



Draft

LONG-TERM DEVELOPMENT STRATEGY OF Riga City till 2025

„Riga – opportunity for everyone”

Riga, 2005

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General information about Riga

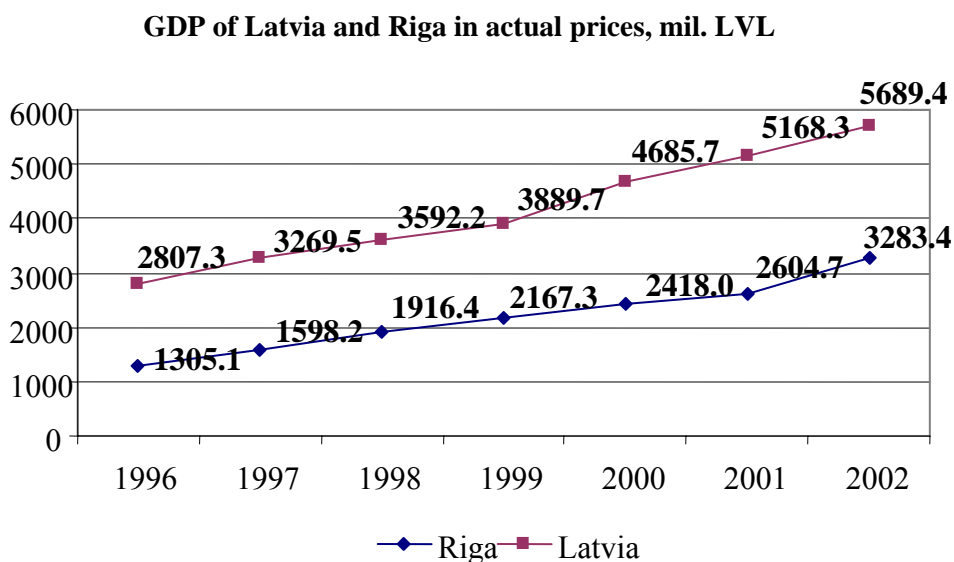
Riga, the capital of Latvia, is situated on the Southern coast of Riga Sea Gulf of the Baltic Sea, on the banks of the largest river of Latvia, the Daugava, running into the Riga Sea Gulf. Historically, the development of Riga has been largely determined by geographical location of the city, and the fact that Riga is situated in the centre of both Latvia and the whole Baltic region, and on crossroads between the markets of European Union and the Eastern regions, contributes nowadays to improvement of both social as well as the economical situation of the city. Therefore, **Riga has become the basic driving force to the development of Latvia.**

The administrative territory of Riga covers 303.6 km². More than 45% of the city is occupied by terrestrial areas together with its natural overland water systems. Another 10% of the territory of Riga is occupied by roads and streets. Residential territory of Riga, mostly concentrated in the central part of the city, occupies 26% of the terrestrial area on both sides of the urban railway circle on either banks of the Daugava. The density of the population against the total urban space makes 2391 (pers./km²), or 2845 (pers./km²) considering only the terrestrial area.

In recent years the population of Riga continues decreasing, despite the rapid development of Riga. At the beginning of 2005 there were 735241 inhabitants in Riga, while the agglomeration territory of Riga continues expanding. Since 1995 it has grown for the population has grown for 974.6 km² (+14.0%) and 16 419 inhabitants (+1.5%). In 2003, the agglomeration of Riga occupied 6984 km² accommodating 1 148 003 inhabitants or half of the total population of Latvia.

Riga is the most developed city of Latvia: GDP of Riga in 2002 made 52% of the aggregate GDP of Latvia (Picture 1). The GDP has grown from 1996 to 2002 by more than 152%. According to preliminary estimates of the Central Statistical Bureau of Latvia, in 2002 the GDP reached 3283.4 million LVL.

Picture 1

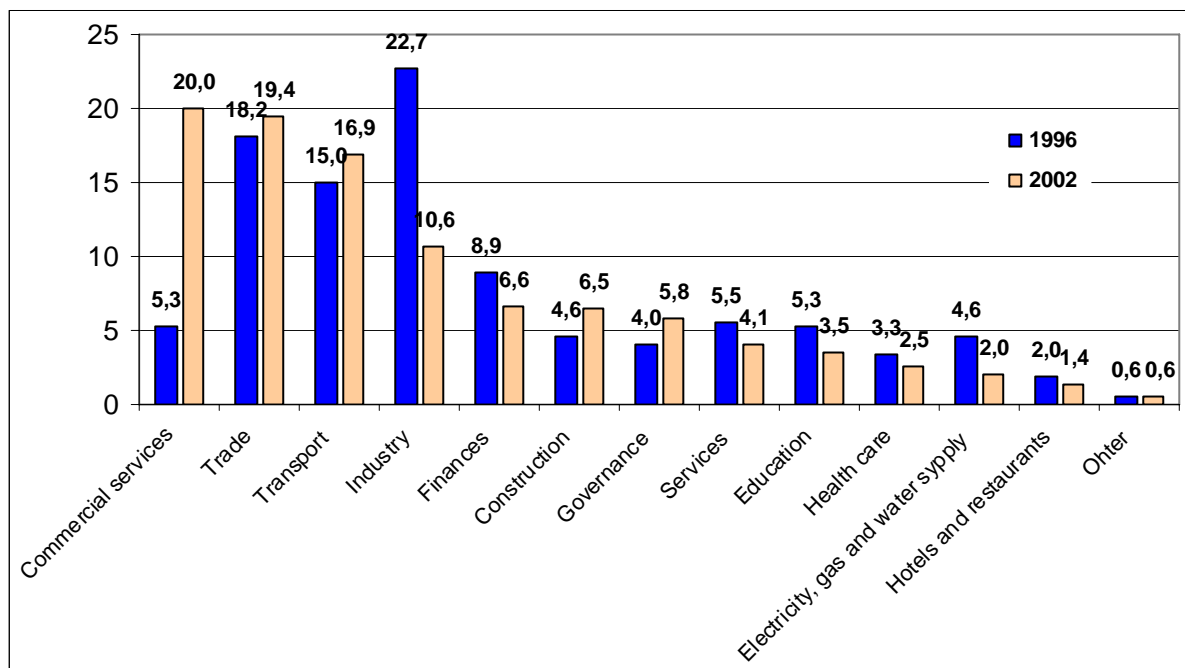


Source: Central Statistical Bureau of Latvia

The proportion of goods production activities in the aggregate added value of Riga has recently experienced a substantial decrease (Picture 2). Till now economical growth has mainly been achieved on the account of services rather than goods production industries which depend on high capital investments. Such industries are mainly based on the local market, and therefore their income is stable, yet low – limited by purchasing ability.

Picture 2

Net weight of the economical industries of Riga in the aggregate added value, %



Source: Central Statistical Bureau of Latvia

Very high proportion in the added value is presented by commerce and transport industries while finances amount to 6.6% only, thus dissipating the myth about Riga as the financial metropolis of the Baltic. The highest increase, compared to 1996, has been experienced in commercial services, the proportion of which in the aggregate added value has increased nearly four times. In general, commercial services estimate 20% of the aggregate added value, and the reason of the growth is connected mainly with the active real estate market.

56% of all enterprises registered in Riga were incorporated in 2003. It means that currently Riga is also performing the function of the centre of economical activities or the function of business centre of Latvia. This provides to Riga certain advantages compared to the other territory of Latvia. Prospectively, however, being the capital of a Member State of the European Union (EU), Riga may turn into a regional administrative centre representing not only the national/local public government authorities but also the EU institutions. This means that the function of Riga as an administrative and business centre to a great extent is currently determining and will determine in future the economical competitiveness of Riga in domestic as well as in international context.

The rapid economical growth of Riga has created favourable preconditions to increased amounts of both non-financial and foreign investments in the city. **A major part of foreign investments in Latvia concentrate in Riga**, and at the beginning of 2005 the amount of foreign investments made in equity capital of the enterprises registered in Riga has reached nearly 1 billion lats. This is the result reached by more than 12 thousand investors from different countries. The largest investment amounts come from the USA (149 million LVL), Sweden (121 million LVL), Denmark (98 million LVL), while the highest number of investors come from Russia (2129) with the total amount of investments exceeding 53 million LVL.

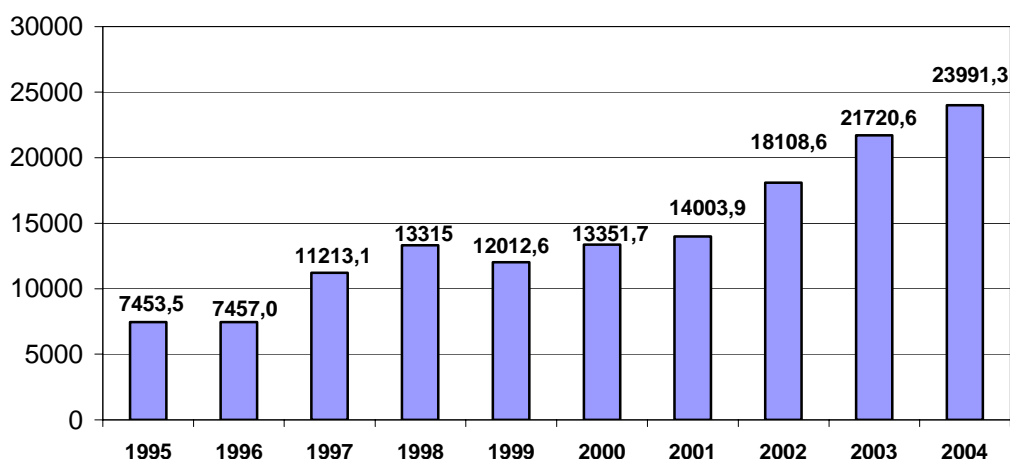
Riga has the highest employment and the lowest unemployment level. The number of employed persons from 1996 to 2003 has increased by 29.1 thousand or 8.9%. In 2003, commerce was the prevailing sector with 67.9 thousands employed persons, followed by industry with 65.2 thousand employed persons. The total number of employed persons in Riga amounts to 354.8 thousand. Employment forecast in Riga foresees the increase of the proportion of the employed individuals being at the prime of life by 2020. In 2003, unemployment made only 4.4% of the economically active population.

A large part of persons employed in Riga come from other municipalities. They are so-called pendulum employment migrants, persons working in Riga and living outside its territory; thus, the city is deprived of a large part of its potential resident income tax amounts because it flows into the budgets of municipalities accommodating the persons employed in Riga. Most of the pendulum employment migrants come to Riga from the municipalities bordering in Riga.

Riga is an important transport and communication centre both on domestic and international scale. Location on the crossroads of international railways and highways and availability of international airport and seaport are essential factors determining the economical competitiveness of Riga in the international context. The city is well accessible both locally and internationally. Riga is the second largest seaport in Latvia and the fourth largest port on the eastern shore of the Baltic Sea by its cargo turnover. The volume of cargo received and dispatched from Riga Seaport trends to increase, and the total cargo turnover in Riga Free Port has almost tripled during the recent 8 years (Picture 3).

Picture 3

Cargo turnover in Riga Seaport, thousand tons



Investments into transport infrastructure continue increasing due to continued development and improvement of the transport infrastructure of Riga.

Riga has a modern, well-developed telecommunication and the Internet system. In 2003, 56.8% of enterprises in Riga were equipped with computers, and 39.2% of enterprises were connected to the Internet. Several scientific technological parks operate in Riga, too, and new parks are being formed.

Taking into consideration the state-scale economical growth during the most recent 3 – 5 years, **Riga is experiencing rapid development of real estate market.** Construction volumes have increased recently, particularly in the field of trading. The intensity of multi-residential housing construction is also increasing rapidly. Major part of construction (by actual construction sites) is still concentrated in Riga – 55.7%, with 1293 sites put into exploitation in 2002.

Riga is the place most often visited by foreign tourists in Latvia – in 2004, 50% of all travellers have visited Riga. According to the data of Riga Tourism Coordination and Information Centre, the number of tourists there has increased by 32% compared to 2000. Over 1 million guests visited Riga in 2004. The international transport is mainly provided by Riga International Airport, with the number of arriving/departing passengers 4910607 in 1995, 711753 in 2003, and reaching as much as 1060426 in 2004, or by 49% more than in 2003. The increased number of tourists is, to a great extent, connected with accessibility of Riga, being well improved during recent years due to the cheap airlines entering the market. Six new air traffic companies commenced their work in the Riga International Airport, and 14 new flight destinations were added in 2004. Potential passengers can take regular direct air flights from Riga International Airport to 34 cities in 24 countries worldwide.

Education establishments of Riga play an important role in the total education system of Latvia. **About one third of all Latvian students gain their education in Riga.** The number of students has rapidly increased both in Riga and countrywide. **Riga is the largest high school education centre in Latvia** (80% of all students on average study in the higher educational institutions of Riga). Therefore Riga, with a number of versatile higher education establishments and the high level of education already achieved by the inhabitants of Riga, has major advantages in the attraction and management of investments. This, in its turn, entails higher demand for work force and safer employment prospects to educated persons. At the beginning of 2003/2004 academic year, Riga was accommodating 37 of 49 higher educational establishments of Latvia with about 100 thousand students. The number of students has nearly doubled, compared to the academic year 1995/1996.

Culture industry plays an important role in the strengthening of competitiveness of the city on international level. Riga can be attributed to the function of regional culture centre shown mainly on the national scale. **All major culture events take place in Riga,** and important culture centres, such as Latvian National Opera, the National Theatre of Latvia, etc are situated in Riga.

INTRODUCTION

In order to ensure sound and efficient municipal administration the municipality of Riga needs a certain political framework instrument clearly defining the future vision of Riga city, clearly indicating the development priorities, goals and ways chosen to achieve them.

According to the currently applicable normative acts of the Republic of Latvia, the main planning instruments regulating the development in local municipalities are the spatial plan and the development programme. The above-mentioned documents are strongly tied together because both of them consider issues regarding the development planning of a certain territory in long-term (12 years) perspective.

The main objective of the development programme is to define priorities for the development of a local municipality and to point out to the tasks, activities and projects for socially economical development of that municipality. In its turn, the development programme becomes territorially integrated through the spatial plan, where specific regulations and demands for spatial implementation of the projects are defined. Basing on the tight connection to the above-mentioned documents, they are often mark with one term – the development plan of a local municipality.

At present Riga Development Plan for the Years 1995 – 2005 is in full force and valid. To work out the new the new Riga Development plan, namely, the plan for the years 2006 – 2018, one of the main preconditions is to create instruments for effective administration of the municipal work. After evaluating the experience and the development of planning processes in other cities of the world, the city of Riga came to a conclusion that for better management of urban planning process it is very useful to draft one general long-term planning document. Therefore, on Riga municipality's own free will, in the frame of the Riga Development Plan the **long-term development strategy of Riga city till 2025** has been worked out and confirmed by **Riga** City Council (Resolution 584, protocol 26, 7, from 15. 11. 2005.)

The goal of the long-term development strategy is to serve as a framework or the new development plan of Riga and to provide preconditions for sustainable development of Riga City as well as for the improvement of the Rigans' quality of life.

This strategy highlights the issues to be solved by the City as a whole and shows the best ways how to settle them. The strategy also covers a number of issues in the solution of which the municipality of Riga can hardly get involved, yet the stand of the municipality on the settlement of certain issues is clearly expressed.

In the process of drafting the strategy various European, Latvian and Riga's planning documents as well as conclusions from specific researches, proposals from consultants, comments and suggestions from letters and public discussions that have been going on for more than two years have been used.

Much attention is paid to implementation of the strategy to make it practically applicable to the management of the city and routine work of the active Rigans. Therefore, several indicators have been put forward for each all long-term goal that corresponds or supplements the European common

indicators for sustainable development of cities. They generally describe the existing situation in the given sphere and set measurable average 7 - year term achievement plan and long-term (~20 years) development trends to enable periodical assessment of the results of implementation of the strategy: to identify shortcomings and errors, uncompleted assignments, as well as to take the delight in the completed work.

The tasks defined in the strategy are specified and expanded in the development programme thus improving the mechanism for the implementation of the strategy. The development programme contains also a broad description and analysis of the existing situation in Riga that has been used in drafting the strategy. At the same time the basic concepts of spatial planning links the strategy with the spatial plan and provide basis for its spatial solutions.

The long-term development strategy of Riga till 2005 is expected to become an effective instrument and grounds for making decisions on the following matters:

- Development and planning of the urban environment;
- Formation of development budget of the city;
- Attracting investments to the development of the city from various Riga, Latvia, international or special foundations;
- Drafting and implementing various projects related to the development of the urban environment;
- Optimising the city management activities on the basis of priorities and goals set in the strategy;
- Integrating the common urban development interests, priorities, goals and objectives in the development strategies, concepts, plans, programmes and action plans of individual industries;
- Informing, educating the community and increasing the social activities and consciousness in the field of urban development.

The strategy identifies the long-term goals most essential to the city and it sets **three priorities** expected to have most rapid and positive effect on each inhabitant of Riga and to facilitate improvement of the quality of everyone's life:

1st priority: To develop a well-educated, skilful, culture-respecting society.

2nd priority: To promote the development of economy based on East-to-West link.

3rd priority: To promote living in high-quality urban neighbourhoods.

RIGA LONG-TERM DEVELOPMENT VISION

RIGA – opportunity for everyone!

It means the opportunity to live in a qualitative, harmonious environment, opportunity to develop oneself and one's welfare. The municipality of Riga is entrusted with professional servicing the inhabitants of the city, facilitating their personal growth and improvement of the quality of their lives.

MISSION OF RIGA

A. Riga – the city of opportunities for everyone

It is an opportunity to each inhabitant and each guest of the city, regardless of their nationality, religion and gender, to fulfil themselves through creating and making true their ideas and dreams, unless they contradict with the interests of society.

A.1. Riga supports enterprising and active people thus facilitating the improvement of everyone's quality of life.

The business environment of Riga attracts active people and enterprises to gain from creating working places as well as gain income to themselves and others.

A.2. Free choice and ownership are respected in Riga insofar, unless they harm the interests of society.

Everyone's free choice in management of their own property is respected insofar it does not harm society interests and does not contradict with the formally applicable property management and ownership restrictions.

B. Riga – a convenient and comfortable place to live in

Riga is contributing in the development of its spatial and socially economical structure through making Riga a compact city where the existing territorial resources are efficiently used. The development of multi-functional local centres subordinated to the city centre both in the existing as well as new neighbourhoods is encouraged in Riga to improve the availability of services, strengthen the identity of local communities and their population. Thanks to the harmonious development and human size of the city, a strong middle-class society is growing and also wealthy people are eager to settle in Riga; they pay taxes and spend their income there thus contributing to improvement of the living standards of the city as a whole.

B.1. Riga is developed into a safe, healthy, attractive seaport city.

It presents an opportunity to live in a comfortable, safe and qualitative environment of a compact seaport city with modern industry harmonised with the human needs and environment protection. Sustainable development of the urban environment of Riga is being planned and coordinated on centralised basis, and the planning processes include identification and weighing of public opinions.

B.2. The transport system of Riga is designed to be safe and convenient for everyone.

It enables the use of convenient, quick transport for daily needs to everybody. Transport and communication infrastructure of Riga is undergoing modernisation developing it into the centre of information technology, logistics and commerce of the Baltic region.

C. Riga – the Baltic metropolis

Thanks to well-educated human resources, business operations and the flows of capital, technologies & resources, Riga is developing into a dynamic city with its knowledge-based economy and high added value industries. The enlargement of the European Union has provided Riga with new co-operation opportunities with Eastern and Western neighbours thus becoming a metropolis of the entire Baltic region.

C.1. Riga is the driving engine of the development of Latvia and the Baltic States.

Riga is the capital of Latvia and the centre for a large region, where its impact of the development has to be viewed much further than just the administrative and state borders, providing maximal support and involving the local municipalities and the capital cities of the neighbouring countries into a joint co-operation network. By promoting development possibilities in its own territory, Riga also promotes the development throughout the whole territory of Latvia and in the Baltic region.

C.2. Riga is the most efficient Baltic Sea Region gateway of the European Union to the Eastern neighbouring markets.

The favourable location of Riga on the Baltic Sea, on the banks of the Daugava between the vast Western and Eastern markets, has always been contributing to its development. The Development of Riga as a logistic and commercial centre should be supported in future, and the role of Riga as an important gateway city in Europe should be increased through encouraging modernisation and the development of transport and communication infrastructures.

C.3. Riga is the Baltic centre of culture, education and tourism.

Visiting Riga is an adventure to everyone. Riga is a city of versatile culture with its own typical art, architecture, fashion, catering habits and social culture. Riga is the city of inspiration to those who learn, travel, live and dream!

D. Riga – a city of efficient administration

Riga municipality is an efficient, client-oriented institution of public sector administration, supporting implementation of progressive and entrepreneurial ideas, resulting in mutually beneficial social – economic solutions both for the private individual and the city in general. Riga Municipality facilitates the recognition of Riga in Europe and the world; it adopts the positive experience from other cities and cooperates in the implementation of joint projects.

BASIC PRINCIPLES OF THE STRATEGY

A RIGAN – THE CORNESTONE OF RIGA’S DEVELOPMENT

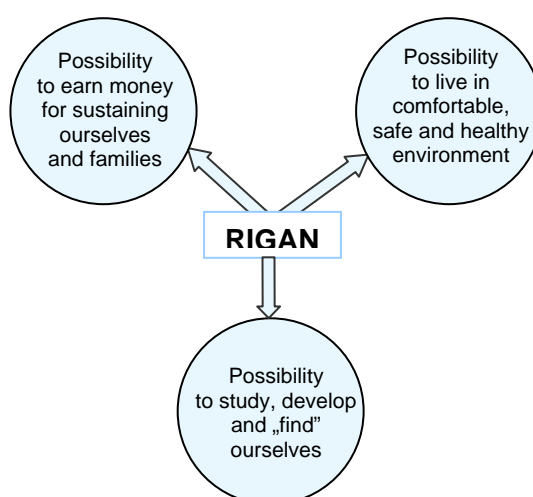
The development of Riga is basically aimed at improving the quality of lives of its inhabitants. The growth of the quality of life in democratic society is based on the opportunities taken by individuals themselves in order to reach their own desired life quality level.

The city has to enable its inhabitants to get employment in their own profession and to earn high income to support themselves and their families, and to improve and materialize their own personalities. Most of the problems being currently solved by the municipality are directly related to the different income levels of the Riga people, their unemployment and inability to respond promptly to the rapid, changing tempo of social economical urban life. Henceforth, more attention should be paid to creation of new working places and opportunities, rather than to combating the consequences.

People live in urban environment, and its quality is an essential characteristic of human welfare. Responsibility for the urban environment is a traditional sphere of municipality’s responsibility. Transit to the basic principles of market economy, however, has to entail changes in the planning system. Private property is taking the decisive role in the property structure. The city has to provide an up-to-date infrastructure meeting the new market requirements. Any city should become the place for people where they can spend full value life, work and recreate. It is important to follow the principles of sustainable development, and according to them we should ensure the necessities of the existing generation so that it does not make difficulties for the next generations to ensure their necessities.

Picture 4

Interrelation of human desires



The modern society is gradually turning into consumer society, however high income and quality housing alone do not bring satisfaction. A person needs to have the opportunity of mental development, access to social support, self-expression in the chosen field and to have feeling as a part of society. Though each person is responsible for his own choice of and pursuing the professional path totally, it is

the city that creates the path network. Therefore, Riga should provide ample education possibilities as well as the possibility to master the valuable heritage of culture.

The municipality of Riga has to enable the Rigans to materialize themselves, and for this purpose the municipality has to promote business ensuring economical activities and, hence, income, as well as to form harmonious, comfortable and safe environment, and to support social integration of people and their self-expression in their own eligible ways (Picture 4). Therefore, the development of the city is based on three pillars: economy, urban environment and society. The development of these pillars, in its turn, is largely dependent on the administration system.

PILLARS OF URBAN DEVELOPMENT

In accordance with the basic concepts of sustainable development of the Republic of Latvia that is people-orientated development; its goal is to improve living standards of people simultaneously preserving nature and environment. Therefore it is necessary to respect nature that provides people with resources and all the necessary things for living. In such a perspective the sustainable development means qualitative improvement of living standards of people unless the corresponding capacity of ecosystem is not exceeded.

The Aalborg Charter “European cities & towns towards sustainability” adopted by the Municipality of Riga in 1994 stipulates:

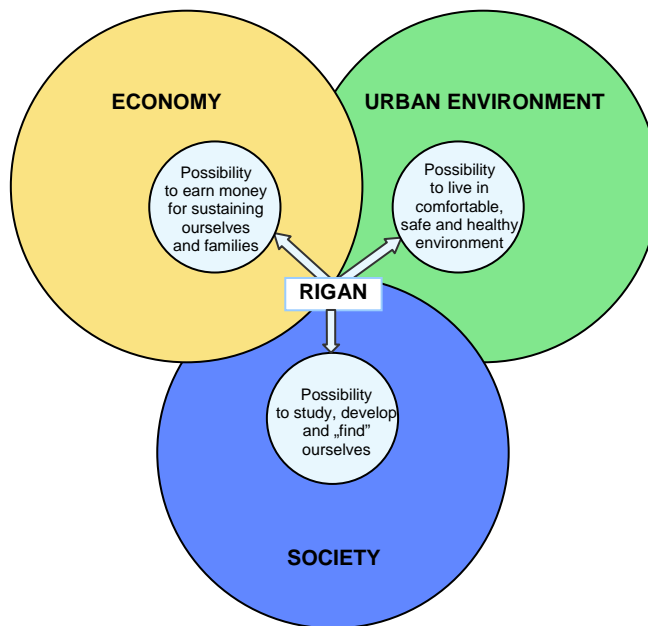
“We are committed to achievement of social welfare (equity), sustainable national economy and sustainability of nature. Social welfare will be definitely based on sustainability of economy and the environment demanding new investments for the nature capital. All three systems¹ have to be well-balanced.”

In point of fact the long-term development strategy of Riga city is based on the sustainable development system basing on a balanced interrelation with economical, social and natural environments. This traditional scheme has been changed structurally adapting it to Riga’s specific situation and the strategic concepts defined in the mission of the strategy.

Thus economy, urban environment and society has been chosen as the main three urban development pillars for Riga where the local inhabitant – Rigan – is put in the centre (Picture 5). Balanced interrelation with these three pillars is the foundation for Riga’s perspective development. They constitute the basic precondition for successful city development wherewith also for high living standards of the inhabitants of Riga.

¹ Economical environment, social environment and natural environment.

Pillars of urban development



Urban environment and its creation are traditionally the basic responsibilities of the city, because the planning and development of the city (construction of roads, buildings and structures, traffic administration, nature protection, urban improvement) is performed on centralised basis. Transition from socialistic planned economy to free market economy, however, entailed transfer of a large part of property to private entities. Therefore, the relevant private owners also contribute to the formation of the urban environment within the scope of their respective property, and the city has to maintain partnership with them. The current situation entrusts the municipality of Riga with responsibility to promote and control this private property, to eliminate negative trends and develop the basis of infrastructure corresponding to the interests of the society as well.

CONTACT POINTS OF THE PILLARS – PRIORITY GOALS OF THE STRATEGY

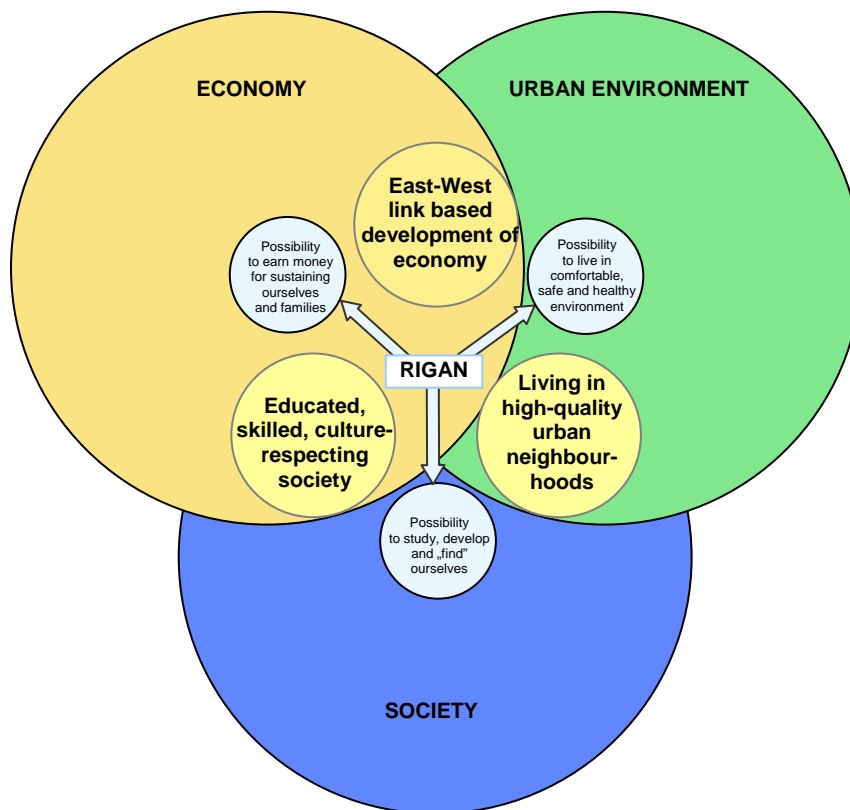
The strategy determines the municipal administration priorities taking into consideration the operational environment as well as the vision of the development and the defined mission.

Strategists of the business world often criticise the national and municipal development strategies for covering excessively vast intentions, ideas and programmes aimed at everything and everyone, and therefore running the risk of missing the essential goals. They fail to define priorities, they do not take into account the available resources, they do not consider whether the city is really the most appropriate for the implementation of the given programmes; they do not define measurable goals. The strategy of Riga has been developed with the view to avoid these traditional mistakes.

The analysis of the urban pillars and their interaction makes clear that their contact points mark the goals striving for which will most effectively promote the city development and the improvement of the living standards of its inhabitants (Picture 6). Achievement of such goals requires coordinated actions in various spheres. Achieving or approaching these goals will more efficiently facilitate also the achievement of other goals. Thus so called effect of synergy that creates extra added value can be achieved.

Picture 6

Priority goals of the strategy



Promoting the Rigans' identification with their communities and improving the quality and multifunctionality of these neighbourhood the city of Riga will ensure the inhabitants with the feeling of satisfaction, reduce the load on transport infrastructure and improve the quality of the environment.

Through further promotion of both – education as well as skills, Riga will provide better employment and, consequently, opportunity to gain higher income. It will improve the ability to master new skills and facilitating the development of urban environment and economy, at the same time being aware of cultural valuables promoting the improvement of image and economy of the city.

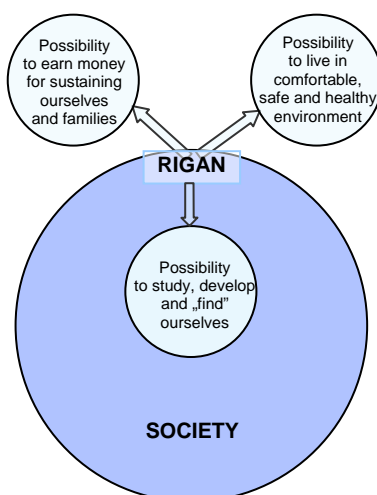
Promoting capacities and opportunities of the urban entrepreneurs to offer high added value services and manufacture goods for our Eastern and Western neighbours, thus providing optimum contact point between these two economical worlds will, in its turn, facilitate the development of economy and, consequently, the welfare of Riga and the Rigans.

SOCIETY AS A DEVELOPMENT PILLAR OF RIGA

It is the urban society which enables the inhabitants to educate, develop, find and identify themselves (Picture 7). The strategy of the city encourages the formation of a developed, integrated society, being capable to compete in the changing conditions of market economy. The city is caring for welfare of all social groups, encouraging orientation to family and social responsibility. One of the missions of the city is to encourage education since it is the education that guarantees human development and ability to ensure their own welfare in their own chosen form. No wonder education nowadays is also called human capital.

Picture 7

Society – development pillar of Riga



Nowadays, in the age of information, information is an essential resource to everyone for both implementation opportunities as well as solving their problems. People quite often are insufficiently informed on their social rights and obligations, on facilities to obtain support and participate actively in social and cultural life of their city. By providing and facilitating the flow of information between the municipality/state and its inhabitants, Riga will promote the welfare, identity and social activity of the Rigans. Social aid is provided to children, retired persons, disabled persons, mentally retarded persons and needy able-bodied adults. The aim of one of the goals of Riga is to provide maximum available care and support to potentially more people of this kind in order to provide them at least with minimum acceptable quality of life.

STRENGTHS AND WEAKNESSES OF RIGA SOCIETY

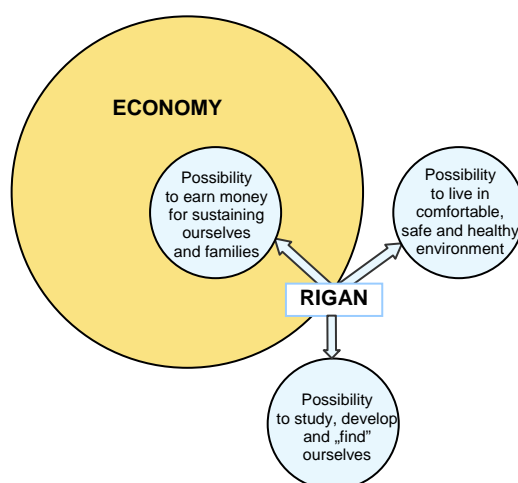
STRENGTHS	WEAKNESSES
<p>Multinational society</p> <p>Active participation in cultural life</p> <p>Developed system of education</p> <p>High employment and low unemployment level</p>	<p>Negative natural growth of population (depopulation)</p> <p>Poor reproduction capacity: low birth rate and high mortality</p> <p>Negative mechanical migration of the population in boundaries of Riga</p> <p>Low average lifespan</p> <p>Insufficient, irregularly developed social infrastructure</p> <p>Low average income</p> <p>Increase in differences of living quality among different social classes (process of social segregation)</p> <p>High proportion of population dependent on social economical support</p>

ECONOMY AS A DEVELOPMENT PILLAR OF RIGA

Developed urban economy enables gaining income, supporting yourself and your family (Picture 8). During the process of the implementation of the urban strategy, municipalities chose among the development policy measures contributing to achievement of high employment level, sustainable economical growth and stable prices thus providing the material grounds for the growth of welfare of both the city and its inhabitants.

Picture 8

Economy as a development pillar of Riga



STRENGTHS AND WEEKNESSES OF RIGA ECONOMY

STRENGTHS	WEEKNESSES
Rapid growth of Gross Domestic Product (GDP)	Narrowing of foreign market sectors of national economy
Economical environment managing different cultures	Low added value sectors
Development of entrepreneurship	The lowest GDP per capita among the capitals of the European Union
Development of logistics and multimodal transport	Centralisation of entrepreneurship
Developed infrastructure for economical environment	Increasing dependence on external economical conditions
A lot of extensively exploited or vacant territories	Deceleration of tempos of GDP growth
	Decrease of internal purchasing ability

Our principal goal in the field of economy envisages the increase of gross domestic product of the city per capita, at the same time decreasing social segregation among different social classes. The following analysis-based strategic directions of development have been set the development of the economy of Riga: East-West link (priority direction), high added value, partner-like as well as versatile and growing economy.

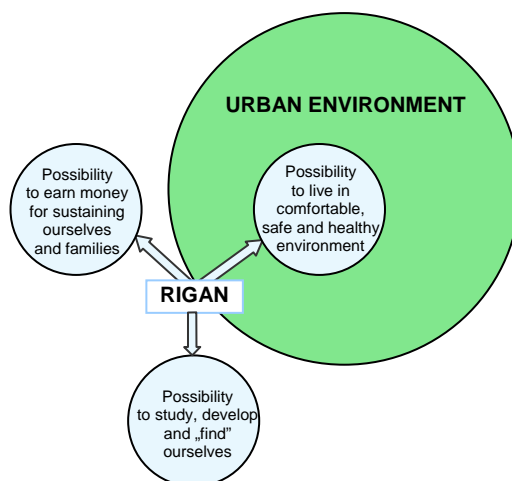
Prospectively, Riga wants to base its **economical development on the sectors with high added value**, to mention among them the **processing industry, building and civil engineering, hotels and restaurants, transport, storage and communication, consulting services (IT, management, legal services), recreation and entertainment services as well as education establishments.**

URBAN ENVIRONMENT AS A DEVELOPMENT PILLAR OF RIGA

Developed urban environment enables living in a qualitative, safe, harmonious environment (Picture 9) consisting of varied and qualitative housing, convenient transport system and communications, safe and efficient engineering communications, qualitative public outer-space as well as clean and biologically diverse natural environment.

Picture 9

Urban environment – development pillar of Riga



The strategy envisages promoting the development of the traditional centre of Riga, at the same time strengthening the identity of other local neighbourhoods to be formed as multifunctional development centres. Such a conditionally polycentric² inhabitation structure of the city contributes to create a favourable attitude of the inhabitants to their neighbourhood, stimulates the economical growth and preservation of natural resources as well as a balance in the development of different parts of the city.

The development of the central part of Riga should be planned with a special care taking into account that the historic centre of Riga is listed among UNESCO World heritage list sites. However, the historic centre of Riga should not be considered as the problem area for urban development but instead as a value for promotion of Riga's name and development.

Planning the development of Riga the fact that Riga is an important centre supporting the link between the Eastern market and the markets of European Union, and vice versa should be taken into account, therefore in the developing of the city major accent should be made on the development of transport and communication infrastructure thus increasing the importance of Riga as the Eastern "gateway city" of Europe. Therefore, the modernization of transport infrastructure is regarded as a relevant task designed to promote the development of the city into logistics and commerce centre. Furthermore it is important to understand that the functional space of Riga's influence stretches far beyond its administrative borders, therefore also from the planning perspective Riga's development shall be viewed in the context

of Riga agglomeration, as well as Latvia and sometimes even in the context of the development of the Baltic Sea Region .

One of the most important factors in providing social welfare of community includes welcoming and safe neighbourhood. A pleasant neighbourhood urges people to save and stay there in future. Therefore Riga should pay a special attention for housing policy corresponding to the interests of the society so that a qualitative housing offer for different social groups would be available.

STRENGTHS AND WEEKNESSES OF RIGA URBAN ENVIRONMENT

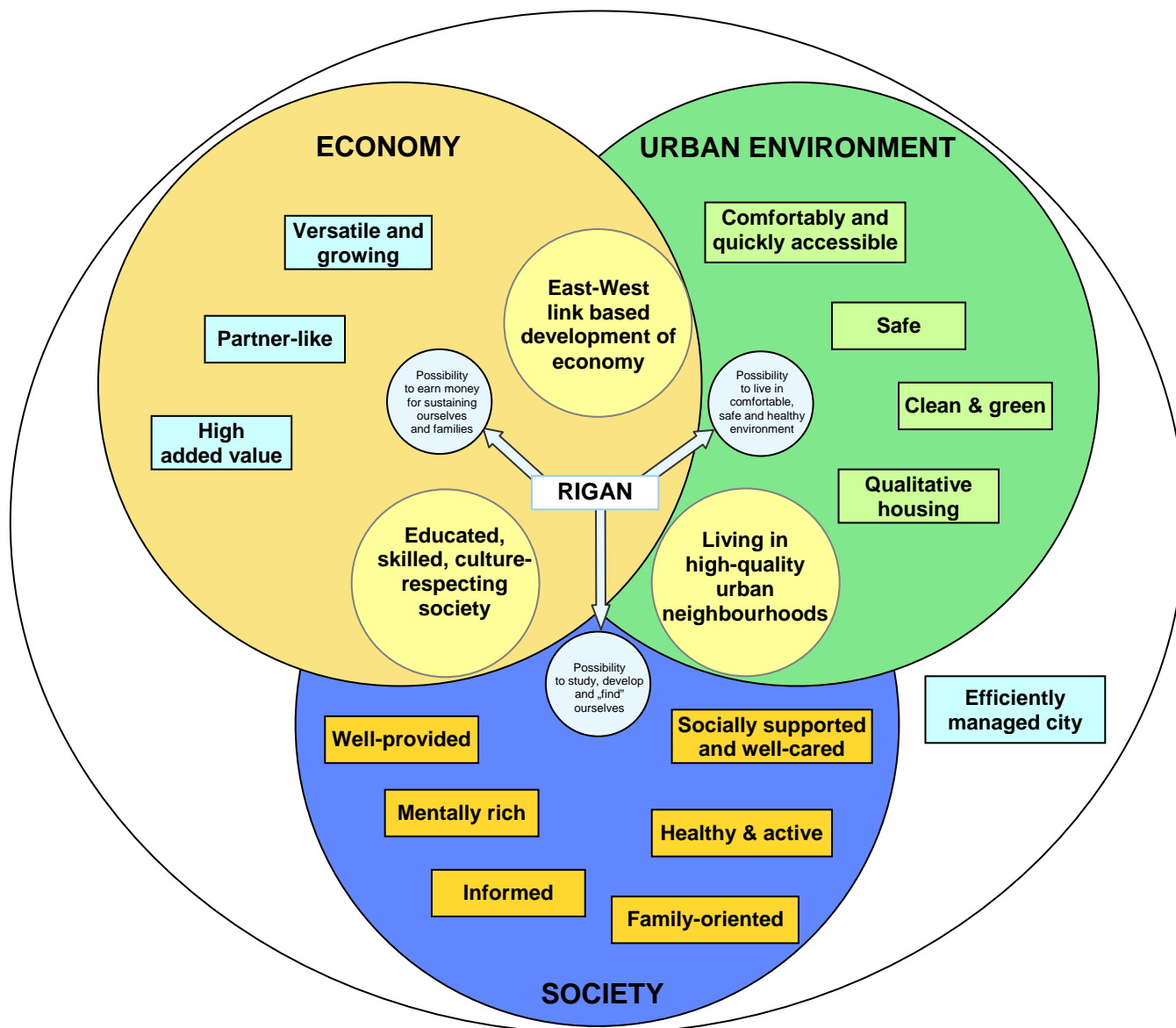
STRENGTHS	WEEKNESSES
Geographical location (located at sea in the centre of Latvia and in the centre of the whole Baltic States, as well as the fixed transport infrastructure)	Lack of nature and greenery in some parts of the city
Vast nature and greenery territories	Lack of effective tools promoting the interest of landlords in preservation of natural territories
Large hydrological sites in and close to Riga	Unevenly developed city with functionally overloaded centre and poorly developed local neighbourhoods
Great biological diversity	Poorly developed, insufficient tourism, recreation and sporting infrastructure
The status of the capital city	Messy public outer-space including inefficiently used waterfronts as a high-quality recreation resource
Rich heritage relating to the history of civilization	Unsolved housing maintenance problems
Active culture environment	Poor energy-efficiency of the biggest part of the housing stock
	Poorly developed or even lack of underground communications necessary for business or housing in certain parts of Riga designed for more intensive exploitation
	Incomplete use of geographical potential of Riga

STRATEGIC GOALS

Picture 10 reflects the strategic goals corresponding to the three development pillars of Riga.

Picture 10

Strategic goals of Riga



PRIORITY STRATEGIC GOALS (PG)

PG 1 EDUCATED, SKILLED, CULTURE-RESPECTING SOCIETY

Development and welfare of society is based on high education and developed skills. Human welfare is based on the basic skills gained at pre-school/school age, followed by added value of the chosen profession and demand for it at the employment market. Therefore, our goal is to promote interest in education, as well as availability of education, its suitability to the market needs and its quality.

The above goal is directed to all and any inhabitants of Riga of all age groups. Pre-school education system must be available to all children regardless of the welfare level of their families, since the skills enabling an individual to pursue higher welfare level are instilled at the pre-school age. The today's problems calling for solution include the non-attendance of school by a large number of children at school age or their graduating from school with a progress record only, without receiving diploma, thus limiting their own future education possibilities.

Another task is promotion of the skills and abilities on which the demand is based for the person's education and profession at the market, facilitating, in its turn, financial welfare of each individual. Taking into consideration the development trends of economy envisaged by Riga Development Plan, emphasis is made on computer literacy, language knowledge and exact sciences. The lack of specialists in exact sciences can be already observed in the national economy of Latvia. This deficiency should be eliminated thus narrowing the gap between demand and supply at the employment market. The goal is to establish such system of education system which would promote the reduce of unemployment among young people and long-term unemployment as a whole. Interest education is additionally emphasised.

The third task is to achieve and maintain the level of education promoting not only the demand at the labour market for specialists of the given professions but also competitiveness of Riga and the entire national economy of Latvia in Europe and worldwide. The above task should be pursued by all-round education establishments, professional schools and higher education establishments, and outstanding progress deserves special appreciation. Therefore, the objectives to be pursued include increase of the proportion of the Rigans with higher and/or professional education.

INDICATORS	Present situation (2003/2004)	Medium-term achievement	Long-term development direction
Number of pre-school age children involved in pre-school education	80%	100%	Increasing
Proportion of school age children not covered by education process	1.60%	1%	Decreasing
Proportion of school leavers of 9 th and 12 th grade receiving progress record instead of diploma	6.2% (9 th grade) 3.3% (12 th grade) Average 5 %	3 % (9 th grade) 3 % (12 th grade) Average: 3 %	Decreasing
Rate of professional education in population over 20 years (higher, secondary special, incomplete higher education)	38%	50%	Increasing
Higher education rate in population over 20 years	22%	25%	Increasing
Long-term unemployment level (over 1 year) (in % of socially active population)	0.30%	0.20%	Decreasing
Unemployment among young people (economically active people under 25)	12.44%	10%	Decreasing
Rate of those passing the centralized examinations in exact sciences at secondary schools	53.40%	60%	Increasing
Rate of children/adolescents involved in interest education and leisure time programmes	39%	50%	Increasing

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Rate of adolescents involved in youth initiative projects	2.60%	5%	Increasing
Rate of children/adolescents involved in interest education	56.50%	60%	Increasing
Provision of computer classrooms, Internet connection and the necessary teaching aids in the required amount at schools	50%	90%	Increasing

Due to the fact that Riga has joined the initiative of European common indicators it is necessary to list also such indicators as *a share of population with the secondary education* and *a share of population with the tertiary education*. Apart from the above-mentioned indicators, it has been recommended to include in central final school examinations a system for assessment of computer skills and language knowledge.

Tasks

T1.1. Facilitate the training of qualified labour force in demand corresponding with the market requirements and changes

T1.2. Facilitate the mastering of knowledge and skills necessary for development of science-consuming economy

T1.3. Facilitate commercialisation of research concepts

T1.4. Facilitate the urgency of exact sciences

T1.5. Establish interest centres for young people

T1.6. Promote life-long education

T1.7. Provide involvement of children in pre-school education establishments

T1.8. Promote versatility of interest education and culture, programme implementation quality, availability and popularity of programmes

T1.9. Organize and support events and camps for children and young people

T1.10. Carry out project competitions and provide financial support to the initiatives of young people

T1.11. Facilitate building and reconstruction of educational and culture establishments

T1.12. Provide educational establishments with material resources in compliance with the requirements applicable to learning process

PG 2 EAST-WEST LINK BASED DEVELOPMENT OF ECONOMY

The present situation evidences that the basic economical driving force of Riga would be based on development of service sector mostly related to development of logistic and multimodal transport network services. Transport services are already at present one of the basic export spheres of Riga. According to forecasts, with the volumes of transit increasing in future, foreign companies will need new transport and logistics services available from the local entrepreneurs. If the present positions are strengthened and the idle potential is actively materialized, economical competitiveness of Riga in the field of transport and communications can become an important driving force not only on the city level but also in the national and international context.

The indicators of economical development level include the aggregate export volume describing the competitiveness of a business at the international market. One should realize the importance of export not only of goods but also services, since the latter quite often entails higher added value. Probably the relatively high potential of the inhabitants of Riga and the entire Baltic Sea region enables the development of international retail and wholesale networks thus attracting new investments and promoting the welfare of the Rigans.

Prospectively, Riga as a capital of EU Member state can become a regional administrative centre representing not only public management establishments of national or local level but also the EU institutions. Moreover, geographical location of Riga is advantageous for establishing headquarters of agencies of the enterprises operating at the markets of European Union, Baltic States and Russia.

Tourism has been mentioned during long years among the unused potential of the national economy of Latvia, with its development started in recent years only. In the context of economical competitiveness of the city, culture and tourism can serve not only as a source of income but also help to develop positive image of the city, and this desires special attention in order to promote the competitiveness and identification of Riga on the international scale.

INDICATORS	Present situation (2003/2004)	Medium-term achievement	Long-term development direction
Rate of added value of transport, warehouse and communication sector (according to NACE classification) (figure of 2001)	16,3	18	Increasing
Cargo turnover at port (mil. tons) (figure of 2004)	23,99	35 (in year 2015)	Increasing
Number of tourists (staying overnight in hotels and other tourism bases)	315 289	3 mil.	Increasing
Direct foreign investments (DFI) (million LVL)	972.5	1800	Increasing
Number of passengers carried by sea (thousands) (figure of 2003)	229.4	400	Increasing

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Number of passengers carried by air (millions)	1	5	Increasing
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In addition to the above-mentioned indicators, it is also recommended to analyse the export of goods and services from Riga to the CIS and EU countries.

Tasks

T2.1. Establish and further foreign relations

T2.2. Develop transit infrastructure and facilitate the rendering of logistic services

T2.3. Support multicultural environment

T2.4. Facilitate the learning of languages

T2.5. Popularise Riga as a well-known tourism site and develop tourism infrastructure

PG 3 LIVING IN HIGH QUALITY URBAN NEIGHBOURHOODS

Increased multi-functionality of the local neighbourhoods and improvement of the public outer-space quality would make people spend more time in their own neighbourhood and therefore diminish the load on the centre of Riga, in particular in the field of transport. ⁴

Migration should be mentioned among the factors influencing the number of population. Both strategic and operative amendments should be made in the development plans, depending on the nature of migration. Economical potential of the city depends on the number of its population. Forecasting and dynamic of the number of population is relevant to drafting development plans for a number of functions. This indicator has also a statistic base, and therefore it is easy to control.

Rundown areas³ constitute a problem not only from town planning but also from social aspect. Unfavourable environment degrades a human personality and forms basis for development of antisocial elements. Rehabilitation of the existing rundown areas and preventing formation of new ones should be included in long-term objectives. The quality of urban environment is also determined by architectonic and technical level of historical buildings. Improvement of this level entails improvement of the population living standards and the city becomes attractive to the tourists thus increasing their flow to Riga. Among different run-down territories a special attention should be paid to Riga's waterfronts that generally are very messed up, unattractive territories at the moment, but with big development potential. Development of waterfront territories can promote also Riga's economical development as well as improvement of the urban environment and increasing peoples' satisfaction with it.

Balanced use of the territory is essential taking into consideration the strategic goal: to develop a population-friendly neighbourhood. The relevant accounting has not been carried out yet, so these

³ By a term „rundown areas” there are meant contaminated, potentially contaminated and/or once economically exploited and built-up areas that are currently abandoned or inadequately (not efficiently) used.

indicators shall rather refer to implementation in future. Satisfaction of the inhabitants with their neighbourhood environment (green areas, recreation areas, territorial proportions, density of population, availability of social and commercial services, transport efficiency) is among the main goals pursued by municipalities in their work. The mentioned indicators will reflect very well from the aspect of neighbourhoods in which communities the goal (satisfaction) has been achieved, in which it is not achieved completely, and will show the level of achievement. The indicator can be obtained by means of regular polling.

INDICATORS	Present situation (2003/2004)	Medium-term achievement	Long-term development direction
Net migration per 1000 inhabitants (figure of 2003)	-1,0	+2	Increasing
Number of population (figure of 2004)	735 241	710 000	Decrease is slowing down
Proportion of protected cultural heritage objects against all objects presenting historical/architectonic value	< 90%	90%	Increasing
Average transportation times per business day per person	2.45	2	Decreasing
Population density (persons/km ²)	2393.4	2311.2	Stable

In addition to the above-mentioned indicators it is recommended to analyse other factors evidencing the formation of high-quality individual-friendly neighbourhoods in Riga (such as decrease of the proportion of rundown areas, for example).

Tasks

T3.1. Develop multifunctional local neighbourhoods subordinated to the existing city centre

T3.2. Preserve and develop the culture-historical objects in the city centre and other historical building areas

T3.3. Ensure the availability of high-quality neighbourhoods from/to the city centre and to the main urban transport joints

T3.4. Localize the social infrastructure

T3.5. Revitalize and develop rundown areas

T3.6. Approximate municipal services to local neighbourhoods

T3.7. Improve the esthetical and social environment of local neighbourhoods

T3.8. Ensure rational use of urban areas in compliance with sustainable development principles

STRATEGIC GOALS (G) IN SOCIAL AREA

G 4 WELL-PROVIDED SOCIETY

This goal is finance-based since the poor financial condition of individuals is quite often the factor delaying the achievement of a number of other goals: health, family-orientation, well-arranged environment. Though even the city is unable to provide employment to all inhabitants, it can facilitate the creation of working places and equal opportunities to pursue them. In developing Latvia into a competitive, highly developed country, it is important to ensure that welfare is available to everyone and that each member of society has equal opportunities to participate in economical life and protect themselves and their families from poverty. One of the least secured groups of society is the people at retirement age and the city together with the state should take care of their welfare by the most effective means.

Average income per each household member and average salary per each employed person describe the overall economical situation; it is important to view these factors, however, from their relative value, i.e., purchasing ability, rather than from their absolute value.

The proportion of economically active population shows the number of people gaining active income and therefore contributing to decreasing the load on social system.

Each able-bodied individual has to be able to support themselves and their family, therefore social aid should be provided with particular objective of facilitating the mastering of new skills demanded at the market. The process and trends should be supervised to prevent social aid from turning into support to those who do not want to work. The aim is to support effectively only the persons actually dependent on support, and not for endless period of time.

INDICATORS	Present situation (2003/2004)	Medium-term achievement	Long-term development direction
Average income per each household member (Ls and full rate of survival minimum per month) (figure of 2003)	125.23 Ls 1.34 full survival minimums	2.5 survival minimums	Increasing
Average wages (net Ls and full rate of survival minimum per month) (figure of 2003)	158 Ls 1.69 full survival minimums	3 survival minimums	Increasing
Proportion of economically active population (figure of 2003)	67.2	68	Stable, increasing
Gini factor (income concentration factor) (figure of 2003)	0.36	0.3	Decreasing

Due to the fact that Riga has joined the initiative of European common indicators it is necessary to list also such indicators as *the average annual income of households, share of the households that receive less than a half of the national average household income and share of the households that live in their own property*. In addition to the above-mentioned indicators it is recommended to analyse the following

indicators: proportion of the population gaining income below the full survival minimum calculated by the CSB; specific weight of those receiving social aid among the population gaining income below the full survival minimum, and average duration of rendering social aid to able-bodied low-income individuals.

Tasks

T4.1. Facilitate employment and extend retraining opportunities

T4.2. Grant target allowances to low-income families

T4.3. Facilitate the employment of socially repulsed individuals and persons with special needs

G 5 HEALTHY & ACTIVE SOCIETY

The municipality of Riga is actively involved in the developing and implementation of a uniform public health promotion, treatment and rehabilitation programme. Mortality in Riga is high compared to other cities of Europe, however it trends to decrease. Natural increase of population is also negative. Also, the foreseeable average lifespan shows that relatively high number of people decease still in their economically active age due to unhealthy life style and violence. Inclusion of this indicator in the strategy would enable the estimation of effectiveness of the public health and living standard improvement measures.

The indicator of infant mortality provides complex reflection of the public health and primary health care situation, and it presents a sound long-term indicator to evaluation of the municipalities' efforts in this sphere.

Cardiovascular diseases as well as malignant tumours affect the society because of high lethality rate; in addition, they are also refer to people at economically active age, and treatment costs are very high. Measures aimed at promotion of healthy lifestyle, cleanness of the environment, good working and living conditions contribute to some extent to sickness rate decrease. The causes contributing to cardiovascular diseases and malignant tumours include smoking. Reducing the number of smokers is a task to be continuously pursued by the city authorities. Sedentary life typically observed with city dwellers also gives raise to overweight problems contributing, in its turn, to the above-mentioned cardiovascular diseases. Therefore, from the aspect of strategic goals of urban management, promoting physical activities is necessary to improve public health.

Tuberculosis is largely related to poor living conditions (poverty, vagrancy, lack of dwelling). Being an infectious disease, it is dangerous to other people. Treatment costs are very high. Therefore, decrease of the number of tuberculosis patients is among the priority goals being not only within the scope of health-care establishments alone.

INDICATORS	Present situation (2003/2004)	Medium-term achievement	Long-term development direction
Natural growth per 1000 inhabitants (figure of 2003)	-4.4	-2	Increasing
Average expected lifespan of infants – female and male	68.8 (M) 77.4 (F) Average 72.9	70 (M) 79 (F) Average 74	Increasing
Infant mortality per 1000 deliveries	7.6	4	Decreasing
Deaths caused by cardiovascular diseases, per 100 000 inhabitants	784	700	Decreasing
Deaths causes by malignant tumours, per 100 000 inhabitants	250	240	Decreasing
Number of tuberculosis patients per 100 000 inhabitants	62.5	58	Decreasing
Number of HIV patients per 100 000 inhabitants	17,3	16	Decreasing
Specific weight of smokers among women and men	51.1% (M) 19.2 % (F)	45% (M) 17 % (F)	Decreasing

In addition to the above indicators, it is recommended to analyse the specific weight of virus hepatitis patients and disabled persons among the population (including children and young people) involved in active sporting activities.

Tasks

- T5.1. Improve the availability of healthcare
- T5.2. Develop medicinal and social rehabilitation
- T5.3. Improve disease preventing
- T5.4. Minimize addictions
- T5.5. Improve public awareness of health-related issues
- T5.6. Popularise healthy lifestyle and healthy food
- T5.7. Provide rehabilitation of the victims of violence
- T5.8. Arrange qualitative recreation areas for city dwellers
- T5.9. Support and promote public sporting activities

G 6 FAMILY-ORIENTED SOCIETY

Riga has a high rate of families with one parent, high number of abandoned children and single retired individuals. The above facts present the grounds to speak about the need to strengthen family values. A family constitutes the base of society, and therefore its strengthening and supporting is a precondition to public health and welfare. Children and family present one of the state priorities. Strengthening a family facilitates children growing into full-fledged members of society capable of forming the lives of themselves and their city so that to reduce the number of single pension-age persons dependent on social support.

The natural growth of population in Riga is negative, and this has and will have negative impact on labour force balance and development capacities of the city. This negative indicator is related not only to short average life span but also to the low birth rate.

Sociologists are continuously reminding that incomplete families (with a single parent) have more difficulties in providing full-fledged development of a child. The high number of incomplete families has a number of reasons; the municipality is able, however, to contribute to solving of this problem (in the areas such as availability/quality of housing, employment, combating addictions, etc.), therefore, reduction (or at least non-increase) of the number of incomplete families should be set as priority.

INDICATORS	Present situation (2003/2004)	Medium-term achievement	Long-term development direction
Average number of household (family) members (figure of 2003)	2.43	3	Increasing
Number of newborns per 1000 inhabitants (figure of 2003)	8.9	12	Increasing
Rate of families (households) with a single parent (% of total number of families) (data of population census of 2000)	38.20%	30%	Decreasing
Rate of orphans and children left without parental care (% of total number of children)	0.70%	0.30%	Decreasing
Rate of children under custody, fostership, adoption (% of orphans and children left without parental care)	45%	80%	Increasing

Due to the fact that Riga has joined the initiative of European common indicators it is necessary to list also such an indicators as *the average changes in population number during 5 years period* and *share of 1 person households*. In addition to the above indicators, it is recommended to analyse the quality time shared by family members.

Tasks

T6.1. Facilitate the birth rate

T6.2. Facilitate the parenting of orphans/children left without parental care in families

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T6.3. Popularise the family values

T6.4. Support new families

T6.5. Develop preventive services available to families and children

G 7 SOCIALLY SUPPORTED AND WELL-CARED SOCIETY

Though everyone is responsible for their own welfare in democratic society, the state and municipality have to take care also of the individuals unable to support themselves or overcome specific difficulties without receiving sufficient aid to develop self-aid and social integration. Municipality of Riga is already providing social services (social care, social rehabilitation and social work), but it intends to improve their quality and to cover possibly higher number of people dependent on such services.

INDICATORS	Present situation (2003/2004)	Medium-term achievement	Long-term development direction
Recipients of home care (specific weight against need)	1457*	90%	Specific weight increasing
Persons in day care centres (specific weight against need)	178*	90%	Specific weight increasing
Recipients of crisis centre services (specific weight against need)	1360*	90%	Specific weight increasing
Recipients of social care services in social care & rehabilitation institutions (specific weight against need) figure of 2003)	1373*	90%	Specific weight increasing
Recipients of shelter/overnight shelter services (specific weight against need)	1491*	90%	Specific weight increasing

*It is important to make transition from absolute value of indicator identification to their relative implementation in estimating the rate of recipients of social services against those dependent on such services. It is necessary to work out a mechanism for identification of such information.

Tasks

T7.1. Facilitate the development of versatile social services

T7.2. Facilitate high quality care after orphans and children left without parental care

T7.3. Provide social care & social rehabilitation of persons with special needs

T7.4. Provide social care & social rehabilitation of persons at pension age

T7.5. Provide social care and leisure facilities to pre-school and school children

T7.6. Facilitate social integration of individuals coming from orphanages

T7.7. Facilitate the development of support system to persons finding themselves in crisis situations

T7.8. Carry out social work with persons discharged from imprisonment

T7.9. Facilitate the establishing of new social working places, improvement of the existing ones and improvement of the employees' professional skills

T7.10. Provide high quality operation and development of social work institutions

T7.11. Provide the development and availability of social information system of the city

G 8 MENTALLY RICH SOCIETY

Major part of state-wide culture events take place in Riga, and important culture centres such as Latvian National Opera, the National Theatre of Latvia, etc. are also situated in Riga. The function of Riga as a culture centre is mainly performed on national level. However, culture is important also in strengthening of competitiveness of the city on the international scale. It refers mainly to organizing of international culture events. The most essential task is to provide the opportunity to the Rigans to participate in interesting culture events and to involve actively in peoples' amateur arts, music and arts, and to enjoy the latest literature.

INDICATORS	Present situation (2003/2004)	Medium-term achievement	Long-term development direction
Attendance of culture events (theatres, museums, circus, cinema) (number of sold tickets per 1000 inhabitants (data of 2003))	259 (theatres) 338 (museums) 35 (circus) 1200 (cinema)	300 (theatres) 350 (museums) 40 (circus) 2000 (cinema)	Increasing
Number of readers in libraries other than the National Library of Latvia (figure of 2003)	171.1 thous.	180 thous.	Increasing

In addition to the above-mentioned indicators it is also recommended to estimate the number of books sold, specific weight of inhabitants involved in interest education, amateur groups and collectives as well as other indicators that might evaluate the mental richness of society.

Tasks

T8.1. Facilitate and support the popularity and activities of interest education, amateur groups and collectives

T8.2. Organize local and international scale culture events

T8.3. Support talented artists

G 9 INFORMED SOCIETY

In our information era, information presents an essential resource for everyone to materialize their capacities and solve their problems. With the development of informed society, each individual is

facing new opportunities to participate in social life, and the possibilities of labour force to integrate in labour market are radically changing, demands for it are increasing. People quite often lack information about their social rights and obligation, about opportunities to be supported and active participation in social and culture life of their city. By providing and facilitating the flow of information between the municipality/state and its inhabitants, Riga will promote the development of democratic civic society based on mutual aid and active participation of all inhabitants in fair governance of the state.

Participation at the elections of municipality may be considered as an indicator of social activity. It also shows the extent to which the inhabitants are aware of their ability to influence processes and how well they are informed. The corresponding values need thorough analysis, however, since low activity may be related to positive achievements (no special changes required) as well as to apathy, namely, the loss of hope to influence processes.

From the view of democratic development and normal functioning of the city – as well as the entire society – it is important to provide active involvement of possibly higher number of inhabitants in decision-making processes. Since participation in municipal elections in Latvia is only available to citizens, the actions of local municipalities aimed at increase of the number of citizens are essential.

The willingness, capacities and possibilities to participate in social development processes is measured indirectly by their participation in the activities of public organizations.

INDICATORS	Present situation (2003/2004)	Medium-term achievement	Long-term development direction
Rate of Internet users	25%	45%	Increasing
Participation in (municipal) elections (specific weight against all voting inhabitants)	53%	63%	Increasing
Specific weight of citizens	59.45%	80%	Increasing

Due to the fact that Riga has joined the initiative of European common indicators it is necessary to list also such indicators as *a share of European Union citizens against the total population number* and *a share of non-European Citizens against the total population number*. In addition to the above-mentioned indicators, it is recommended to assess the awareness of the population about social services available from municipality and state, as well as the rate of inhabitants involved in public and non-governmental organizations (per 1000 inhabitants).

Tasks

T9.1. Inform the society about their rights, duties and services

T9.2. Involve the society in development of the city

T9.3. Facilitate environment-friendly approach among the inhabitants

STRATEGIC GOALS (G) IN THE FIELD OF ECONOMY

G 10. HIGH ADDED VALUE ECONOMY

High added value activities in the field of both production and services are certainly going to present another driving force parallel to the East – West link as the geographical pillar of economy.

The potential of Riga as innovation and new knowledge creation centre as a key factor is being used minimally at present. Various scientific solutions change the market conjuncture, and therefore the most relevant task of the city is preparing of high level specialists capable of commercialising the newly created technologies (ideas) and reselling them at the global market. The number of students in Latvia has gradually increased since the regaining of independence (in 2003, for example, the number of students amounted to 539 per 10,000 inhabitants, and this figure is equal to that of developed countries worldwide). 79% of all students in Latvia are studying in Riga, and 30 of 37 higher education establishments of Latvia are situated in Riga. Taking into account the above-stated facts, Riga with its education base has all the preconditions necessary to become a centre of at least Baltic scale in the field of biotechnologies, pharmaceuticals or in the field of specific physics, for example.

The present trends of urban development show that special attention should be paid to the efforts aimed at increase of added value of industry since, contrary to the service industries mainly aimed at satisfaction of internal demand, as mentioned above, export of industrial products with high added value would have multiplicative effect on the development of the urban economy. Apart from ensuring high income to those employed in such industries, it would also stimulate the development of various branches of service sector (logistics, retail sale, financial services) as well as increase the city and municipal portion of tax income. This is a ground to recognition of industrial branches as a very essential factor in the context of economical development of Riga and in strengthening its competitiveness, since the present development trends already show certain saturation of service market.

INDICATORS	Present situation (2003/2004)	Medium-term achievement	Long-term development direction
Annual growth of added value (2002/2001)	16.1%	17%	Stable, increasing
Specific weight of economically active enterprises in high added value sectors (processing industry, construction, hotels and restaurants, transport, storage and communications, consulting services (IT, management, legal), recreation and entertainment services)	33	40	Increasing
Specific added value weight of high added value sectors (processing industry, construction, hotels and restaurants, transport, storage and communications, consulting services (IT, management, legal), recreation and entertainment services)	42	50	Increasing

Tasks

T10.1. Facilitate the development of high added value industries

T10.2. Facilitate the cooperation between science-consuming institutions and entrepreneurs

T10.3. Facilitate the development of creative industries

T10.4. Develop science and technology parks and facilitate communication on intersection level

G 11 VERSATILE AND GROWING ECONOMY

The strongholds of steady economy include its versatility. Competitiveness and successful use of the factors influencing it in the implementation of long-term plans of the city of Riga certainly depends also on the processes taking place in Riga. Promoting of the urban development and competitiveness is never dependent on one concerned party alone. Namely, successful future development of the city calls for dialogue involving all the concerned parties (entrepreneurs, municipal institutions, government institutions, various public organizations and other institutions) since each of them is exercising influence over certain factors affecting competitiveness. Achievement of the desired result in possibly short period of time can only be guaranteed by joint activities aimed at the best interests of the whole city.

Dynamics of gross domestic product are among the most popular indicators of economical development. In case of Latvia and Riga, it is relevant to compare this indicator with the average ratio of the EU and to define respectively the goals to be achieved. The maintenance of tempo is essential to the development of Riga.

The present level of unemployment in Riga (under 5%) is one of the lowest in Europe. Given, however, the age structure of population and the rapid introduction of new technologies, monitoring and administration of the employment level is essential to development of the city.

The number of active enterprises describes a number of social development processes and factors: the willingness and ability of people to take care of their own welfare; the attitude of public and government institutions towards entrepreneurs; the risk of one-sided development since the competition is urging to seek for versatile areas of activities.

Versatility of production and services indicates to many-sided developed national economy and risk distribution. Such an indicator would only play informative role: namely, it would enable the city management to see the trends and attempt to influence the market processes should the development become rather one-sided

INDICATORS	Present situation (2003/2004)	Medium-term achievement	Long-term development direction
Growth of GDP per annum (figure of 2002)	6.10%	7%	Increasing
GDP per one inhabitant as specific rate against the EU average GDP	60.40%	75%	Increasing
Unemployment level (specific rate amongst the economically active population)	4.4	4	Decreasing
Number of active businesses per 1000 inhabitants (figure of 2003)	34.4	45	Increasing

Specific weight of merchandise production and service provision added value against the aggregate added value of Riga	24.4 (merchandise production) 75.6 (service provision)	25 (merchandise production) 75 (service provision)	Maintained
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Due to the fact that Riga has joined the initiative of European common indicators it is necessary to list also such indicators as *the unemployment level of women, employment level and GDP per one inhabitant.*

Tasks

T11.1. Facilitate the development of quality infrastructure and its availability to entrepreneurs

T11.2. Support the formation and development of small and medium enterprises

T11.3. Popularise the economical environment of Riga

T11.4. Establish cooperation with foreign trade and commerce agencies

G 12 PARTNER-LIKE ECONOMY

Successful provision of the urban development process calls for qualitative economical environment where collaboration of municipal, government and private sector is essential. Partner-like approach is required in particular to implementation of large development projects with the scale exceeding the competence & financial resources of municipalities, and they are important not only to the Rigans.

T12.1. Facilitate the cooperation between the municipality of Riga, government institutions and private sector.

T12.2. Delegate certain municipal functions to the private sector under the public and private partnership (PPP) projects.

STRATEGIC GOALS (G) IN THE FIELD OF URBAN ENVIRONMENT

G 13 COMFORTABLY AND QUICKLY ACCESSIBLE CITY

Transport problem is one of the most urgent issues of the city, as evident from the results of public polling carried out in 2004 under the action "I am making Riga". The prospective transport scheme developed under the spatial planning of Riga for 2006 – 2018 represents the maximum version indicating the desired transport, highways, mains, bridges and building areas. The actual situation will be influenced by development sequence, investors' interests, financial capacity of Riga and a number of other unpredictable factors. Certain tasks have been set and respective indicators have been defined to measure long-term achievements, based on analysis of the present traffic.

Like in other cities of Europe, the priority tasks include increasing of the specific weight of passengers using public transport. It would facilitate the solving of problems related to traffic jams and parking as well as reduce the gas emissions by transport vehicles and therefore reduce the pollution of air. The principal condition to increasing popularity of public transport is satisfaction of inhabitants with its services. Respectively, the more people will use public transport the more financial resources will be available for its improvement.

The number of registered cars in Riga is continuously growing and approaching the level of several capital cities in Europe. The low private transport carrying capacity would make it reasonable to focus on increased usage of public transport. But for improvement of environmental quality and human health it would be useful to pay attention to the bicycle transport. However, lack of convenient bicycle transport infrastructure (bicycle roads, lanes and parking places) is an obstacle for bicycle transport development in Riga.

The average time spent on each trip indicates to the following course of driving at vital strategic destinations in the city: coordinated location of working place and residence; proper organization of transport flow; effectiveness of municipal transport. The improvement of all the above-mentioned factors would enable saving of time, money and energy of the inhabitants.

The image of "friendly" city is forming in human perception. The references (level of satisfaction) concerning the efficiency, purposefulness and clarity of informative indicators show the perception of the city.

The living standard and philosophy of society is largely characterized by attitude to people with special needs. This group of society should have the opportunity to participate in social life, and it can not be imagined without the movement possibilities. Good condition of municipal transport and street infrastructure can increase considerably the possibilities of this group of society.

INDICATORS	Present situation (2003/2004)	Medium-term achievement	Long-term development direction
Specific weight of the users of municipal transport against the total passenger turnover	60.2	70	Increasing

Average time spent to walk to the nearest stop of public transport	> 12 min.	10 min. (4 km/h)	Decreasing
Average driving speed for car (km/h)	25 (periphery) 4 - 6 (centre)	35 (periphery) 6 - 8 (centre)	Increasing
Average time of trip – in public transport and in private transport vehicle	37 min. (public) 27 min (private)	30 min. (public) 25 min. (private)	Decreasing
Specific weight of public transport stops arranged to suit prams and wheelchairs	<100%	100%	Increasing
Specific weight of pedestrian infrastructures arranged to suit prams and wheelchairs (streets, pedestrian crossings, etc.) (data of research, environment monitoring)	<100%	100%	Increasing

Due to the fact that Riga has joined the initiative of European common indicators it is necessary to list also such indicators as *a share of trips to work by car* and *the average trip duration to work*. It is also recommended to assess the satisfaction of inhabitants with bicycle transport infrastructure, sufficiency of the number of informative signs on the roads and satisfaction of passengers with municipal transport.

Tasks

T13.1. Develop intelligent traffic management system

T13.2. Optimize and develop the municipal transport infrastructure

T13.3. Adjust the road infrastructure and municipal transport to suit people with movement and locomotion disturbances

T13.4. Establish and develop bicycle transport infrastructure

T13.5. Emphasize the priority of public transport in the total urban transport system

T13.6. Improve the driving policy and traffic safety

T13.7. Introduce a new public transport scheme, putting priority to development of the electric transport

G 14 CLEAN & GREEN CITY

The principal goals of urban development include healthy urban environment. Achievement of this goal requires the preservation of nature values, restoration and improvement of brownfield areas. Environment quality has direct impact on human health, working ability and welfare. Rapid development of urban economy entails the increased negative impact on the environment and worsens the quality of the environment. The achievement and maintenance of environment indicators compliant with the requirements of the European Union in the field of air, water and waste is one of the principal goals of the city. The recently often used term “sustainable development” describes the close link

between economical development and environment protection. It contributes in ensuring qualitative, balanced urban environment.

The development level of national economy and public attitude to nature resources is characterized by waste regeneration level. The higher is waste regeneration level, the lower is the newly consumable volume of nature resources, and the more sustainable is the national economy. Waste regeneration, however, is the third step already in waste management. First it is relevant to set quantity goals in relation to sustainable resource consumption principles and put in the best efforts to reduce the volume of waste right at the location of their occurrence. Riga has to develop an overland and underground water protection and management system capable of promoting sustainable and rational use of water resources, ensuring their long-term protection and sufficient supply of inhabitants with proper quality overland and underground water, as well as enabling gradual reduce of priority substance emission and leakage, and elimination of emission and leakage of substances presenting particular hazard to environment.

The quality of urban environment is determined by the rate of nature and greenery areas against urbanized areas. At present, the amount of nature (overland and underground) and greenery areas in Riga makes 54.2%⁴ of the total city size. The municipality, seeking compromise with the urban development trends, is aware of the possible reduce of nature and greenery areas, and therefore it commits to prevent the narrowing of high quality nature areas and to recultivate the contaminated areas thus contributing not only to preservation but probably also increase of versatility and biological diversity of the urban biotypes. The nature resources available for use there include also the areas of purified landfills.

INDICATORS	Present situation (2003/2004)	Medium-term achievement	Long-term development direction
Quality of air – the number of breaches of the limit value/target value permissible from the view of human health per annum in relation to the following pollutants: SO ₂ , NO ₂ , PM ₁₀ , O ₃	SO ₂ =0 NO ₂ >0 PM ₁₀ >0 (35 times p.a.) O ₃ >0	SO ₂ =0 NO ₂ =0 PM ₁₀ >0 (7 times p.a.) O ₃ >0 (25 times p.a.)	The defined limit values/target values are not exceeded
Quality of air – concentration of - benzene, CO, heavy metals [in the contents of PM ₁₀ (Cd, As, Ni) and in the contents of benzo(a)pyrene (PM ₁₀) in the air	Benzene (occasionally exceeded) CO (not exceeded) heavy metals PM ₁₀ (unknown)	Benzene (not exceeded) CO (not exceeded) Heavy metals PM ₁₀ (not exceeded)	The defined concentration norms are not exceeded
	Izņemt (((((
Total amount of household waste (kg per 1 inhabitant/ p.a.) (m ³ , figure of 2002)	>300 (1.8 m ³)	300	Decreasing
Amount of regenerated waste by individual groups of waste (paper & cardboard, plastic, metal and glass)	Paper, cardboard >60% Plastic >15% Metal >30% Glass >35% TOTAL >50	Paper, cardboard 60% Plastic 15% Metal 30% Glass 35% TOTAL 50%	Increasing

⁴ According to Riga city development plan 1995-2005. In reality the share of nature and greenery areas in Riga is less.

Long-term Development Strategy of Riga City till 2005

Recultivation and area monitoring of the closed city landfills	3 closed urban landfills are not recultivated	100% (closed) 100% (recultivated) 75 % (monitoring)	Increasing
Specific weight of nature areas and micro-reserves subject to special protection (%)	16.55	16.55	Unchanged

Due to the fact that Riga has joined the initiative of European common indicators it is necessary to list also such indicators as *summer smog observations (number of days when ozone exceeds 120 µg/m³), number of days when PM10 concentrate in the air exceeds 50 µg/m³, collected solid waste in tons per one inhabitant per annum, public accessible green zone m² per one inhabitant and the share of sorted waste against the total waste*. In addition to the above-mentioned indicators it is recommended to identify the level of satisfaction with the green areas of the city, children playgrounds and outdoor recreation possibilities.

Tasks

T14.1. Ensure effective management of nature and greenery areas of the city

T14.2. Facilitate the development of waste collecting system

T14.3. Ensure the rehabilitation and recultivation of the closed landfills

T14.4. Arrange the storage, transportation and disposal of hazardous waste to meet the requirements of the EU standards

T14.5. Ensure the protection of water resources and coordinate rehabilitation of the polluted water sites

T14.6. Ensure improvement of air quality

T14.7. Improve recreation areas

T14.8. Coordinate preventive measures to reduce the risk of unforeseen pollution

T14.9. Improve and maintain the environment monitoring and information systems

T14.10. Facilitate rational use of heat energy and electrical power

T14.11. Reduce the impact of noise pollution on the health of inhabitants of the city

T14.12. Supply inhabitants of the city with potable water that meets the EU standards

T14.13. Ensure the rehabilitation of the polluted sites and coordinate the measures aimed at their recultivation

Long-term Development Strategy of Riga City till 2005

T14.14. Maintain the biological diversity in Riga

T14.15. Establish the administration of nature areas subject to special protection

G 15 SAFE URBAN ENVIRONMENT

Creating of safe urban environment is one of the key tasks of the city administration. At present, safety in streets presents one of the most urgent problems in Riga. It refers equally to pedestrians, bicycle riders and drivers. This safety can be improved by developing the road infrastructure intended for motor vehicles, pedestrians and bicycle riders, and by instilling responsible driving/walking culture.

The number of criminal offences and deaths caused by external causes in general describes the public safety from a number of aspects: labour environment, transport environment, criminological situation, social situation (suicides). The development level of society, inhabitant-friendly neighbourhoods and criminological situation is also described by the number of criminal offences. Municipality is responsible for reducing the level of crime. Safety statistics of the city reflect to some extent also the social and employment problems which also constitute crime-inducing factors.

Municipality is responsible for carrying out preventive measures to provide public safety in the city focusing on the safety of education establishments and public events. Introduction of a video observation system is an essential precondition to crime preventing.

The objectives of municipality include reducing the number of recurrent crimes which describes to some extent the ability of society to “correct” the sentenced individuals and to provide favourable conditions for integration of discharged prisoners into working life.

INDICATORS	Present situation (2003/2004)	Medium-term achievement	Long-term development direction
Number of criminal offences per 10 000 inhabitants (figure of 2003)	260	200	Decreasing
Number of deaths caused by external factors per 100 000 inhabitants	144	130	Decreasing
Number of road traffic accidents within the city limits (figure of 2003)	24828	23500	Decreasing
Number of victims killed/injured in road traffic accidents (figure of 2003)	77 (killed) 2620 (injured)	Maximum decrease	Decreasing
Number of persons taken into recurrent custody (figure of 2003)	1976	Decrease by 30%	Decreasing

Tasks

T15.1. Facilitate the safety of people in the city

T15.2. Facilitate the driving safety in the city

T15.3. Improve the lighting of streets and yards

T15.4. Popularise moral norms among the society

T15.5. Strengthen the safety factors in the city (measures, actions)

T15.6. Increase the effectiveness of activities of the safety maintenance entities

T15.7. Facilitate the availability of high quality police services to the society

T15.8. Develop social programmes to reduce the commitment of recurrent criminal offences

T15.9. Establish video observation system of Riga and link it to other crime-preventing activities carried out by municipal and government authorities

T15.10. Facilitate people's safety near/on waters

G 16 CITY WITH QUALITATIVE HOUSING

Housing as one of the basic needs of an individual is an essential factor of human welfare and satisfaction. The average residential space per one inhabitant of Riga is less than 1 room, only 22.5 m² (2003). This indicator in Riga is about twice smaller than that in similar cities of Western Europe and Scandinavia. Such density of population has a negative effect on the formation of favourable social household microclimate. The indicators chosen to describe dynamics of the process correspond to the average housing planning indicators accepted in the European countries.

However, housing problem traditionally is erroneously attributed to the lack of housing alone. Financial availability of housing should be considered as the main cause of this problem. At present, the availability of comfortable housing is dramatically low in the group of people having low income. Taking into consideration the average welfare level of the inhabitants, the city can add value to this welfare by providing financially available housing and promoting the inhabitants' ability to pay for their housing.

As to the availability of housing it would be advisable that the municipality should act as a promoter of the market rather than the creator of new residential spaces. The existing mechanism of "rent ceiling", however, does not solve the problem on long-term basis; it is distorting the market, restricting competition and delaying the national economy. The Riga City Council in cooperation with the Government should facilitate the availability of housing and for this purpose insuring cooperation between the city council, private owners and tenants.

Qualitative housing (incorporating modern structures and engineering systems) is one of the vital human needs. Not all inhabitants, however, are capable of covering the objective housing development costs from their own income. The residential fund of Riga is old, 88% of houses have stone or concrete walls, poor quality windows and high heat loss. The condition of wooden structures is also poor due to their old age. Loss of heat increases costs and cause air pollutions, therefore the audit of heat preservation is provided for in normative acts. Hence, the objectives of the municipality is to facilitate modernization of the urban dwelling houses.

INDICATORS	Present situation (2003/2004)	Medium-term achievement	Long-term development direction
Housing (m ²) per person/household member	22.4	26	Increasing
Average number of rooms per household	2.18 (about n - 0.25)	2.5 - 3 (n)	Increasing
Specific weight of households with less than n rooms per n persons	20	10	Decreasing
Specific weight of households unable to afford housing facilitating	28.7%	20%	Decreasing
Specific weight of housing with water (hot and cold) and sewage supply	98.3 (water) 96.8 (sewage)	100	Increasing
Specific weight of housing arranged to suit disabled persons (supply against need)	<100	100	Increasing
Specific weight of persons residing in single (private) houses	4.4	6	Increasing

Due to the fact that Riga has joined the initiative of European common indicators it is necessary to list also such indicators as *the average cost of an apartment per 1 m²*, *the average cost of a house per 1 m²* and *the share of households living in social housing*. In addition to the above indicators it also recommended to assess the specific weight of residential space in compliance with heat preservation norms as well as quality of power supply to and quality of communication in housing units.

Tasks

T16.1. Facilitate the supply of financially available housing in the city

T16.2. Provide social housing building programmes

T16.3. Facilitate the renovation and improvement of private housing

T16.4. Provide the renovation of municipality-owned housing, maintenance and improvement of infrastructure

T16.5. Facilitate housing adaptation to the needs of disabled persons

T16.6. Develop the housing fund monitoring system

CITY MANAGEMENT

M 17 EFFICIENTLY MANAGED CITY

Development pillars of Riga: economy, urban environment and society call for efficient management system based on the trust of inhabitants and entrepreneurs on the municipal decision-making/executive power of Riga, as well as their involvement in decision-making processes knowing that their expressed views are taken into account.

Effective, transparent administration and management of the city is an essential precondition to developing Riga into a city driven to satisfaction of the needs of inhabitants, entrepreneurs and guests and creating of favourable environment for the development. The municipality of Riga has defined the need for modernization of management processes and the main directions of the development in the e-city strategic document of Riga City Council approved by Riga City Council Decision No 2677 of 25.11.2003.

High population and entrepreneur servicing culture and their information about the course of service performance should be ensured in the implementation of management processes. Financial assets, in their turn, should be applied purposefully to the implementation of municipal functions vested in it according to the normative acts, and the society must have access to complete, clear accounts on the assets spent on the performance of such functions.

Both government institutions and a number of structural units of the Riga City Council are mainly concentrated in the historical centre of Riga; they are, however, located in different buildings, and the distance between them is large enough to prevent successful organization of work and to increase the time consumed in communication. Moreover, the management institutions traditionally attract a high number of visitors, thus causing additional load on the city centre from transport aspect as well. Improvement of the situation is available through consolidation and location of at least part of such institutions outside the historical centre of Riga. In such a case, the municipal management would still have their seat in the new building at Rātslaukums, while the other departments and other structural units of supreme management (other than district executive committees) scattered at the moment around the city would be concentrated in a new building (complex of buildings) situated outside the historical centre of Riga.

Routine work of the city management should be based on the principles prescribed by long-term development strategy of Riga. The management should be accessible to the Rigans and convenient, financially efficient and clear. Decentralisation of service provision to inhabitants and entrepreneurs through ensuring municipal services of equal quality in all administrative areas of the city is among the basis for implementation of the strategy intended to promote the Rigans' identification with qualitative neighbourhood.

Decentralisation of service provision to inhabitants and entrepreneurs here means approximating the municipal services to inhabitants enabling them to submit the necessary documents/letters concerning any issues within the competence of municipality of Riga to a single municipal institution located in each administrative area or even in every neighbourhood of Riga city. Each of the above-mentioned

small structural units of the Riga City Council should be provided with a few specialists capable of consulting the inhabitants or referring them to appropriate specialists of the central administrative management institutions of the Riga City Council. Administrative structural units of the Riga City Council, in their turn, should be located in a single administrative building situated outside the historical centre of Riga, thus:

- Accelerating the document circulation between structural units;
- Improving the coordination of interaction between structural units;
- Decreasing the costs of document circulation between structural units;
- Decreasing the transport load in historical centre of Riga;
- Decreasing the volume of travelling between the municipal administrative structural units by both the officials and customers.

INDICATORS	Present situation (2003/2004)	Medium-term achievement	Long-term development direction
Established territorial customer service centres (executive directions) providing simple services	0	6	Increasing appropriately to the new territorial division

It is recommended to establish other additional indicators to reflect objectively the improved effectiveness of municipal work, increased satisfaction of inhabitants with the municipal work and offered services, etc.

Tasks:

T17.1. Ensure efficient operation of the positions contained in urban development planning documents, supervision and coordination of the planned activities

T17.2. Optimise the municipal activities

T17.3. Ensure transparency of municipal finances

T17.4. Facilitate the use of remote access channels (Internet, telephone, etc.) in rendering municipal services

T17.5. Ensure data safety of private individuals and information privacy as well as availability of public information

T17.6. Involve the society in decision-making processes

BASIC CONCEPTS OF SPATIAL PLANNING OF RIGA

Spatial plan of Riga constitutes an instrument designed for implementation of the urban development strategy. The spatial plan of Riga should take into consideration the following basic strategic concepts:

- 1.** Facilitation of territorially balanced development of the city that is based on sustainable development concepts.
- 2.** Implementation of balanced, effective urban development policy from long-term aspect should ensure redemption by municipality of the land necessary for ensuring the municipal functions.
- 3.** In developing new vacant areas preference should be given to revitalization and development of rundown and other urbanized territories.
- 4.** Riga should avoid expansion of the city; it should rather use the administrative territorial resources of the city and building methods aimed at economy of space, envisaging construction on the land adjacent to transport hubs, facilitating internal development of the city, increasing the quality of living and housing in the urban territory, and preserving to the feasible extent functionally, biologically and scenically valuable natural areas.
- 5.** The city of Riga should facilitate the development of multifunctional local centres subordinated to the present city centre in both the existing and new neighbourhoods thus promoting the strengthening of local communities, supporting territorial balance and improving the living environment.
- 6.** The development of Riga as a logistics and commerce centre should be promoted and importance of Riga as a gateway city of Europe should be increased by strengthening the modernisation and development of transport and communication infrastructure.
- 7.** Versatile use of territories, buildings and development possibilities should be ensured while maintaining the balance in the spheres of working places, housing and services, giving preference in the use of the city centre to the housing function.
- 8.** Preservation, renovation and use of the culture heritage of Riga should be provided.
- 9.** Requirements should be determined in respect of sustainable use and building of territories, simultaneously promoting the emerging of high quality architecture and the use of up-to-date building technologies.
- 10.** The development and accessibility of waterfronts should be ensured by arranging a high-quality business and living environment as well as the public space there.

- 11.** The use of water objects should be promoted for diverse public recreation.
- 12.** The functions of commercial port should be directed outside the city centre by concentrating the economical operation of the port to the North from the planned Northern crossing of the Daugava thus facilitating multifunctional development of the central part of the city and decreasing the potential environmental pollution.
- 13.** Every owner is free to choose the way/manner of use of their property, insofar it does not contradict with the official restrictions⁵ imposed on the management and ownership of property not harming on society interests. Setting new restrictions on the management of property, municipality should strive for compensating the loss caused to the owner. Compensation mechanisms may take the most various forms: reduced taxes, accelerated depreciation, redemption at future market price, funding of certain obligations (research, obtaining of painting certification or building permission, special planting, etc.) from public sector funds. Alternatively, the property may be redeemed by municipality for the planned development purposes.
- 14.** The authorized parameters of the use of a territory should be based on the permissible effect by the managed property on the surrounding environment/living space and the overall society interests.

Compliance with the above-mentioned basic concepts in long-term spatial planning would make spatial planning of the city into sufficiently dynamic, clear and easy-to-understand process capable of promoting the development of the city and improvement of living quality of each inhabitant of Riga.

⁵ Wider interpretation may be given to restrictions on the use of property applicable to historical facades, covering or material where such restrictions refer to infringement of society interests: such as the right to enjoy silence or convenient transport. The said principles are also included in the Civil Law (easements, noise, smoke, dust, etc.) and the EU directives on consumer protection (safety).

PRINCIPLES AND SUPERVISION OF THE STRATEGY IMPLEMENTATION

LINKAGES WITH THE RIGANS

The strategy is basically aimed at human welfare, therefore the close cooperation with the Rigans successfully started by the campaign "I am making Riga" should be continued through informing the inhabitants of Riga, identifying their view on what has been done and defining the future priorities. A sound democratic society and its activities are based on informed people. The implementation of the strategy is not feasible by the measures organized by the municipality of Riga alone; its fate is in hands of inhabitants, entrepreneurs, public organizations and guests of the city. Mutual communication between all the above-mentioned involved groups is a precondition to successful implementation of the strategy.

PARTNERSHIP WITH PRIVATE SECTOR

The implementation of the strategy calls for elaboration and more active use of public and private sector partnership forms and the opportunities to fund the development of urban infrastructure arising from such cooperation.

The forms of cooperation between the municipal and private sectors include entrusting the private sector with the performance of certain municipal functions, while retaining close municipal control over the quality of the performance thereof. Therefore, a uniform quality standard applicable to services (goods) has to be ensured. Equal competition should be encouraged among all municipal and private enterprises functioning in the same field.

A **special stimulation mechanism** (tax privileges, permits, favourable conditions, lower costs of the concerned municipal services, etc.) should be developed and implemented in order to increase the participation of private entrepreneurs in the implementation of strategic plans of Riga.

PARTNERSHIP WITH STATE / EU / REGION / INDUSTRIES

Since the vision and goals of the strategy are linked to the overall economical, culture and social development of Riga influenced by the activities of not only municipalities but also the State, other institutions and entrepreneurs, **coordination of the policy pursued by various institutions is decisive in the implementation of the strategy.**

The process of strategy implementation should ensure the coordination of goals covered by the strategies of different levels, through developing joint action programmes on the municipal, state and industry level, and coordinating the goals included in the strategic documents of various levels (on the European, national, city, large enterprise and industries' level) right during the course of their formulation.

Integration of the strategic goals of Riga in strategic documents of different levels should be achieved, thus ensuring the territorial linkage of the implementation of goals set in the strategies of other levels to Riga

Implementation of the strategy calls for an active operation in order to attract the European Union funds to the funding of the strategy.

Taking into account the contribution made by the economy of Riga to the national economy and budget, and the fact that Riga is performing the functions of state capital and the main transport hub, higher participation of the state and its resources (state investment programmes) is necessary in the implementation of the strategic plans of Riga. Such a position is also supported by the European Charter of Local Municipalities.

A number of administration issues affecting the welfare of the Rigans fall into the competence of the state instead of that of the city. Taking into account, however, the specific weight of Riga in the society and national economy of Latvia, it may have positive impact on the processes taking place in the state, through cooperation with the state in the settlement of various issues.

The largest cities of Europe pay special attention to close cooperation within the entire region of the concerned city, and the metropolitan region is planned as a whole territorially functional unit. Planning of the city of Riga, in particular in the field of transport and environment, should cover the entire functional regions or agglomeration of Riga.

TARGET-TIED BUDGET

The budget of the city and the principles of its development are among the main factors in the context of strategy implementation. Relation between the strategy and the budget means relation between unlimited desires and limited funding. Optimally, the whole budget of the city – both development and operational – should be subordinated to the strategic goals and the planned services, i.e., based on the principles of zero budget.

The present structure of the budget of Riga does not correspond with the structure of its goals, therefore the possibilities of budget as a financial instrument in the implementation of the strategy are limited. The development part (and also the investment part) of the budget structure is quite limited, and the possibilities to increase it are quite small.

Finance Department of the Riga City Council proposes two alternative linkages between the budget and the strategy, with the possibility of their gradual merging.

Option 1. Without altering the budget structure, the part of strategy concerning the pursued activities and the programmes incorporated in it could be used to assess the compliance of the investment projects with the strategic development goals of the city. Full funding of such programmes, however, requires the attraction of several funding sources, and the city budget is only one of the sources.

Option 2. If the existing budget is modified into the budget oriented towards the achievement of certain goals (*based on the costs of activities*), it could be brought into structural compliance with the strategy and the body of its goals. Corresponding methodology has already been developed at the instruction of the Finance Department, and the feasibility of its implementation has been tested in two departments of the Riga City Council. The modifications of the budget development and control system should be drafted in details in the programme for promoting of finance administration of the city. Open remains the issue of sufficiency of the available financial resources for the implementation of the respective strategic programmes. It is impossible to give mathematical answer to this question, and the only alternative is making political decisions on the priority of one or another programme or project.

SUSTAINABLE DEVELOPMENT

The principle of sustainable development to be followed in the planning of city development and implementation of the corresponding plans is one of the most crucial principles of developing a harmonious city. The commitment to pursue the direction of balanced and, therefore, sustainable development has already been admitted during the conference “Cities of Europe on their Way to Sustainable Development” hold in Aalborg, Denmark, in May 1994. Traditionally, sustainable development is understood as the balance between the desire to preserve the environment for future generation and the need to promote the economical (industrial) and infrastructure development. Balance should be also found, however, between the investments in the maintenance and improvement of infrastructure, one the one hand, and investments in the funding of social spheres such as education, social care, etc., on the other hand.

Implementation principles of the strategy envisage that all goals are commonly set and solutions to optimum achievement thereof are commonly sought rather than the representatives of each sphere are attempting to get higher portion of budget to pursuing their own goals. Such an approach calls for very close coordination of goals and activities on the level of senior executors. The municipality of Riga should develop the strategy implementation management both being empowered and willing to ensure mutually coordinated work in various spheres.

MOTIVATION

The key stumbling blocks in the implementation of the strategy include lack of motivation and prevailing of routine work over the vision of achievement of long-term strategic goals. In the opinion of a number of experts, understanding of the strategy in implementation of its principles in daily life may be even more important than setting of major goals. Therefore, the corner stones of implementation of the strategy include motivation of the municipality officials of Riga to pursue the goals defined in the strategy in their daily work. Such an approach may be achieved by linking the financial and moral motivation of the officials to the achievement of strategic goals. The implementation of this principle requires the application of modern management tools, namely, computerized action control system based on balanced scorecard principles enabling the achievements in both financial and other spheres

(such as the satisfaction of population, for example). Advantages of the system include the fact that both managers and employees have clear understanding of what had to be achieved and what has been achieved. Thus motivation is made more business-like and target-oriented. Therefore it would be reasonable to develop personnel management strategy in Riga City Council to provide retraining of the municipal employees to meet the requirements of managerial work. The achievement of goals set in the strategy can be only provided by highly qualified and motivated personnel.

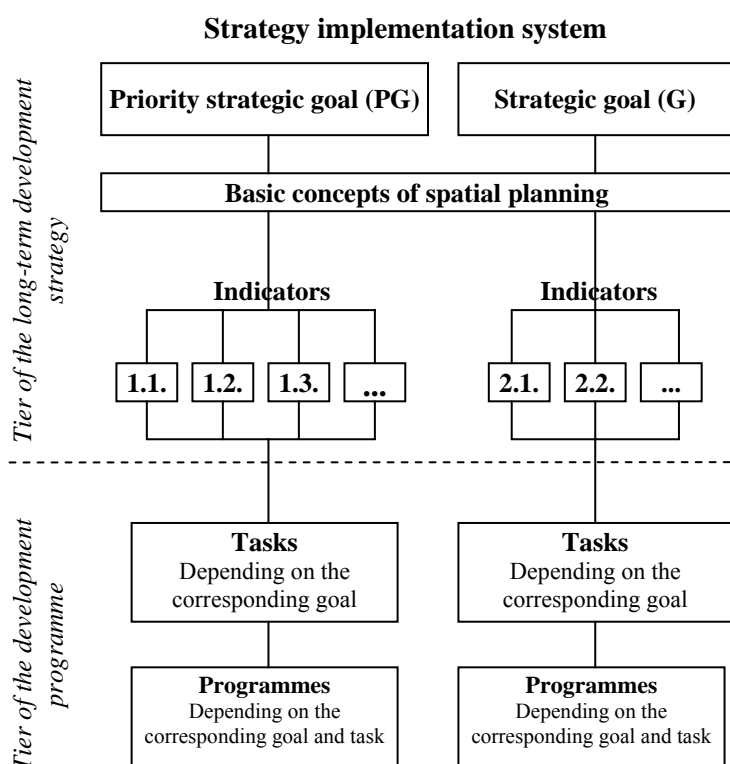
FINANCIALLY MOST EFFICIENT SOLUTIONS

Financial efficiency of strategic solutions is a crucial factor in the implementation of the strategy. To assess the proposed solutions, the managers of strategy implementation should analyse their financial efficiency, weight the alternatives and chose the solutions ensuring optimum cost/gain proportion, namely, implementation of qualitative ways to achievement of the goals with the minimum possible costs. This sphere of management is also suitable to use of appropriate computerized systems philosophically compatible with the cost management and operation control, thus providing optimum process solutions from both organizing and financial aspect.

PRACTICAL IMPLEMENTATION OF THE STRATEGY

The strategy implementation process should include the link between the long-term strategy and medium term development program ensuring, in its turn, the succession of goals and their implementation programmes and projects (Picture 11). Feedback with the goals should be provided to enable the assessment of progress of the strategy implementation. The progress in achievement of the goals should be assessed every four years. The indicators of development program level, in their turn, should be assessed on at least once a year.

Picture 11



PRINCIPLES OF CITY MANAGEMENT

Management of the city should be based on the principles defined by long-term development strategy of Riga in their routine work as well. The management should be available to the Rigans, convenient, financially effective and clear. Centralisation of the urban management processes and decentralisation of customer servicing and service provision ensuring municipal services of equal quality in all districts of the city are among the basis to implementation of the strategy intended to promote the Rigans' identification with high quality neighbourhood.

CONTROL AND ASSESSMENT OF THE STRATEGY IMPLEMENTATION

Control of the strategy implementation should focus on the following factors:

- 1) achievement of the defined goals;
- 2) financial efficiency of the chosen solution;
- 3) compliance with the principles defined in the strategy.

Each of the strategic goals (both priority and primary goals) has their own defined, quantitatively measurable medium term achievements and long-term development directions. The quantitative indicators enable the control of pursuing the defined goals and arrangement the tasks to be performed in the order of priority.

Managers of the strategy should assess whether or not the solutions (programs) used or proposed are the most effective from the opinion of the Rigans and whether or not they comply with the principles defined in the strategy.

Thus, the decision-makers can invent the necessary changes in distribution of capital investments and other resources in order to improve the implementation of strategy, so that the management is capable of ensuring the achievement of the defined goals. The control of implementation of the strategy constitutes the basis of a versatile managerial process where planning is tied with the assessment of results.

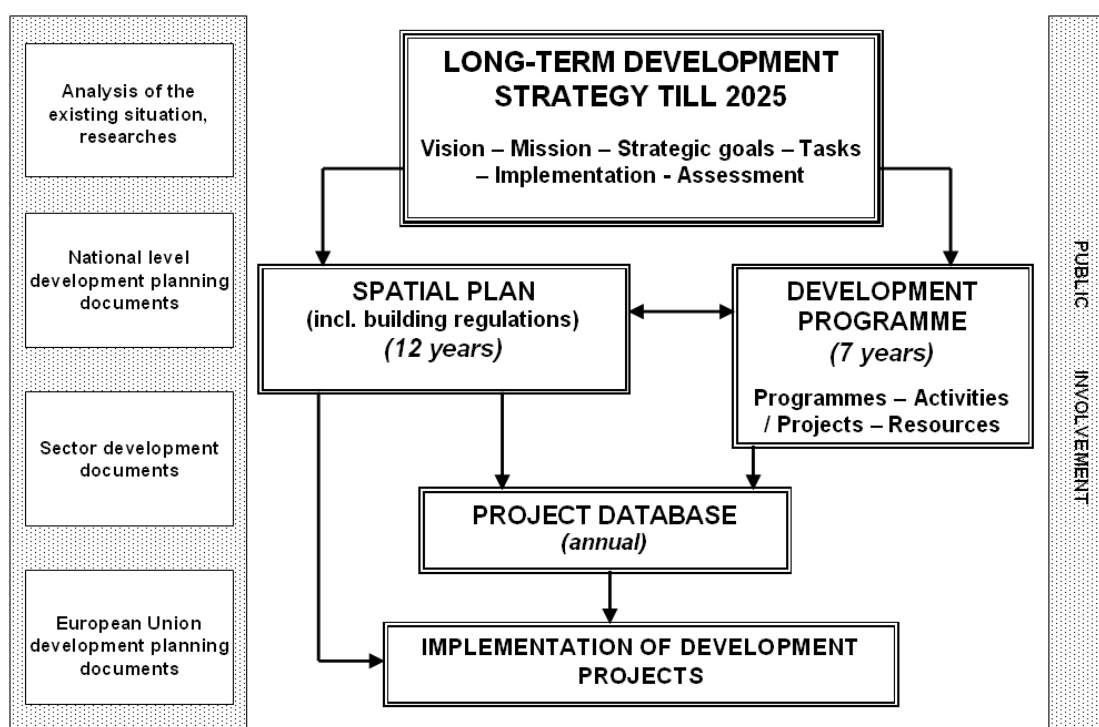
LINKAGE OF THE STRATEGY TO OTHER DEVELOPMENT DOCUMENTS

The long-term strategy of Riga till 2025 defines the development goals of the city from long-term angle, the principles of their achievement and supervision of the process. Planning and daily administration of the city requires more certain instruments intended for shorter period of time.

Picture 12 reflects the linkage of the strategy to other documents drafted and approved or pending approval by the Riga City Council. Unlike the development plan of Riga drafted in 1995, in drafting of long-term development strategy of Riga till 2025 profound investigation of the situation was performed in different sectors, sector development documents were prepared as well as national and European Union development planning documents were analyzed. In addition, the public opinion was widely polled.

Picture 12

Linkage of the strategy to other development documents



On the basis of long-term strategy, the spatial plan for 12 years and the development programme for seven years have been approved in accordance with the law. The spatial plan (including the regulations on use and building of territory and other parts required by the legislation) governs the use of territory (real estate), regulates the permissible building density, defines the environment protection requirements, requirements concerning the vehicle parking, etc., as well as it draws the spatial development contours of Riga. Basing on the city size and complexity, a special attention should be paid also to the regulations that are set in a lower tier spatial plans. The Preservation and Development Plan of the Historic Centre of Riga should be specially emphasized as the detail planning of it is five times more precise than Riga's general spatial plan.

Long-term Development Strategy of Riga City till 2005

The development programme is a regional planning document with clearly defined tasks, actions and activities as well as their implementing bodies, financial resources and results to be gained in the course of achievement of the goals defined in the long-term development strategy. The development programme includes the programmes and projects of the branches of the urban economy the implementation of which can be adjusted depending on the course of the development, availability of funds and the public opinion. To ensure the achievement of the goals defined in the long-term development strategy, the development programme has defined certain programmes, actions and projects. The development programme is directly linked to the project database established in Riga and Riga Region in 2004. Thus, a strategically sustainable but at the same time flexible development planning and management matrix is being formed to ensure the key objective – effective work of the municipality of Riga corresponding with the desires of its population.

DOCUMENTS USED IN DRAFTING OF LONG-TERM DEVELOPMENT STRATEGY OF RIGA

RESEARCH

1. Analyses of the existing situation in Riga (study, 2003)
2. The general state of economical development in Riga – identification of problems and prospective development (study, 2003)
3. Demographic situation and development forecasts (study, 2003)
4. Territorially economical analysis of Riga city (study, 2004)
5. Land-use guidelines for Riga city development plan 2006 – 2018 (study, 2003)
6. Analysis of the real estate market processes and their influence on territorial development (study, 2004)
7. Housing conditions, demand for housing and districts for new housing development (study, 3 parts, 2004)
8. Analyses of the rundown areas in Riga and proposals for their revitalisation (study, parts 1 and 2, 2004)
9. Identification of Riga agglomeration borders (2 studies, 2004)
10. Existing situation analyses of the social infrastructure (study, parts 1 and 2, 2004)
11. Riga city development perspectives in an international context (study, 2004)
12. Review of Riga's spatial urban composition (study, 2004)
13. Analyses of international, Riga region, and Riga district spatial planning documents (study, 2004), reviewing:
 - 13.1. Recommendation of Member State Department conference about regional/territorial planning charter of Europe R(84) 2 (Torremolinos charter) (1984)
 - 13.2. Sustainable development city charter of Europe (The Aalborg Charter) (1994)
 - 13.3. Aalborg Liabilities („Aalborg +10 – Inspiration for future”) (2004)
 - 13.4. ESDP - European Spatial Development Perspective. Towards Balanced and Sustainable Development of the Territory of the European Union (1999)
 - 13.5. Lisbon action plan: from charter to action(about sustainable development of urban environment in Europe) (1996)
 - 13.6. The Porto Declaration of Spatial Planning and Development Intent by the Metropolitan Regions and Areas of Europe (1999)
 - 13.7. Guidelines for sustainable spatial development for the continent of Europe (2001)
 - 13.8. Baltic Palette II. Final report of PHARE project (2003)
 - 13.9. Union of Baltic Cities Strategy (2003)
 - 13.10. Wismar declaration and VASAB 2010 + (2001)
 - 13.11. Latvia: from vision to action. Sustainable development conception. (2000)
 - 13.12. Long-term economical strategy of Latvia (2001)
 - 13.13. Guidelines of sustainable development of Latvia (2002)
 - 13.14. Urban environment policy conception of Latvia (2000)
 - 13.15. National development plan (2001)
 - 13.16. Riga region development strategy(2002)
 - 13.17. Riga regional drafting Development programme (2005)
 - 13.18. Riga region drafting (2002)
14. Rapid municipal data assessment (study about the biggest cities of Latvia, 2004)
15. Analyses of the existing city transport system and preparation of future transports concepts (study, 2004)
16. Evaluation of strengths and weaknesses, opportunities and threats of Riga (study and discussions, 2004)
17. Drafting description of the existing transport situation and drafting proposals on the prospective transport scheme to spatial planning of Riga for 2006 – 2018 (study, 2004)

DOCUMENTS

18. Development plan of Riga for 1995 – 2005 (1995)
19. Constitution of the Republic of Latvia (1922)
20. Berne's convention about the protection of live nature and natural lifeworld in Europe (1979)
21. Convention on protection of cultural and nature heritage of the world (1972)

22. Rio- de- Janeiro convention on biological diversity (1992)
23. European Union directive 92/43/EEK about protection of natural lifeworld, wild fauna and flora (1992)
24. An Agenda 21 for the Baltic Sea Region – Baltic 21 strategy guidelines (2004)
25. Helsinki Convention about the sea environment protection of the Baltic sea region (1974, 1992)
26. Frame directive of European waters 2000/60/EC (2000)
27. National environment policy plan 2004-2008 (2003)
28. National programme of biological diversity (1999)
29. National waste managing plan (2003-2012)
30. Riga city waste managing plan 2005-2012 (2005)
31. Riga city air quality improvement plan (2004)
32. Final report of Riga of the initiatives of Single European indicators – Sustainable development of Riga (2005)
33. Description of the existing situation with the development program of Riga (2004)
34. Environment strategy of Riga, 2000 - 2010 (2000)
35. Action programme of the environment strategy of Riga, 2002 - 2010 (2002)
36. Strategy of E-city (2003)
37. Target development programme of Riga, 2002- 2005 (2001)
38. Housing construction programme of the municipality of Riga for 2005 – 2009 (2004)
39. Action & development strategy of the agency “Rīgas mājoklis” of the municipality of Riga for 2003 – 2007 (2003)
40. The image of Riga – development strategy of the image of the city of Riga and Riga City Council (2004)
41. Development of social aid system in Riga (Guidelines for 2001 – 2005) (2001)
42. Traffic concept of Riga for 1999 – 2003 (1999)
43. Electric transport development concept of Riga for 2004 – 2018 (2004)
44. Finance accounting and management concept of the city of Riga (2003)
45. Social system in Riga in 2003 (data of Riga City Council Welfare Department, 2004)
46. Concept of the improvement of municipal service provision of Riga (E-city project of Riga City Council, 2004);
47. Concept of customer service centre of the municipality of Riga ((E-city project of Riga City Council)

RESULT OF PUBLIC OPINION POLLING

48. Results of public involvement campaign “I do Riga”, discussion forums (human, nature, movement) (discussions, 2004)
49. Public involvement campaign “I do Riga”, results of questionnaires (questionnaire, 2004)
50. Discussions with target groups (entrepreneurs, transport specialists, infrastructure specialists, environment and culture specialists, education and welfare specialists, etc.) (discussions, 2003 - 2004)

PROPOSALS OF MUNICIPALITY, STATE AND PUBLIC ORGANIZATIONS