. According to the explanation of the Audit Authority, the rating is '2', because the scope of the audit did not include the operational effectiveness of the established management and control system.</i></p>			

### 4.8. Steps Planned for 2026

In 2026, together with the Managing Authority and the Cooperation Authority, the Treasury will continue improving the reporting functions of the Cohesion Policy Fund Management Information System. In relation to the Paying Authority function of the Swiss Cooperation Programme, the possibility of simplifying the information to be submitted by Programme Operators will be considered, also improving the process, given the experience preparing the first programme reports.

The European Economic Area Financial Mechanism and the Norwegian Financial Mechanism 2021–2028 period will see the continued development of laws, regulations and guidelines, and the creation of a management and control system for the Treasury as the Certifying Authority for the financial instruments (including for reporting on detected deficiencies), with the evaluation and adaptation of various solutions.

<sup>12</sup> Rating categories in compliance with the laws and regulations governing the management of European Union Funds ('1' — works well, no or minor weaknesses identified; '2' — works, but certain improvements are needed; '3' — works partially and substantial improvements are needed; '4' — not working, major weaknesses identified).

<sup>13</sup> Rating categories in compliance with the laws and regulations governing the management of European Union Funds ('1' — works well, no or minor weaknesses identified; '2' — works, but certain improvements are needed; '3' — works partially and substantial improvements are needed; '4' — not working, major weaknesses identified).

## 5. Accomplishments in the Accounting and Bookkeeping Service

### *Goal of the Operational Direction*

**Centralise, mid-term, in line with the best practices of EU Member States and the Cabinet of Ministers decision, the performance of the accounting function, providing a standardised accounting and HR record-keeping system service to central government budget authorities and institutions not financed from the budget via a uniform solution, thus ensuring the effective and streamlined use of resources and reliable, high-quality, and reusable data.**

### 5.1. Service Provision and Development Trends

In line with the move towards a small and efficient State administration, including by centralising support functions, the Treasury continues providing and developing its accounting and bookkeeping service for a number of central government budget institutions, providing them with uniform transactions accounting, the preparation of financial reports in accordance with uniform principles, and maintains an information system for accounting and human resources records and the prompt exchange of information.

A long-term goal of the development of the service is a standardised accounting and HR record-keeping system service created and provided in line with the best practices of EU Member States and the concept report '[Development of a Shared Service Centre for Public Administration](#)' approved by the Cabinet of Ministers that is provided to central government budget institutions and institutions not financed from the budget via a shared resource management system, thus ensuring the effective and streamlined use of resources and reliable, high-quality, reusable data.

The Treasury implements the EU Recovery and Resilience Facility Investment Plan Project 2.1.2.1.i: 'Shared public financial resource planning and management accounting services for public administration, implementation of shared resource management'. The goal of the project is to create a single platform for accounting and human resources record-keeping, for budget planning and financial management, providing shared services that will, long-term, enable a significant improvement in the future use of data and a move towards more efficiency in administrative functions. The following is to be achieved as part of the project:

- 1) by the first quarter of 2026, a uniform, centralised State administration platform is created for accounting and human resources record-keeping, budget planning, and financial management;
- 2) legislation and process descriptions refined for standardisation and service provision;
- 3) gradual transfer of line ministries (central government budget institutions and institutions not financed from the budget ) to the centralised platform.

The investments of the Recovery and Resilience Facility are aimed at the digital transformation of State administration functions, intended to develop the necessary solutions, capabilities, and skills, and to improve efficiency, digital processes, and data management. 07.12.2023. The Saeima adopted [amendments to the Law on Budget and Financial Management](#) in the final reading:

- 1) stipulating that the accounting records of central government budget institutions and institutions not financed from the budget are kept by the Treasury in accordance with the procedure set by the Cabinet of Ministers;
- 2) delegating the provision of the service within State administration to the Treasury;
- 3) authorising the Cabinet of Ministers to issue [regulations defining the services provided by the Treasury, the procedure for the provision of services, and the procedure for central government budget institutions and institutions not financed from the budget to join the State administration shared service centre for the receipt of services.](#)

In January 2026, the Treasury began providing the service as part of the single solution to a further 78 institutions, bringing the total to 109. As part of the project:

- 1) standardised processes, laws and regulations for the delivery of the service have been developed in conjunction with ministries and their institutions (Ministry of Health, Ministry of Agriculture, Ministry of Smart Administration and Regional Development, Ministry of Climate and Energy, and Ministry of Economy), and the ministries moved to the centralised platform in 2025;
- 2) the scope of counterparties in the transfer of institutions was broadened to achieve significantly more ambitious goals within the existing project funding;
- 3) a centralised solution for budget planning and financial management (institution-level planning functions) is implemented, providing State administration with a streamlined financial management process tailored to user needs;

- 4) structural changes were developed and approved in 2025, including the number, classification, and job descriptions of new positions approved by the State Chancellery.

The strategic vision for centralising the accounting and bookkeeping service covers some 170 direct State administration institutions (ministries, entities subordinate to them, and independent institutions), and by the end of 2026, the accounting and human resources service is expected to cover 80% of those working in State administration.

In 2025, the Treasury began providing a single accounting and human resources record-keeping solution for the Ministry of Smart Administration and Regional Development, the Ministry of Economy, the Ministry of Climate and Energy, the Ministry of Health, and the Ministry of Agriculture. In 2026, it will also add the Ministry of Justice, the Ministry of Culture (not including the State Culture Capital Foundation), the Ministry of Finance, and the Ministry of Education and Science, as well as the School of Public Administration, the State Chancellery, the National Electronic Mass Media Council of Latvia, the Public Electronic Mass Media Council, the State Data Inspectorate, and the Judicial Academy.

During the reporting period, initial results were already achieved in the implementation of the single information technology solution and the establishment of the shared service centre at the Treasury, pursuing the approach of centralising the State administration support functions envisaged in the concept report. 2025 saw the continuation of the development of single solutions, improving standardised processes and developing information system functions to keep records of transactions specific to various authorities. At the same time, a business intelligence (BI) solution was developed for providing financial accounting reports, and a budget planning and financial management solution was created to provide authority-level planning functions.

Detailed information about this process is included in the information reports '[On the progress of the creation of a Single State Administration Service Centre between 1 December 2024 and 31 May 2025](#)' and '[On the progress of the creation of a Single State Administration Service Centre between 1 June 2025 and 30 November 2025](#)', reviewed by the Cabinet of Ministers.

## 5. Accomplishments in the Accounting and Bookkeeping Service

### 5.2. Performance Indicator of Operational Target

**Table 6.**  
Activity performance indicator  
for the Provision of Accounting and Bookkeeping Services

Outcome	Performance indicator	Performance indicator numeric values in 2025	
		Planned	Implemented
1. Institutions transferred in accordance with the plan approved by the Cabinet of Ministers.	1.1. Number of institutions receiving single and standardised services on the centralised platform.	42	109

***The indicator is met.** Measures were taken to centralise the provision of services to the institutions mentioned in this report in 2026 and to move them to the shared service centre. Accountants needed for accounting were transferred, identifying and examining institution-specific processes, moving institutions to standardised financial accounting and human resources record-keeping processes using the shared service centre and the Horizon centralised solution..*

### 5.3. Steps Planned for 2026

The Treasury will continue to organise an efficient environment for user management and the exchange and provision of service information to the customer. Starting in January 2027, the accountants of the Ministry of Foreign Affairs, the Ministry of the Interior, and the Ministry of Welfare, as well as their subordinate institutions, will join the shared service centre.

In 2026, extensive work will continue on the development of uniform solutions, including the improvement of standardised processes, the updating of the design of the accounting and human resources record-keeping information system to cover transactions specific to new authorities, as well as on the creation and expansion of system configurations, the development of a business intelligence (BI) solution for providing financial accounting reports, and developing a budget planning and financial management solution.

## 6. Accomplishments in the Governance of the Institution

### *Goal of the Operational Direction*

**Shape a modern State administration institution with professional, innovative employees who focus on personal growth and cooperation, in a supportive working environment for achieving the strategic goals of the Treasury.**

### 6.1. Funding of the Treasury and the Spending Thereof

In 2025, the Treasury received a grant from central government budget general revenue to cover its expenses.

In 2025, the Treasury (under the Ministry of Finance) implemented the following basic budget programmes and sub-programmes:

- 1) Programme 31.00.00 'Central Government Budget implementation and Central Government Debt Management':  
Sub-Programme 31.01.00 'Central Government Budget implementation';  
Sub-Programme 31.02.00 'Central Government Debt Management';
- 2) Sub-Programme 41.03.00 'Contributions to International Organisations';
- 3) Sub-Programme 62.11.00 'European Regional Development Fund (ERDF) projects (2021–2027)';
- 4) Sub-Programme 70.50.00 'Technical Assistance for the Absorption of ERDF, ESF+, CF, TPF funding (2021–2027)';
- 5) Sub-Programme 71.05.00 'Technical Assistance for the Absorption of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism (2018–2025)';
- 6) Sub-Programme 72.05.00 'Technical assistance for the Absorption of the Latvian-Swiss Cooperation Programme. Technical Assistance in the Latvian-Swiss Cooperation Programme for 2023–2029';
- 7) Sub-Programme 74.06.00 'Projects and measures of the Recovery and Resilience Facility (RRF) for 2021–2026'.

The purpose of the Sub-Programme 'Central Government Budget Execution' is to ensure efficient and economical implementation and supervision of the general central government budget, and the compliance of the services provided by the Treasury with best financial management practices.

The purpose of the Sub-Programme 'Central Government Debt Management' is to ensure the timely availability of funds for financing necessities at the lowest possible central government debt servicing cost, limiting financial risks and at the same time contributing to the development of the domestic financial market.

The purpose of the Sub-Programme 'Contributions to International Organisations' is to ensure the fulfilment of the financial obligations of the Republic of Latvia, paying, in a timely manner and to a full extent, the annual membership fees to international financial organisations, effecting the payments into the capital and/or reserves of such international financial institutions, where the Republic of Latvia is the holder of capital shares, ensuring the fulfilment of the obligations undertaken, including Latvia's participation in the 'Financial Transactions Plan' financing mechanism of the International Monetary Fund.

The purpose of the Sub-Programme 'European Regional Development Fund (ERDF) Projects (2021–2027)' is to provide the accounting function for the ERDF project 'Support for the development of the technology transfer system'.

The purpose of the Sub-Programme 'Technical Assistance for the Absorption of ERDF, ESF+, CF, TPF funding (2021–2027)' is to ensure the closure of the 2014–2020 EU funds programming period and the fulfilment of the functions of the accounting authority for the 2021–2027 EU Fund programming period.

The purpose of the Sub-Programme 'Technical Assistance for the Absorption of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism (2018–2025)' is to ensure the fulfilment of the functions of the Certification Authority for EEA and Norwegian Financial Mechanisms.

The purpose of the Sub-Programme 'Technical Assistance for the Absorption of the Latvian-Swiss Cooperation Programme for 2023–2029' is to ensure that the functions of the Paying Authority for the Swiss Cooperation Programme are fulfilled in accordance with the regulations of the Swiss (donor state) Cooperation Programme. The purpose of the sub-programme 'Projects and Activities of the Recovery and Resilience Facility (RRF) for 2021–2026' is to create a centralised platform for accounting, human resources records, budget planning and financial management, intended for direct State administration authorities, for better efficiency, digital transformation, and the optimisation of State funds.

In 2025, the Treasury carried out no research work, and development work took place as part of the above projects.

## 6. Accomplishments in the Governance of the Institution

**Table 7.**  
**Central Government Basic Budget Financing and the Spending Thereof**  
 (summary of all programmes (under the Ministry of Finance), EUR)

No.	Financial indicators	Previous year (actual implementation)	Reporting year	
			approved with amendments in law	actual implementation
<b>1.</b>	<b>Financial resources for covering expenditures (total)</b>	<b>388,983,293</b>	<b>558,630,771</b>	<b>524,238,782</b>
1.1.	Transfers	0	284,979	284,979
1.2.	Grant from general revenue	388,983,293	558,345,792	523,953,803
1.3.	Chargeable services and other own revenue	0	0	0
1.4.	Foreign financial assistance	0	0	0
1.5.	Donations and gifts	0	0	0
<b>2.</b>	<b>Expenditure (total)</b>	<b>364,099,366</b>	<b>530,709,148</b>	<b>496,376,375</b>
2.1.	Maintenance costs (total)	362,578,908	528,957,198	494,710,400
2.1.1.	Running costs	16,009,845	24,175,364	23,114,860
2.1.2.	Interest expense	346,020,055	503,813,686	470,664,501
2.1.3.	Subsidies, grants, and social benefits	186,999	0	0
2.1.4.	Regular payments to the budget of the European Community and international cooperation	362,009	118,728	118,727
2.1.5.	Maintenance cost transfers	0	849,420	812,312
2.2.	Capital investment expenditure	1,520,458	1,751,950	1,665,975
<b>3.</b>	<b>Financial balance</b>	<b>24,883,927</b>	<b>27,921,623</b>	<b>27,862,407</b>
4.	Financing	-24,883,927	-27,921,623	-27,862,407
4.1.	Shares and other holdings in the equity of economic operators	-24,883,927	-27,921,623	-27,798,205
4.2.	Changes in the balance of funds from paid services and other own-source revenues: increase (–) or decrease (+).	0	0	-64,202 <sup>14</sup>

<sup>14</sup> The balance of funds at the beginning of 2026 was transferred to state budget revenues.

6. Accomplishments in the Governance of the Institution

**Table 8.**  
Central Government Basic Budget Financing and the Spending Thereof  
for the Basic Budget Programme 'Budget Execution and Central  
Government Debt Management' (EUR)

No.	Financial indicators	Previous year (actual implementation)	Reporting year	
			approved with amendments in law	actual implementation
<b>1.</b>	<b>Financial resources for covering expenditures (total)</b>	<b>360,912,127</b>	<b>525,335,461</b>	<b>fulfilment</b>
1.1.	Transfers	0	256,805	491,212,482
1.2.	Grant from general revenue	360,912,127	525,078,656	256,805
1.3.	Chargeable services and other own revenue	0	0	490,955,677
1.4.	Foreign financial assistance	0	0	0
1.5.	Donations and gifts	0	0	0
<b>2.</b>	<b>Expenditure (total)</b>	<b>360,912,127</b>	<b>525,335,461</b>	<b>0</b>
2.1.	Maintenance costs (total)	359,909,967	524,451,190	491,148,280
2.1.1.	Running costs	13,885,292	20,631,454	490,281,485
2.1.2.	Interest expense	346,020,055	503,813,686	19,610,934
2.1.3.	Subsidies, grants, and social benefits	4620	0	470,664,501
2.1.4.	Regular payments to the budget of the European Community and international cooperation	0	0	0
2.1.5.	Maintenance cost transfers	0	6050	0
2.2.	Capital investment expenditure	1,002,160	884,271	6050
<b>3.</b>	<b>Financial balance</b>	<b>0</b>	<b>0</b>	<b>866,795</b>
4.	Financing	0	0	0

## 6. Accomplishments in the Governance of the Institution

**Table 9.**  
**Central Government Basic Budget Financing and the Spending Thereof**  
**for the Basic Budget Sub-programme 'Budget Execution' (EUR)**

No.	Financial indicators	Previous year (actual implementation)	Reporting year	
			approved with amendments in law	actual implementation
<b>1.</b>	<b>Financial resources for covering expenditures (total)</b>	<b>12,286,697</b>	18,251,568	<b>18,029,668</b>
1.1.	Transfers	0	256,805	256,805
1.2.	Grant from general revenue	12,286,697	17,994,763	17,772,863
1.3.	Chargeable services and other own revenue	0	0	0
1.4.	Foreign financial assistance	0	0	0
1.5.	Donations and gifts	0	0	0
<b>2.</b>	<b>Expenditure (total)</b>	<b>12,286,697</b>	<b>18,251,568</b>	<b>17,965,467</b>
2.1.	Maintenance costs (total)	11,284,537	17,367,297	17,098,672
2.1.1.	Running costs	11,279,917	17,361,247	17,092,622
2.1.2.	Interest expense	0	0	0
2.1.3.	Subsidies, grants, and social benefits	4620	0	0
2.1.4.	Regular payments to the budget of the European Community and international cooperation	0	0	0
2.1.5.	Maintenance cost transfers	0	6050	6050
2.2.	Capital investment expenditure	1,002,160	884,271	866,795
<b>3.</b>	<b>Financial balance</b>	<b>0</b>	<b>0</b>	<b>0</b>
4.	Financing	0	0	0
4.1.	Increase (-) or decrease (+) in the change of balances of funds from chargeable services and other own revenue	0	0	0

6. Accomplishments in the Governance of the Institution

**Table 10.**  
**Central Government Basic Budget Financing and the Spending Thereof**  
**for the Basic Budget Sub-programme**  
**'Central Government Debt Management' (EUR)**

No.	Financial indicators	Previous year (actual implementation)	Reporting year	
			approved with amendments in law	actual implementation
<b>1.</b>	<b>Financial resources for covering expenditures (total)</b>	<b>348,625,430</b>	<b>507,083,893</b>	<b>473,182,814</b>
1.1.	Grant from general revenue	348,625,430	507,083,893	473,182,814
1.2.	Chargeable services and other own revenue	0	0	0
1.3.	Foreign financial assistance	0	0	0
1.4.	Donations and gifts	0	0	0
<b>2.</b>	<b>Expenditure (total)</b>	<b>348,625,430</b>	<b>507,083,893</b>	<b>473,182,813</b>
2.1.	Maintenance costs (total)	348,625,430	507,083,893	473,182,813
2.1.1.	Running costs	2,605,375	3,270,207	2,518,312
2.1.2.	Interest expense	346,020,055	503,813,686	470,664,501
2.1.3.	Subsidies, grants, and social benefits	0	0	0
2.1.4.	Regular payments to the budget of the European Community and international cooperation	0	0	0
2.1.5.	Maintenance cost transfers	0	0	0
2.2.	Capital investment expenditure	0	0	0

6. Accomplishments in the Governance of the Institution

**Table 11.**  
**Central Government Basic Budget Financing and the Spending Thereof**  
**for the Basic Budget Sub-programme**  
**'Contributions to International Organisations' (EUR)**

No.	Financial indicators	Previous year (actual implementation)	Reporting year	
			approved with amendments in law	actual implementation
<b>1.</b>	<b>Financial resources for covering expenditures (total)</b>	<b>25,245,936</b>	<b>25,245,936</b>	<b>27,916,933</b>
1.1.	Grant from general revenue	25,245,936	25,245,936	27,916,933
1.2.	Chargeable services and other own revenue	0	0	0
1.3.	Foreign financial assistance	0	0	0
1.4.	Donations and gifts	0	0	0
<b>2.</b>	<b>Expenditure (total)</b>	<b>362,009</b>	<b>362,009</b>	<b>118,727</b>
2.1.	Maintenance costs (total)	362,009	362,009	118,727
2.1.1.	Running costs	0	0	0
2.1.2.	Interest expense	0	0	0
2.1.3.	Subsidies, grants, and social benefits	0	0	0
2.1.4.	Regular payments to the budget of the European Community and international cooperation	362,009	362,009	118,727
2.1.5.	Maintenance cost transfers	0	0	0
2.2.	Capital investment expenditure	0	0	0
<b>3.</b>	<b>Financial balance</b>	<b>24,883,927</b>	<b>24,883,927</b>	<b>27,798,206</b>
4.	Financing	-24,883,927	-24,883,927	- 27,798,206
4.1.	Shares and other holdings in the equity of economic operators	-24,883,927	-24,883,927	- 27,798,205

6. Accomplishments in the Governance of the Institution

**Table 12.**  
**Central Government Basic Budget Financing and the Spending Thereof**  
**for the Basic Budget Sub-programme**  
**‘European Regional Development Fund (ERDF) Projects (2021–2027)’**  
**(EUR)**

No.	Financial indicators	Previous year (actual implementation)	Reporting year	
			approved with amendments in law	actual implementation
<b>1.</b>	<b>Financial resources for covering expenditures (total)</b>	<b>0</b>	<b>28,174</b>	<b>28,174</b>
1.1.	Grant from general revenue	0	28,174	28,174
1.2.	Chargeable services and other own revenue	0	0	0
1.3.	Foreign financial assistance	0	0	0
1.4.	Donations and gifts	0	0	0
<b>2.</b>	<b>Expenditure (total)</b>	<b>0</b>	<b>28,174</b>	<b>28,173</b>
2.1.	Maintenance costs (total)	0	28,174	28,173
2.1.1.	Running costs	0	28,174	28,173
2.1.2.	Interest expense	0	0	0
2.1.3.	Subsidies, grants, and social benefits	0	0	0
2.1.4.	Regular payments to the budget of the European Community and international cooperation	0	0	0
2.1.5.	Maintenance cost transfers	0	0	0
2.2.	Capital investment expenditure	0	0	0

6. Accomplishments in the Governance of the Institution

**Table 13.**  
**Central Government Basic Budget Financing and the Spending Thereof**  
**for the Basic Budget Sub-programme**  
**'Technical Assistance for the Absorption of ERDF, ESF+, CF, TPF**  
**Funding (2021–2027)' (EUR)**

No.	Financial indicators	Previous year (actual implementation)	Reporting year	
			approved with amendments in law	actual implementation
<b>1.</b>	<b>Financial resources for covering expenditures (total)</b>	<b>224,393</b>	<b>228,657</b>	<b>228,657</b>
1.1.	Grant from general revenue	224,393	228,657	228,657
1.2.	Chargeable services and other own revenue	0	0	0
1.3.	Foreign financial assistance	0	0	0
1.4.	Donations and gifts	0	0	0
<b>2.</b>	<b>Expenditure (total)</b>	<b>224,393</b>	<b>228,657</b>	<b>228,656</b>
2.1.	Maintenance costs (total)	224,393	228,657	228,656
2.1.1.	Running costs	224,393	228,657	228,656
2.1.2.	Interest expense	0	0	0
2.1.3.	Subsidies, grants, and social benefits	0	0	0
2.1.4.	Regular payments to the budget of the European Community and international cooperation	0	0	0
2.1.5.	Maintenance cost transfers	0	0	0
2.2.	Capital investment expenditure	0	0	0

6. Accomplishments in the Governance of the Institution

**Table 14.**  
**Central Government Basic Budget Financing and the Spending Thereof**  
**for the Basic Budget Sub-programme**  
**‘Technical Assistance for the Absorption of the European Economic**  
**Area Financial Mechanism and the Norwegian Financial Mechanism’**  
**(EUR)**

No.	Financial indicators	Previous year (actual implementation)	Reporting year	
			approved with amendments in law	actual implementation
<b>1.</b>	<b>Financial resources for covering expenditures (total)</b>	<b>33,689</b>	<b>25,071</b>	<b>25,071</b>
1.1.	Grant from general revenue	33,689	25,071	25,071
1.2.	Chargeable services and other own revenue	0	0	0
1.3.	Foreign financial assistance	0	0	0
1.4.	Donations and gifts	0	0	0
<b>2.</b>	<b>Expenditure (total)</b>	<b>33,689</b>	<b>25,071</b>	<b>25,071</b>
2.1.	Maintenance costs (total)	33,689	25,071	25,071
2.1.1.	Running costs	33,689	25,071	25,071
2.1.2.	Interest expense	0	0	0
2.1.3.	Subsidies, grants, and social benefits	0	0	0
2.1.4.	Regular payments to the budget of the European Community and international cooperation	0	0	0
2.1.5.	Maintenance cost transfers	0	0	0
2.2.	Capital investment expenditure	0	0	0

6. Accomplishments in the Governance of the Institution

**Table 15.**  
Central Government Basic Budget Financing and the Spending Thereof  
for the Basic Budget Sub-programme  
'Technical Assistance for the Absorption of the Latvian-Swiss  
Cooperation Programme in 2023–2029' (EUR)

No.	Financial indicators	Previous year (actual implementation)	Reporting year	
			approved with amendments in law	actual implementation
<b>1.</b>	<b>Financial resources for covering expenditures (total)</b>	<b>4686</b>	<b>8354</b>	<b>7681</b>
1.1.	Grant from general revenue	4686	8354	7681
1.2.	Chargeable services and other own revenue	0	0	0
1.3.	Foreign financial assistance	0	0	0
1.4.	Donations and gifts	0	0	0
<b>2.</b>	<b>Expenditure (total)</b>	<b>4686</b>	<b>8354</b>	<b>7681</b>
2.1.	Maintenance costs (total)	4686	8354	7681
2.1.1.	Running costs	4686	8354	7681
2.1.2.	Interest expense	0	0	0
2.1.3.	Subsidies, grants, and social benefits	0	0	0
2.1.4.	Regular payments to the budget of the European Community and international cooperation	0	0	0
2.1.5.	Maintenance cost transfers	0	0	0
2.2.	Capital investment expenditure	0	0	0

6. Accomplishments in the Governance of the Institution

**Table 16.**  
**Central Government Basic Budget Financing and the Spending Thereof**  
**for the Basic Budget Sub-programme**  
**‘Projects and Activities of the Recovery and Resilience Facility (RRF)**  
**for 2021–2026’ (EUR)**

No.	Financial indicators	Previous year (actual implementation)	Reporting year	
			approved with amendments in law	actual implementation
<b>1.</b>	<b>Financial resources for covering expenditures (total)</b>	<b>2,380,083</b>	<b>4,964,703</b>	<b>4,819,784</b>
1.1.	Grant from general revenue	2,380,083	4,964,703	4,819,784
1.2.	Chargeable services and other own revenue	0	0	0
1.3.	Foreign financial assistance	0	0	0
1.4.	Donations and gifts	0	0	0
<b>2.</b>	<b>Expenditure (total)</b>	<b>2,380,083</b>	<b>4,964,703</b>	<b>4,819,784</b>
2.1.	Maintenance costs (total)	1,861,785	4,097,024	4,020,604
2.1.1.	Running costs	1,861,785	3,253,654	3,214,342
2.1.2.	Interest expense	0	0	0
2.1.3.	Subsidies, grants, and social benefits	0	0	0
2.1.4.	Regular payments to the budget of the European Community and international cooperation	0	0	0
2.1.5.	Maintenance cost transfers	0	843,370	806,262
2.2.	Capital investment expenditure	518,298	867,679	799,180

## 6. Accomplishments in the Governance of the Institution

The funding was invested in the sustainable maintenance of physical and digital infrastructure, ensuring the continued operation and necessary licensing of the systems, contributing significantly to the achievement of the goals and performance indicators within the strategic areas of activities of the Treasury. Some of the funding was directed to providing the employees necessary for performing the Treasury functions.

The Treasury actively implemented a number of development initiatives, such as the introduction of a single authentication/authorisation system, verification of recipient account (IBAN) and name compliance, gradual increase of the maximum outgoing instant payment order amount from EUR 10,000 to EUR 15,000, and implementation of the use of the Superset solution for preparing reports.

Activities were carried out to enable the launch and provision of a centralised platform for the human resources record-keeping function and centralised accounting services to the Ministry of Education and Science, Ministry of Culture, Ministry of Justice, Ministry of Finance and their subordinate authorities, as well as the State Chancellery, School of Public Administration, National Electronic Mass Media Council of Latvia, Public Electronic Mass Media Council, State Data Inspectorate, and Judicial Academy in 2026.

Development of shared service centre infrastructure and implementation of the functions of the budget planning and financial management solution as part of the Recovery and Resilience Mechanism project were carried out.

Borrowing activities took place, providing resources to finance the central government budget deficit and enable State lending, as well as compliance with central government debt obligations, investor communication activities were carried out, and the credit rating and its outlook were affirmed at existing levels.

Regular payments to the EU budget were made as planned: contributions in the amount of EUR 420 thousand were paid to the International Development Association, EUR 701.6 thousand to the Council of Europe Development Bank, and EUR 26.67 million was paid as part of the International Monetary Fund financing mechanism 'Financial transaction plan'.

For programmes implemented through foreign investments, the Treasury performs the functions of the paying and Certifying Authority (see corresponding tables in this report for absorption and Chapter 4 for progress details).

The Treasury implemented the 'Creation of a shared service centre' horizontal priority measure for EUR 2.65 million. Funding for the priority measure 'Recalculation of lease fee' in accordance with Cabinet Regulation No. 97 of 'Regulations on leasing the property of public entities' of 20.02.2018 in the amount of EUR 69 thousand was fully used, and funding for the horizontal priority measure 'Increase in the remuneration of civil servants and employees working in direct State administration authorities' in the amount of EUR 847 was used for setting equivalent remuneration for employees that is in line with laws and regulations, including for the achievement of minimum monthly salary thresholds.

## 6. Accomplishments in the Governance of the Institution

### State Procurements

The Treasury conducts procurements in accordance with the Public Procurement Law, through open procedures, negotiated procedures, as well as procurements based on Section 9 and Section 10 of Law. For conducting the procurements, the Treasurer issues an order establishing a procurement commission whose members are competent in the specific field of the procurement. Records of procurement contracts kept and supervised via the Centralised Resource Management System (VPC Horizon). In 2025, the Treasury conducted six procurements (not including those below EUR 10,000 and those carried out using the 'e-pasūtījumi' sub-system of the Electronic Procurement System). These procurements resulted in contracts for a total of EUR 1,571,262 (not including VAT). The Treasury governs its procurement processes using the *Redmine* tool, thus ensuring the more efficient accounting of procurements and the timely organising of procedures. The BI report on the current procurement process included in the procurement plan makes it possible to view information on the progress of all procurements (the stage at which they are) in one place via *Redmine*, including announced procurement initiatives and finished procurements.

### 6.2. Work Environment

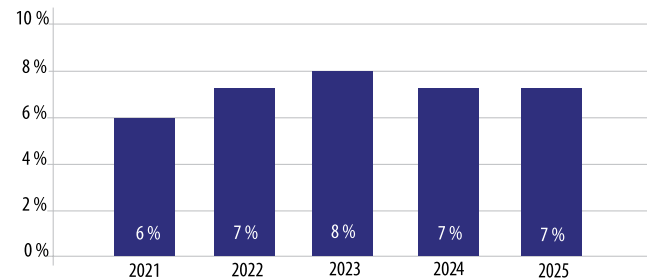
In 2025, Treasury employees continued working following a hybrid model (both working on-site and distance-working), performing the Treasury's functions and ensuring the continuity of service and the integration of accounting staff taken over from the first round of institutions involved in the centralisation of accounting (Ministry of Economy, Ministry of Health, Ministry of Smart Administration and Regional Development, Ministry of Agriculture, and Ministry of Climate and Energy) into the existing infrastructure and working environment model in 2025. In late 2024 and early 2025, the Treasury improved existing and added new workplaces on the premises already in use, thus streamlining the per-employee working environment costs and encouraging digital transformation, sustainability, including the ability to hire and, in the context of the reform, take on specialists from Latvia's regions for work at the Treasury, creating a modern, inclusive, efficient, and flexible model and culture for organising work.

### 6.3. Personnel and Personnel Management

The Treasury stands out for having experienced and knowledgeable employees who are loyal in their day-to-day activities and strive to achieve top quality standards.

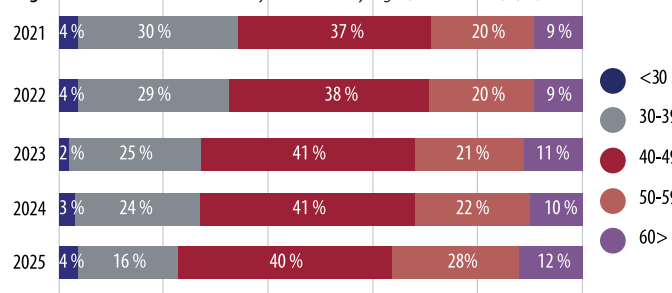
In general, the conservative culture of cooperation transforms into a focused, purposeful, and development-oriented environment. The main driver of change is the influx of new ideas through the turnover of employees, openness to development, and new trends, as well as a clear vision of the future.

**Figure 18.** Share of Personnel Dismissed, of Employees Actually Working (2021–2025) (%)



Fostering the well-being and welfare of its employees, the Treasury determines on a semi-annual basis how often they encounter encouraging or troublesome feelings in their day-to-day work. The emotional climate index study clearly shows that, on average, the employees experienced encouraging feelings (independent, informed, appreciated, productive, happy) significantly more often than troublesome ones (exhausted, worried, stressed, distracted, unfair).

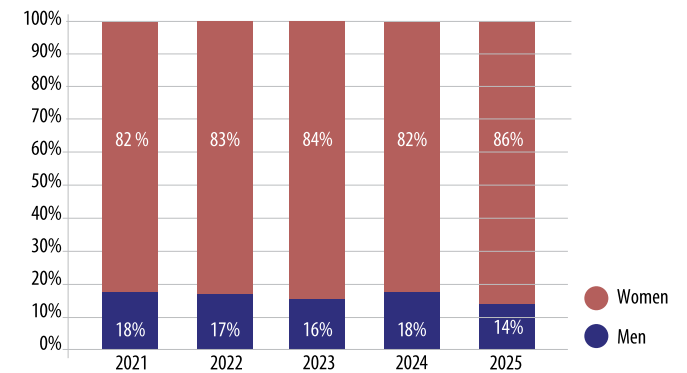
**Figure 19.** Breakdown of Treasury Personnel by Age (2021–2025) (%)



The number of positions at the Treasury increased in 2025 (320). In 2025, the average number of employees, including civil servants and staff on long-term leave, was 298.

95% of employees attended at least two organised training or development sessions during the previous year. The development of competences is focused on digital skills, which directly correlate with work quality assessments, as well as on leadership, with a team leader development programme continuing in 2025 and strengthening the role of leaders as a driving force in the development of competencies and the achievement of goals.

**Figure 20.** Breakdown of Treasury Personnel by Gender (2021–2025) (%)



### 6.4. Quality, Process Measurement, Risk, and Information Security Management

The quality management system and information security management set up at the Treasury ensures the stable and uninterrupted operation of the authority, as well as prompt response to crises.

The Treasury continuously improves its processes by following best practices and the lessons learned by organisations in the financial sector. A process measurement system is developed to make it possible for day-to-day processes to be monitored, decisions to be made on the basis of data, and data to be available for improving processes and providing services, including a new process for managing and monitoring performance indicators, retrieving and analysing high-quality data to provide assurance that the Treasury achieves the performance indicators and results set in its operational strategy.

## 6. Accomplishments in the Governance of the Institution

The documentation of the Treasury's quality management system is kept in the Redmine tool. The tool is used not only to manage projects and development measures, but also to generate reports on fulfilment information and performance indicators (additionally using business intelligence (BI) tools), thus delivering structured data and data analysis across various dimensions.

Information security management is one of the Treasury's constant priorities, in ensuring that the services provided by the Treasury are of high quality and are secure, giving special attention to the operational stability and reliability of information processing systems. An audit of the Treasury's security management system in accordance with ISO 27001:2022 was also successfully completed in 2025.

Risk management is an essential part of the Treasury's management processes, facilitating the achievement of its goals and the efficient management of its processes and projects. Risk management is geared towards the identification of risks and their reduction to an acceptable level, the use of potential opportunities, and the fostering of compliance with good management principles. The Treasury's risk management standard and risk management tool were implemented; risk management improvement measures took place as well, including the creation of a Register of Risk in Redmine, encompassing risks identified and assessed that are related to the provision of services and management processes; a management report was prepared containing information for monitoring registered risks, changes in their values, quantity, identification of top risks, and prioritisation of risk mitigation measures, improving the understanding among service and project managers of their role in risk management. The technical solution created significantly reduces the risk of manual work in maintaining the information.

In order to improve process efficiency and continuity, and to ensure a uniform workload, information on the workloads and products of every unit of the authority is collected in a database for that unit, creating data sets and measurements, making it possible to find out how much time employees could devote to higher value-added work and development. The data and proposals obtained were incorporated into the plan of activities, and a report was prepared for service and process managers to reduce standard workloads and to refine services, processes, and functions.

### 6.5. Internal Control System

The Treasury's internal control system is created using the basic elements of a

comprehensive internal control system building blocks: control environment, risk management, control activities, circulation of information, communication, and monitoring. It ensures that the institution's activities are in line with its strategic goals and requirements of laws and regulations, while fostering efficient, transparent, and results-oriented operations.

The Treasury's processes and the controls used within them are defined in the documents of the quality management system. The internal control system is monitored using a process management approach: by identifying and analysing performance indicators, assessing the outcomes of operations, conducting internal audits, and implementing proposals for system improvement.

In 2025, the Treasury continued improving the efficiency of its internal audit process by developing a digital audit management environment and introducing artificial intelligence solutions in audit activities. AI tools are used to develop audit methodologies, prepare best practices and recommendations, provide consultations, and make presentations, thus significantly improving work productivity and quality. Digital audit records enable the structured circulation of audit information, the monitoring of proposals, and their linking with processes, risks, and quality management documents.

The internal audits carried out and the monitoring of proposal implementation provide assurance that the internal control system of the Treasury operates effectively overall. The controls assessed are appropriate, sufficient, and effective, ensuring that material risks are managed and the authority's performance targets are achieved.

### 6.6. Public Communication, Customer Survey

The Treasury's image is created by the work performed professionally by its teams that build a trusted and appreciated authority together.

In view of the functions delegated to the Treasury, its communication focuses primarily on providing inter-agency services, providing information to customers and other stakeholders<sup>15</sup>, as well as conducting the purposeful management of counterparty relations: providing information to foreign and international financial authorities, credit rating agencies, and securities investors who use the Treasury's information about public debt management, performance indicators, and future trends, as well as current developments in Latvia's financial sector.

The Treasury regularly provides information about matters within its competence: it prepares and distributes press releases, gives interviews, and replies to questions of interest to the mass media.

On its website, [www.kase.gov.lv](http://www.kase.gov.lv), the Treasury provides information about the authority and its functions, as well as the latest news. It is also possible to ask questions and file submissions in electronic form there. The website's guests can receive prompt answers to their enquiries, while the Treasury can find out what matters are of interest to its customers and stakeholders, and, if necessary, prepare more detailed information to be posted on the website and distributed to the customers and stakeholders, in addition to identifying potential problems and preventing them.

In order to build two-way communication with the public, counterparties, and other stakeholders more actively, thus promoting the knowledge of its competencies, the Treasury also communicates through its social media, on *Facebook*, *LinkedIn*, *X*, and *YouTube*.

Residents of Latvia have access to a secure option for making investments: savings bonds. Their essential purpose is to enable every resident of Latvia to buy State-issued securities, thus temporarily lending their money to the State and receiving tax-free interest revenue at interest rates determined by the current situation on the financial market. In conjunction with the Ministry of Finance and the Bank of Latvia's 'Naudas skola' ('School of Money') website, regular communication events took place covering the opportunities and advantages of buying savings bonds, encouraging the demand for savings bonds among the public. In November and December, an information campaign took place in the traditional media (Delfi, AirBaltic magazine, Radio Skonto group), as well as on social media, covering the new three-month savings bonds, which have become very popular.

In 2025, in order to assess satisfaction with the services provided and to discover the needs of its customers, the Treasury, working together with the "Latvijas Fakti" research centre, organised an online survey to determine the level of satisfaction of its customers and counterparties, and to identify necessary improvements in its services. 1443 people from all over Latvia took part in the survey. 93% of the respondents were satisfied with the services provided by the Treasury, exceeding the target set in the strategy (85%).

<sup>15</sup> A person or a group of persons that can have a direct or indirect influence or be influenced as a result of a decision or action of the Treasury.

## 6. Accomplishments in the Governance of the Institution

Customer recommendations and proposals were assessed and included in the measures for the improvement and streamlining of the Treasury's services. In conjunction with "Latvijas Fakti", the Treasury also conducted a population survey on the topic of making savings and investments (including savings bonds), intending to understand what future actions would be necessary to stimulate demand for savings bonds, and the areas where the service can be developed. 867 permanent residents of Latvia aged 30–60 participated in the survey.

### 6.7. Performance Indicators of Operational Targets

Table 16.

Operational target performance indicators in the governance of the authority

Result	Performance indicator	Performance indicator numeric values in 2025	
		Planned	Implemented
1. Treasury processes streamlined by saving working hours spent on administrative activities and strategically redirecting them to higher value-added activities (analytics, business intelligence, risk mitigation, etc.).	1.1. Number of man-hours redirected from administrative activities to activities with higher added value.	1600	902.1
<i>The indicator is not met. The Treasury continues revising and digitising its processes to improve the quality and speed of the services provided. The implementation of the initiatives depends on the priorities of the Treasury, including the accounting centralisation reform, whereby the indicator value substantially exceeds what was planned in 2024 (2938.7 hours), so that the total number of working hours is levelling off over the strategy period.</i>			
2. Professional, proactive head of unit.	2.1. Share of the working time spent by the head of the unit as part of organised training or self-study, hours.	100	97
<i>The indicator is not met. Actual value only slightly below the target. The achievement of the target is influenced by the priorities and workload of managers, including in the major accounting service and human resources record-keeping centralisation project, as well as the budget planning and financial management solution project.</i>			
3. Regular staff emotional climate index study conducted (at the level of units).	3.1. The emotional climate index score does not exceed 0.9 (total difference between the current and optimal frequency of feeling).	≤0.9	0.86
<i>The indicator is met. The Treasury continues to study the well-being of its employees, which has a direct positive impact on productivity in the performance of everyday tasks, as well as on attitudes towards the employer. Focused management of top risks ensured, targeted monitoring the capacity and sentiment of employees by unit managers organised. Open Day events and individual communication activities held prior to the recruitment of employees involved in the centralisation of the accounting service, with a fast, precise, and structured staff selection process.</i>			
4. Principles defined in the European Quality Management Foundation Excellence Model implemented.	44.1. Self-assessment of the implementation of the principles of the European Quality Management Foundation Excellence Model carried out.	Will not be measured	Was not measured
5. Energy efficiency of the Treasury building improved.	5.1. The Treasury building has an energy performance rating of 'C' <sup>16</sup> .	1	1
<i>The indicator is provisionally assumed to be met. Measures to achieve the target are in place, and it is expected to be confirmed in the first half of 2026 when VAS Valsts nekustamie īpašumi will conduct the energy certification. The heating energy consumption data actually recorded for the period 2022–2024 show that the specific energy consumption for heating the Treasury's building complex at Smiļšū iela 1 in Riga does not exceed 90 kWh/m<sup>2</sup> per year, meaning that the energy efficiency of the buildings for heating consumption is that of a Class C office building.</i>			

<sup>16</sup> The energy efficiency index for heating exceeds 60 kilowatt hours per square metre per year, but does not exceed 80 kilowatt hours per square metre per year.

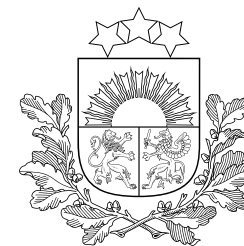
## 6. Accomplishments in the Governance of the Institution

### 6.8. Steps Planned for 2026

It is planned to optimise the management of sanctions, the reconciliation of payment application data created by the EU Cohesion Policy Fund Management Information System and the process for keeping credit files, to improve the physical access system, and to continue digitising the savings bond process.

A single, standardised framework for project documentation and task management will be created, ensuring transparency in the circulation and flows of information, the efficient performance of tasks, uniform methods and continuity, accessibility and security of documents, as well as clear principles and procedures for recording work time, thus enabling the interchangeability of employees, uniformity of quality, compliance, and facilitating efficient project management.

A significant effect on the institutional culture and team cohesion at the Treasury in 2026 will be produced by the addition of 173 new accounting service positions as part of the centralisation of support functions. In order to ensure a successful on-boarding process and promote a common understanding of the authority's culture, a mentoring programme for new employees is in development, with plans for regular internal communication activities with the involvement of the management and experts. The heads of new units of the authority are expected to become key people in building a common understanding, so particular attention will be paid to developing management competencies. The Treasury will also look out for employees with high potential for growth throughout the year in order to gain additional capacity for the next round of centralisation of support functions, to take place in 2027.



Treasury  
Republic of Latvia

# Treasury's Public Report

# 2025