



European Union
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ATTACHMENT 2

DIGIBEST PEER REVIEW FEEDBACK FOR SENDING PARTNER (LATVIA)

PR EXPERT: KPMG BALTICS AS
DATE: 29/05/2021/

PR Feedback template,
Version 6
Date: 29/05/2021
DigiBEST(PGI05981)

Introduction

This template is designed for Peer Review (PR) expert to provide feedback for Sending Partner (SP) about findings during the PR relevant for SP. **Each PR expert has to complete this form after the PR and submit to the SP not later than one month after the PR event.** The objective of provided feedback is to compare the situation in SP and Hosting Partner's (HP) country/regions, as well as to identify Good Practices (GP) having a potential to be transferred from HP to SP and to provide relevant conclusions and recommendations.

The PR expert's work is based on the **desk research** (literature analysis) and **field research** (PR event).¹ The desk research is based on comparing the information included in Regional Studies and other relevant materials and information provided by SP and HP. During the PR event the PR expert should take notes and collect information that could also be useful for SP. If necessary and/or required by SP, the PR expert requests additional online interviews with HP stakeholders.

GENERAL INFORMATION

Sending partner	Ministry of Environmental Protection and Regional Development, Latvia
Hosting partner	Granada County Council, Spain
Date of the PR event	27/04/2021-29/04/2021
Specific tasks of the PR expert assigned by the SP according to the work contract².	Provide suggestions to SP about good practices of HP that could be taken over. Prepare suggestions for SP DigiBEST Latvia project Road map and Action plan development.

List of documents/information reviewed during the desk research, which were particularly useful to provide the feedback to SP.

Studies/research papers/documents:

1. DigiBEST REGIONAL STUDY ON THE STATE OF DIGITAL TRANSFORMATION AND ITS IMPACT ON THE REGIONAL BUSINESSES IN LATVIA
Date of issue: 29 January 2021
Author: The Ministry of Regional Development and Environmental Protection
Source: Provided by SP
2. DigiBEST Regional analyses, Granada Provincial Council, Spain
Date of issue: 28 February 2021
Author: Granada Provincial Council
Source: Provided by SP

¹ Please, also see the information in the PRR.

² Please, insert a list of tasks to be fulfilled for the SP during the PR according to your work contract and technical specification.



3. Dossier Peer Review Granada
Date of issue: Unknown
Author: Granada Provincial Council
Source: Provided by SP
4. Digital Cities Challenge: Digital Transformation Strategy for the city of Granada
Date of issue: July 2019
Author: European Commission
Source: Provided by SP
5. DIGIBEST STUDY ON THE STATE OF DIGITAL TRANSFORMATION AND ITS IMPACT ON THE REGIONAL BUSINESSES: Joint Report (Draft)
Date of issue: Unknown
Author: DigiBest project partners
Source: Provided by SP
6. GOING DIGITAL INTEGRATED POLICY FRAMEWORK
Date of issue: February 2020
Author: OECD
Source: <https://www.oecd-ilibrary.org/docserver/dc930adc-en.pdf?expires=1619165991&id=id&accname=guest&checksum=379243321E45D53FB582FE785B64C93A>
7. OECD Reviews of digital transformation: Going digital in Latvia
Date of issue: 10 February 2020
Author: European Commission
Source: <https://www.oecd-ilibrary.org/docserver/8eec1828-en.pdf?expires=1619166249&id=id&accname=guest&checksum=6C7DD870E1CC7340001E5FB11C7A0AA2>
8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS: An SME Strategy for a sustainable and digital Europe
Date of issue: 10 March 2020
Author: OECD
Source: https://ec.europa.eu/info/sites/info/files/communication-sme-strategy-march-2020_en.pdf
9. NATIONAL DEVELOPMENT PLAN OF LATVIA FOR 2021-2027
Date of issue: 2 July 2020
Author: Cross-Sectoral Coordination Center
Source: https://www.pkc.gov.lv/sites/default/files/inline-files/NAP2027_ENG.pdf
10. National Development Plan of Latvia for 2014–2020
Date of issue: 20 December 2012
Author: Cross-Sectoral Coordination Center
Source: https://www.pkc.gov.lv/images/NAP2020%20dokumenti/NDP2020_English_Final.pdf



Web pages (Obtained between 10 April 2021 and 22 April 2021):

11. https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/shaping-europe-digital-future_en
12. <https://ec.europa.eu/digital-single-market/en/content/european-digital-strategy>
13. https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/europes-digital-decade-digital-targets-2030_en
14. <https://ec.europa.eu/growth/tools-databases/regional-innovation-monitor/policy-document/andalusian-innovation-strategy-2014-2020-ris3>
15. https://ec.europa.eu/regional_policy/EN/atlas/programmes/2014-2020/latvia/2014lv16maop001
16. https://ec.europa.eu/economy_finance/forecasts/2020/summer/ecfin_forecast_summer_20_20_es_en.pdf
17. <https://www.varam.gov.lv/lv/node/2120>
18. https://ec.europa.eu/growth/smes/sme-strategy_en
19. <https://kumu.io/JulijaK/lv-shs-updated>
20. <https://www.varam.gov.lv/lv/jaunums/varam-sadarbosies-ar-lu-un-rtu-digitalo-prasmju-integracijai-akademiskaja-vide>
21. <https://www.liaa.gov.lv/lv/pakalpojumi>

Statistics:

22. <https://www.statista.com/statistics/455993/unemployment-rate-in-andalusia/>
23. <https://www.csb.gov.lv/lv/statistika/statistikas-temas/socialie-procesi/nodarbinatiba/meklet-tema/2590-bezdarbs-2019-gada-3-ceturksni>
24. <https://www.csb.gov.lv/lv/Statistika/Covid19/bezdarba-limenis-2020-gada-decembri>
25. <https://digital-agenda-data.eu/datasets/desi/visualizations>
26. <https://www.makroekonomika.lv/vai-covid-19-krize-palielinas-emigraciju-no-latvijas>

Meetings, interviews – during the PR event³, which were particularly useful to provide the feedback to SP.

During the PR event one of the most insightful meeting was held with stakeholder - ON Granada Tech city⁴ where experts gained overall impressions about ICT environment in Granada province, what is the general digital literacy of the province and how unemployment is impacting digitalization of the province.

Another valuable meeting was with Daleph consultancy⁵ which is a consulting company helping Granada province with “Granada Empresas” platform development. During this meeting valuable insights were obtained about what digital tools are used and what digital tools could be promoted in Granada province taking into consideration the needs of SMEs and their current digital maturity level.

³ Meetings, interviews and/or visits will take place online or onsite depending on the situation with the Covid-19 and local restrictions.

⁴ <https://www.ongranada.com/>

⁵ <https://daleph.com/>

COMPARATIVE ANALYSIS ON SMEs COMPETITIVENESS PROMOTION THROUGH DIGITAL TRANSFORMATION OF SENDING/HOSTING PARTNERS

Similarities and differences in the socio-economic development. Impact of the COVID-19 and its consequences.

Similarities	Differences
<p>Both Latvia and Spain (Granada) economies were impacted by Covid-19 sanitary crises in terms of economic downturn. In both regions/country economy relies in a great extent on SMEs, and these businesses were of those impacted the hardest and with greatest threats for bankruptcy. Both regions/country have experienced GDP drop. In Latvia the GDP drop for 2020 was around 3.5%⁶. For Spain expected GDP drop was around 11% for 2020⁷. For both regions the hardest hit are labour intense sectors.</p> <p>Even though there are different stimulus packages and work schemes to mitigate large scale job losses, both regions/country are experiencing unemployment level rise. Andalusia was experiencing unemployment decline since 2014, however since Q4 2019 it has increased again from 20.8% to 22.74% in Q4 2020⁸. In Q3 2019 the unemployment level in Latvia was 6%⁹, however in January 2021 it was 8.8%¹⁰.</p> <p>Policies to tackle COVID-19 have also introduced several challenges and opportunities in both regions/countries especially regarding digitalisation as digitalisation had to be expanded almost overnight. Also, it is worth noting, that change to digital sales will be important for companies in this phase.</p>	<p>As described in “Similarities” part both regions/countries have suffered of GDP drop, however it seems, that Spain has had larger GDP decrease¹¹. Even though in both regions country labour intense sectors were hit the hardest, for Spain it was especially painful as Spain relies on tourism industry more heavily than other EU countries. It is expected that Andalusia tourism industry for 2020 was EUR 2 billion, and Granada was one of the hardest hit provinces with expected EUR 321.7 million revenue decrease.</p> <p>Due to closure of hospitality industry also other agricultural businesses such as vine and grape growers sector was impacted negatively. Several grants to support agricultural sector was introduced.¹²</p> <p>In comparison, in Latvia, where economy is relying heavily on agriculture and forestry, these sectors have already indicated trends of growth and recovery. During 2020 in comparison with 2019 growth has been observed also in manufacturing sector, mainly due to increasing exports¹³.</p>
Similarities and differences in the context of The Digital economy and society index (DESI)¹⁴ key indicators.	
Similarities	Differences

⁶ <https://lvportals.lv/dienaskartiba/324440-2020-gada-covid-19-ietekme-ekonomikas-kritums-sasniedza-35-2021>

⁷ https://ec.europa.eu/economy_finance/forecasts/2020/summer/ecfin_forecast_summer_2020_es_en.pdf

⁸ <https://www.statista.com/statistics/455993/unemployment-rate-in-andalusia/>

⁹ <https://www.csb.gov.lv/lv/statistika/statistikas-temas/socialie-procesi/nodarbinatiba/meklet-tema/2590-bezdarbs-2019-gada-3-ceturksni>

¹⁰ <https://www.csb.gov.lv/lv/Statistika/Covid19/bezdarba-limenis-2020-gada-decembri>

¹¹ https://ec.europa.eu/economy_finance/forecasts/2020/summer/ecfin_forecast_summer_2020_es_en.pdf

¹² <https://cor.europa.eu/en/engage/studies/Documents/rural-areas-covid-responses.pdf>

¹³ <https://lvportals.lv/dienaskartiba/324440-2020-gada-covid-19-ietekme-ekonomikas-kritums-sasniedza-35-2021>

¹⁴ <https://ec.europa.eu/digital-single-market/en/digital-economy-and-society-index-desi>



<p>Both in Latvia and Spain the overall DESI index scores are around EU average that for 2020 was 52.6 , Overall DESI score for Latvia for 2020 was 50.7 and for Spain it was higher - 57.5.</p> <p>The latest available data shows, that Latvia and Spain show similar results in “Connectivity” where both countries have higher score than EU average (Latvia-61.8; Spain 60.8). Also, similar results are in Digital Public Services section, where both countries indicate result above EU average (Latvia-85.1; Spain-87.3).</p>	<p>The total DESI index for Spain (57.5) in 2020 was higher than average EU (52.6) while for Latvia it was below EU average (50.7). The trends over the last years also show that the growth in overall DESI index has been much higher for Spain than for Latvia. Spain has made a big leap in DESI score from 53.53 in 2019 to 57.5 in 2020 and in 2020 was ranked 11th in EU, while Latvia has remained around the same DESI score as it had in 2019 (50.0) and in 2020 ranked 18th in EU. While Spain has showed constant growth in all DESI categories over last five year span, Latvia has stayed at the same level in overall DESI score and even experienced decrease in “Connectivity” and “Human Capital/Digital” skills categories.</p> <p>While still being below EU (49.3) average Spain (47.6) shows better results than Latvia (35) in “Human Capital/Digital Skills” category. In “Use of Internet Services by Citizens” category Spain (60.8) is above EU average (58.0), that is again better result than for Latvia (54.0). Also, in category “Integration of Digital Technology” Spain (41.2) performs better and is around EU average (41.4), while Latvia lags behind significantly (28.3). From this category Spain indicated higher results in all sub-categories, like Big data, Electronic information sharing, Social media, Cloud, SME selling online, and other.</p> <p>To note DESI index is available at country level, not regional level and that needs to be considered when drawing further conclusions when taking into account the context of development in digital economy and society.</p>
Common problems for the digitalization of SMEs and microenterprises identified.	
Common problems	Specific problems of SP
<p>Based on information from PR review desk research and field research - common problems for Latvia and Granada Province are:</p> <ol style="list-style-type: none"> 1) Lack of awareness and information about digital solutions and their advantages. 2) Lack of proactiveness and willingness to experiment and introduce new technologies. 3) Lack of time and labour resource to introduce new digital solutions. 4) Challenge to attract skilled ICT employees. 5) Lack of basic understanding, knowledge and skills on how to use new technologies. 6) Access to financing, and complexity due to bureaucracy. 7) Uncertainty about what could be the prioritised technologies for particular enterprise. 8) Knowledge procedures and well established policies (internal and external) that deals with cyber security for SMEs. 9) Insufficient use of e-commerce, ERP and CRM. 	<ol style="list-style-type: none"> 1) Decentralised approach on digitalisation support/instruments across various state institutions and stakeholders. 2) In Granada historical unemployment rate is much higher than in Latvia, so for Latvia it is more crucial to develop and digitalise already existing SMEs, therefore lifting them to the next digital maturity and productivity level, however in Granada it might be more crucial to establish new SMEs and to expand existing SMEs to reduce unemployment level and support economic development.



<p>Possible solutions for promoting the digitalization of SMEs and microenterprises of the SP country/region that could be taken over from the HP country/region.</p>	
<p>Please, describe shortly problems of the SP country/region identified by PR expert during the PR.¹⁵</p>	<p>Solutions that are used or proposed by the HP that could be considered for transferring by the SP to solve existing problems.¹⁶</p>
<ol style="list-style-type: none"> 1. At the moment the main problem that experts see both for Latvia and Grenada is lack of awareness about need for digitalisation and potential benefits, that goes hand in hand with lack of skills to operate and introduce new technologies in SMEs. 2. At the same time adoption of new technologies requires stepping out of SME comfort zone both in terms of learning new things and required time and capital resources. Very often SMEs does not have enough resources, both in terms of human capital and financial resources, that could be distributed to implement new solutions. 3. Latvia has relatively good infrastructure for digitalisation, but low willingness and skillset for SMEs to exploit it. SMEs lack internal digitalisation strategy and structured future vision just as well as cyber security awareness. 4. With global and local ICT sector development and great demand for ICT employees globally and country-wide and attraction of them to the ICT sector, enterprises in other sectors and particularly SMEs have great challenge to attract skilled ICT employees. 5. Similarly, as in Granada province digital literacy is lower in rural areas, where aging population prevails and depopulation due to young generation migration to more developed areas exist. 6. In both Latvia and Granada Province the benefits of using standard digital technology solutions by SMEs are not fully realized. In line with OECD data - websites, social media, CR, cloud computing, SCM, Big Data solutions and E-sales in Latvia are used nearly the least among 	<ol style="list-style-type: none"> 1. To promote idea sharing Granada has intended to establish Idea generation workroom “LabinGranada”¹⁸ where citizens share ideas and already existing projects. This could facilitate creation of new business ideas, SMEs and new technology adoption. 2. To tackle the challenges of awareness raising, lack of time and other resources, as well the challenge to attract the ICT employees, such or similar programs applied in Granada as “Digital Advisors”¹⁹ and “TICCAMARAS”²⁰ could be implemented also in Latvia. “Digital Advisors” program ensures personalized consultations to SMEs by specialized ICT consultants financing the consultation up to 5000 EUR. “TICCAMARAS” ensures also customized support in digital solution evaluation and implementation. 3. For both project partners popularization and support instruments for integrating the use of digital technology solutions could be one of the priorities. Granada Province plans to define narrowed down ICT tool list through “Granada Empresas”²¹ platform, that could be implemented and marketed for SMEs in early maturity stages. This practice or similar practice could be implemented also in Latvia in order to facilitate the use of digital technology solutions to address the low use of digital technology solutions in Latvia. It would help small SMEs that do not have enough resources to raise awareness and knowledge about digital solutions to navigate through their digitalisation process. 4. “Guadalinfor”²² program is a program that is designed to facilitate basic digital tools and computer skills in rural

¹⁵ The main source of information for PR experts is the Regional Study of the SP. However, there can be other problems, which PR experts may identify during additional desk research, as well as interviews with the SP.

¹⁶ The main source of information for PR experts is the Regional Study of the HP. However, there can be other problems, which PR experts may identify during desk research and field research, as well as during interviews with the HP.

¹⁸ <https://labingranada.org/>

¹⁹ <https://www.interregeurope.eu/policylearning/good-practices/item/3995/digital-advisors-programme/>

²⁰ <https://www.interregeurope.eu/policylearning/good-practices/item/3996/ticcamaras/>

²¹ <https://www.granadaempresas.es/>

²² <http://www.guadalinfor.es/home>



<p>selected OECD countries, while Enterprise resource planning (ERP) solutions – below OECD average.¹⁷ This data aligns with DESI index category “Integration of Digital Technology” where Latvia significantly lags the EU average.</p> <p>7. Similarly, as in Granada province it is not quite clear how provided support instruments and policies are designed on profiling of SMEs and their unique business needs, based on the industry where they operate, region, size and other SME characteristics.</p>	<p>areas. Such kind of nationally or regionally coordinated widespread initiative could be designed also for Latvia, as digital literacy in rural areas is an issue also for Latvia. Potentially some kind of basic widespread access points as in Granada province could also provide additional services – providing help with access to e-government services, providing basic IT tools, and ensuring digital skills trainings.</p> <p>5. The policy framework at regional level is defined and implemented by one institution “Provincial Council of Granada” which makes it easier to align the policies and define common strategy, as well as monitor the implementation process. In Latvia it could be suggested to centralize responsibility for digital transformation at State level institutions and more clearly define and align responsibilities at state vs. regional level, as well more clearly defining all involved stakeholders and their responsibilities.</p>
<p>Comparison of the policy framework²³, including main involved institutions and stakeholders, as well as policy documents and tools being instrumental for promoting the digitalization of SMEs and microenterprises.</p>	
<p>Policy framework of the SP that is instrumental for digitization of SMEs</p>	<p>Policy framework of the HP that is instrumental for digitization of SMEs</p>
<p>EU digitalisation policy framework is supported by national level planning and policy framework. There are three development planning levels with corresponding documentation.</p> <ol style="list-style-type: none"> 1. Political guidance documents 2. Spatial planning documents 3. Policy planning documents <p>Planning documents support visions of long term (25 years), medium-term (up to 7 years) and short term (up to 3 years). The Ministry of Environmental Protection and Regional Development of the Republic of Latvia is responsible for overall digital transformation strategy in the context of information and communication technologies. Ministry of Economics is responsible for business related policies, incl. in relation to digitalization²⁴. For example, “National industrial policy guidelines” which is a medium-term policy planning document covering all sectors of the economy and setting out the objectives and directions for promoting economic growth for the next seven years also from digital perspective, both domestically and internationally, is under control of Ministry</p>	<p>EU digitalisation strategy is supported by national level and regional level policies.</p> <p>At regional level digital transformation strategy is determined by supra-local and intermediate government body the Provincial Council of Granada (Council). The Provincial Council of Granada is responsible for planning, design and management of provincial policies.</p> <p>The strategies of SME development are included in policy framework “Granada es Provincia” through which the Provincial Council of Granada implements municipal programs and strategic actions.</p> <p>For more than ten years the Provincial Council of Granada has been elaborating the “Plan for the development of the local productive activity” (PDLPA) in collaboration with main stakeholders. The PDLPA is consolidated within framework of other national and regional policy goals and objectives and is responsible for promoting digital technologies and technological assistance for creation and assistance of SMEs. Regional policies support national “ICT strategy”³⁴, that is incorporates OECD recommendations, and “National Connected Industry 4.0 Strategy”³⁵, that is general strategy with a purpose to increase industrial value</p>

¹⁷ Business use of advanced digital technologies in selected OECD countries, 2017 of latest available year. Going Digital in Latvia, OECD Reviews of Digital Transformation, OECD, 2021.

²³ This source could help to gather ideas for describing the policy framework and its main elements: <https://www.oecd-ilibrary.org/docserver/dc930adc-en.pdf?expires=1611262136&id=id&accname=guest&checksum=DEB2E5D80FC93D914C343A581FA81E2>

²⁴ <https://www.em.gov.lv/lv/digitalizacija>

³⁴ https://administracionelectronica.gob.es/pae_Home/pae_Estrategias/Estrategia-TIC.html

³⁵ <https://www.industriaconectada40.gob.es/programas-apoyo/Paginas/programas.aspx>



of Economics²⁵. **The Ministry of Defence** is responsible for Cyber Security Strategy.

The main national long-term planning document is **“Sustainable Development Strategy of Latvia until 2030”**²⁶. The document is divided in 7 general priorities, with a focus on overall development of Latvia from different perspectives.

This strategy is supported by medium-term comprehensive plan **“National Development Plan 2021-2027”**^{27 28} which also covers several areas of digitalisation regarding e-commerce, R&D, connectivity, etc. with the aim to facilitate a balanced and sustainable development of Latvia and focuses on main goals such as competitiveness of business and material well-being, promoting the increased use of digital technologies in business, smart specialisation, supporting innovation and investments.

“National industrial policy guidelines 2021-2021” set smart specialization strategy and policy action areas (incl. human capital, infrastructure innovation, business environment, access to finance)²⁹ and even though cover strategy also for SMEs – their needs are not separately addressed in the strategy and policy action areas.

“Regional policy guidelines 2021-2027” set regional policy goals in the areas of regional development, increase in efficiency of services, as well address smart solutions³⁰ as part of the guidelines, but as well do not address specifically SME needs.

The main document attributed particularly to digitalisation by expanding the settings of “National Development Plan 2021-2027” is supposed to be **“Digital Transformation Guidelines for 2021-2027”**³¹. Currently, the “Digital Transformation Guidelines for 2021-2027” have been developed and submitted for Cabinet of Ministers. Guidelines provides five action directions: digital skills and education; digital security and credibility, access to telecommunications services, digital

added by digitalising industrial companies in scope of fourth industrial revolution. The strategy has 4 focus points: Awareness and training, Collaborative environments and platforms, Boost to digital enablers, Support for digital evolution in the industry. Regional level policy framework also includes several other policies, that facilitate national policy introduction, like “Andalusia Industrial Strategy”³⁶, “Promotion Strategy of the ICT sector”³⁷, “2020 Digital Business Plan”³⁸ and “Strategy for innovation in Andalusia”³⁹. There are not specific instruments for SME digitalisation, except Program of Assistance and Cooperation for Local Economic Promotion with the aim to shape the services that the Provincial Council of Granada offers to all local entities in the province in scope of mutual agreement of collaboration and assistance. The aim of the program is to shape the services that the Provincial Council of Granada offers in agreement to all local entities in the province. The main objective is to provide them with the necessary response capacity to meet the needs and demands of the entrepreneurial community and the productive network of its territory.

²⁵ <https://www.em.gov.lv/lv/industrialas-politika>

²⁶ LIAS_2030_en_0.pdf (pkc.gov.lv)

²⁷ The Latvian National Development Plan 2021-2027 - Summary_pdf_1.pdf (pkc.gov.lv)

²⁸ Nacionālā attīstības plāna 2014.-2020.gadam sākotnējā redakcija (pkc.gov.lv)

²⁹ National industrial policy guidelines 2021-2027, The Cabinet of Ministers regulation Nr.93, 16th of February, 2021.

³⁰ Regional policy guidelines 2021-2027. The Cabinet of Ministers regulation Nr.587, 26th of November, 2019.

³¹ <https://www.varam.gov.lv/lv/digitalas-transformacijas-pamatnostadnes-2021-2027gadam>

³⁶ https://estrategiaindustrialdeandalucia.org/wp-content/uploads/2017/01/6c1114_3a6891ea308141ccbf4471f3655d9e83.pdf

³⁷ [https://www.tic2020.andaluciaesdigital.es/documents/20182/378204/TIC2020\(2\).pdf/77467c5f-51af-46b1-](https://www.tic2020.andaluciaesdigital.es/documents/20182/378204/TIC2020(2).pdf/77467c5f-51af-46b1-95)

95

³⁸ <https://www.juntadeandalucia.es/organismos/economiaconocimientoempresasuniversidad/areas/empresasemprendedores/>

<paginas/plan-accion-empresa-digital-2020.html>

³⁹ <https://www.juntadeandalucia.es/export/drupaljda/Documento-Ris3-version-final-8-27-02-15.pdf>



transformation of the economy (so-called “public administration”); innovation, ICT industry and ICT science. The main stakeholders in Latvia are various national and regional level institutions, regional and local authorities, associations, NGOs.

Policy objectives are supported by EU funding programs, such as an “Growth and Employment” with is a single multi-fund Operational Programme, that combines various EU funds, and channels significant part of them to SME supportive projects. Several other programs are in place to support SMEs digitalisation, like competence centre program enacted by the Ministry of Economics to support R&D, Digital Innovation Hubs, and various Investment and Development Agency of Latvia³² programs, as well as Latvian Information and Communications Technology Association³³ training programs. Latvian Information and Communications Technology Association also provides digital maturity assessment tool. It is worth mentioning, that initiatives are provided by various public and private institutions and therefore are relatively fragmented and possibly overlapping.

CHECKLIST OF MEASURES IMPORTANT FOR DIGITALIZATION OF BUSINESESS

Please, provide a short information - 1-3 sentences for each question that characterises the situation in PP countries/regions and can be compared. Please, also include links or sources, where additional information can be found. If possible, please, also include examples that illustrate the situation in PP regions/countries.

Title of measure/partners	Sending partner	Hosting partner
Strategy		
There is a clear strategy or measures for SMEs and microenterprises digitalization, supported by specific objectives and indicators: - EU level ⁴⁰ - national level ⁴¹	Based on information from national policies PR Experts see that they follow objectives of EU policies regarding digitalisation and highlight the same priorities. From national document “Digital Transformation Guidelines for 2021-2027” PR Experts see that there are specific goals identified for digital transformation and	Granada province can autonomously set its digital strategy, however it follows national and regional policy objectives. At local level, the Provincial Council of Granada has defined regional action “Program of Assistance and Cooperation for Local Economic Promotion”, that also include assistance on various activities regarding SME digitalisation

³² Sākumlapa | Latvijas Investīciju un attīstības aģentūra (liaa.gov.lv)

³³ LIKTA - IKT/IT Asociācija, Latvija. Telekomunikācijas un Izglītība

⁴⁰ European Union level digitalization strategies or other relevant documents, such as DESI, “Digital Europe Programme”, “SME Strategy for a sustainable and digital Europe”, “White Paper on Artificial Intelligence” etc. Please, indicate, if and how these EU level strategies and/or measures are reflected in national, regional and local level strategies.

⁴¹ National level digitalization strategy or other relevant document clearly stating objectives of digitalization. Other documents, such as RIS3 or OP, addressing digitalization targets on the national level. (Please, name documents and provide links).



<ul style="list-style-type: none"> - regional level⁴² - business level⁴³ 	<p>certain co-responsible institution are assigned to their execution.</p> <p>At regional level spatial planning regions have their own planning documents that address general strategy from different angles of the region.</p> <p>Local municipalities also have their own local government development programs. In theory they should be aligned with goals of national policies, however in practice, they do not address digital transformation in detail. It is hard to evaluate how the measures and strategy is brought on to business level as there are NGOs who provide support to SMEs, and therefore the provided initiatives are often fragmented and possibly overlapping.</p> <p>Currently not yet approved national level policy document “Digital Transformation Guidelines for 2021-2027” also are supposed to provide a list of indicators that should be accomplished during period from 2021 until 2027.</p>	<p>including promotion of ICT tools. It is understood, that implemented support activities are meant to follow objectives of national level policies. Several tools are also coordinated by national and regional organisation, such as RED.ES, that is operates under the Ministry of Energy, Tourism and the Digital Agenda. National “Digital Spain 2025⁴⁴” strategy has set 50 measures of 10 strategic axes which are in line with EU strategy. Also “Digital Business Action Plan” has ⁴⁵ set 27 measures focusing on 3 strategic axes, that according to information from field research comply with priorities of Granada province.</p>
<p>Country/region has clearly defined its targets for improving SMEs competitiveness, including the uptake and integration of modern ICT tools.</p>	<p>Latvia has defined focus areas in relation to targets for overall competitiveness as well targets for ICT uptake and integration in SMEs (e.g., “Digital Transformation Guidelines for 2021-2027”, in development).</p> <p>Planning regions have “Sustainable Development</p>	<p>The Provincial Council of Granada has defined regional action Program of Assistance and Cooperation for Local Economic Promotion that also includes assistance on various activities regarding SME digitalisation including promotion of ICT tools. One of the main targets is to facilitate</p>

⁴² Regional level digitalization strategy or other relevant document clearly stating objectives of digitalization. Other documents, such as RIS3 or OP, addressing digitalization targets on the national level. (Please, name documents and provide links).

⁴³ Business (company) level digitalization strategies and digitalization plans. (Please, estimate, how many companies (%) in PP country/region have a digitalization strategy.)

⁴⁴ <https://portal.mineco.gob.es/RecursosArticulo/mineco/ministerio/ficheros/Digital-Spain-2025-Exec-Summary.pdf>

⁴⁵

<https://www.juntadeandalucia.es/organismos/transformacioneconomicaindustriaconocimientoyuniversidades/areas/empresas-emprendedores/paginas/plan-accion-empresa-digital-2020.html>



	<p>Strategies until 2030” and 7 year Development Programs (currently are working on planning documents for 2021-2027), which also includes activities promoting digitalisation and entrepreneurship. Clearly ICT tool integration is a priority according to national and regional level policies, however in regional level planning documents these objectives are very often broadly described and do not address SME digitalisation into details.</p>	<p>digitalisation among urban areas and business digitalisation in general. A good example is “Granada Empresas” platform, that works as an online access mechanism for contents of maximum business utility and work tools hosted in the cloud according to regional study of Granada province. Local strategy is aligned with national and regional policy framework which according to policies such as “Connected Industry (4.0)”⁴⁶ and “Andalusian Industrial Strategy”⁴⁷ and the “Strategy for the Promotion of the ICT Sector Andalucía”, are focused on ICT tool promotion.</p>
<p>Progress of SMEs and microenterprises digitalization is regularly assessed against its objectives and measured outcomes. Please describe the process established and/or tools in use for that.</p>	<p>In Latvia there is a “Smart Latvia & Digital Maturity Test”⁴⁸ tool that provides SMEs with an opportunity to test their digital maturity in individual business level, however the maturity assessment is not applied to evaluate progress of SMEs in digitalization at state/regional level. Digital maturity assessment and other methods could be applied to monitor progress and measure outcomes systematically and regularly more widely at state/regional (incl. specific industry) level.</p>	<p>Based on the meetings with stakeholders PR Experts understood that the region has an idea about what direction they would like to go and what should be improved in context of SME digital transformation, however there is lack of progress tracking activities/tools in place to monitor the progress of SMEs digitalization.</p>
<p>Different sources of funding are available to support the digitalization of SMEs and microenterprises. Please name, what are the most important ones.</p>	<p>There are several initiatives to support SMEs with financing in place that rely on EU funds, for example “Growth and Employment” operational program. Various financing attraction programs are provided by Investment and Development Agency of</p>	<p>During the Peer Event there was not extensive information available regarding the financing structure and sources, but the identified issue is regarding availability of information about the financing. However, there are several financing programs in place, for example financing for electronic marketing,</p>

⁴⁶ <https://www.industriaconectada40.gob.es/estrategias-informes/estrategia-nacional-IC40/Paginas/descripcion-estrategia-IC40.aspx>

⁴⁷ https://estrategiaindustrialdeandalucia.org/wp-content/uploads/2017/01/6c1114_3a6891ea308141ccbf4471f3655d9e83.pdf

⁴⁸ <https://www.interregeurope.eu/policylearning/good-practices/item/4119/smart-latvia-digital-maturity-test/>



	<p>Latvia⁴⁹. Regional planning institutions also provide several grants and financial aid programs. However, information on funding opportunities is rather scarce and could be consolidated under one information platform.</p>	<p>electronic commerce, digitalisation of business processes under regional “Digital business action plan”. Under the same regional program there is available financing for R&D activities. Funding is also provided and promoted through several good practice programs of Granada, like “Digital Advisors”, etc.</p>
<p>There are different tools for promoting the digitalisation of SMEs and microenterprises designed and used (please, shortly describe these tools if any).</p>	<p>As described previously “Growth and Employment 2014 - 2020” operational program is one of the tools how to allocate funding and promote digitalisation, just as Investment and Development Agency of Latvia provides access to business incubators and other support programs. There are also several public and private technical and knowledge support programs as “Consultancy on business support” by Zemgale Region Human Resource and Competences Development Centre. Digital Innovation Hub offers a set of support measures for SMEs to acquire knowledge on the actual digital solutions and improve problem-solving skills. Latvian Information and Communications Technology Association provides “Smart Latvia & Digital Maturity Test” that helps to assess their digital maturity and weak points of their digitalisation status. Digitalisation is also promoted through “Competence Centre Programme”, “Digital Innovation Hubs”, “The Technology Transfer programme”. Several other programs coordinated by different organisations are in place to support training for</p>	<p>The digitalisation is promoted mainly through such programs like “Digital advisors” program whose aim is the promotion of digital transformation of SMEs through individual advice by specialised agents, Digital transformation offices that facilitate the digitalisation of the Spanish SMEs and promote digital entrepreneurship through promotional event and activity organisation. “TICCAMARAS” is another program organised by the Spanish Chamber of Commerce that to local SMEs provides a series of instruments, activities and support to help their digitalization processes and applications of IT. In general, according to “Program of Assistance and Cooperation for Local Economic Promotion” there are two subprograms, that support SMEs. Under this program free advice is provided to entrepreneurs who require technical assistance or business idea analyses.</p>

⁴⁹ <https://www.liaa.gov.lv/lv/pakalpojumi>



	<p>example Latvian Information and Communications Technology Association training program that is EU co-funded and has organises 3 900 training activities for 1 200 companies. Several support programs provided by regional planning institutions and regional universities are also provided, like business incubators and other events.</p>	
<p>Regional SMEs and microenterprises digitalization strategies/measures are clearly coordinated, also with national and other levels. What are the mechanisms in place?</p>	<p>As PR Experts understood in Latvia there is top-down development planning approach including long-term, medium-term and short-term strategies. Several overarching national level policy documents are in place, that sets general long-term strategy, however when it comes to short/medium term policies, action plans at regional level targeted specifically at SMEs, the strategies/measures are fragmented and the coordination with state level strategies/measures could be more aligned. Some measures are organised by Planning regions, however many support programs are provided by independent organisations and therefore there is not jointly coordinated approach in place. At regional level there are spatial planning documents that address different planning objectives and are individual for different spatial planning regions. These regional planning documents are supposed to complement national guidelines. Similarly at local municipality level, municipalities have their individual local government documents. However, they are relatively broad and does not specifically address SME development, especially with</p>	<p>Local strategy is a aligned with national and regional policy framework which according to policies such as Connected Industry (4.0) and Andalusian Industrial Strategy and the Strategy for the Promotion of the ICT Sector Andalucía, are focused on ICT tool promotion. However, as an autonomous region it can autonomously design and implement their local digitalisation strategies, which at the moment works as a Program of Assistance and Cooperation for Local Economic Promotion to local business organisations and municipalities. Through this instrument main EU, national and regional policy priorities are brought down to local level. In local level actual implementation of digital transformation is performed through individual activities, instruments and other support programs to SMEs.</p>



	respect to their digitalisation. Specific targets are also not described in these documents into details.	
Reduced bureaucracy in applying documents for calls of the EU Funds' projects related to the digitalization of SMEs.	The application process for EU funds and requirement fulfilment requires significant resources and might be bureaucratic ⁵⁰ and availability of information about available funding programs often is limited for SMEs.	It is hard to evaluate the level of bureaucracy to apply for EU funds, however, there is a lack of awareness about EU Funding and information about how to access the funding through different projects and programs available.
Awareness rising		
There are awareness rising campaigns and measures organized by responsible authorities to inform SMEs and microenterprises about digitalization (please, shortly describe these tools if any).	Awareness rising campaigns are organised through such initiatives like “Digital Innovation Hub” and their organised awareness events, hackathons, conferences and workshops. Awareness rising events are also organised through such organisations like Latvian Open Technology Association and Latvian Information and Communications Technology Association, etc. Thus, these stakeholders are significant part of the ecosystem of digital transformation promotion for SMEs. Nevertheless, awareness raising strategy/measures could be address more centralized also at state level to have a common overarching vision to address SMEs challenge to understand and identify the benefits of digitalization.	At national level, the awareness rising is set in the Strategy for the promotion of industry 4.0 in Spain. The awareness raising is addressed at regional level through conferences. Awareness is also raised for example by Digital transformation offices, that are operated by public corporate entity “RED.ES” belonging to the Ministry of Energy, Tourism and the Digital Agenda. The offices have organised many events on dissemination of the advantages of digitalization for SMEs.
Education and human resources		
There is an appropriate connection between universities and business environment: companies can find employees they need, and students find the job they want.	Due to high demand for ICT employees, there is not a problem for students studying ICT related programs to find jobs. The problem is for ICT sector companies and SMEs to find enough ICT skilled	The University of Granada is very strong in ICT sector and contribute greatly in new labour force creation, however even though the unemployment is high in Granada Province, for companies in ICT sector and

⁵⁰ https://ec.europa.eu/regional_policy/lv/newsroom/news/2017/03/17-03-2017-in-your-own-words-eu-structural-funds-have-to-support-self-management



	employees as there is a high competition for labour force in this area.	SMEs it is hard to find ITC skilled employees. Main reason for this is that most students chose to start their careers in larger and more developed regions than Granada, where they can potentially establish better careers and have greater professional development.
Country/region provides instruments to support STEM ⁵¹ and ICT in particular. Please describe them.	There is an available program co-financed by ERAF, with an aim to implement more STEM study programs in universities of Latvia ⁵² . The funding for the program is available since 2017 and is expected to last until 2022. Latvian universities such as the University of Latvia, Riga Technical University and other universities currently take part in this program.	There is not enough information from field research to make any conclusions, as The University of Granada was not represented in Peer Event
Demand and supply correspond to needs of the ICT market (workers find jobs and companies find employees on national or regional levels) that reduces the “brain drain” problem.	Similarly, as in various other EU countries in Latvia there is a mismatch in labour market between supply of labour force that is skilled in ICT and demand of such labour force. There is a lack of skilled professionals in the labour market at the moment. Latvia in past decade has also experienced significant brain drain due to migration to other EU countries with more competitive salaries, however at the moment situation has stabilised but is still an important challenge. Latvian population is declining fast due to ageing and migration, having an effect on labour force, skills shortage and overall economic growth.	In Granada Province there is rather high unemployment while SMEs have challenge to attract ICT field students and employees due to brain drain. The problem is that majority of unemployed population lack digital skills to find a job in ICT sector, which is in a need for additional labour force. In addition, new specialists often chose to leave the region and start their careers in large, more developed regions, with more competitive salaries.

⁵¹ According to the U.S. National Science Teachers Association (NSTA), “A common definition of STEM education [...] is an interdisciplinary approach to learning where rigorous academic concepts are coupled with real-world lessons as students apply science, technology, engineering, and mathematics in contexts that make connections between school, community, work, and the global enterprise enabling the development of STEM literacy and with it the ability to compete in the new economy.”

⁵² <https://www.esfondi.lv/specifiskie-atbalsta-merki>



<p>Measures have been set up to limit the migration of the necessary workforce out of the regional territory.</p>	<p>There is a separate ministry (The Ministry of Environmental protection and Regional Development) whose one area of activity is regional development⁵³. Regional Policy 2021-2027 sets goals and tools for regional development.⁵⁴ There is also available EU funding to facilitate business creation in rural areas⁵⁵, therefore potentially preventing people migration to large cities.</p>	<p>In Granada there are no specific measures particularly attributed to this challenge as understood by PR Experts from the field research. An option to change the situation is to focus on economic development of the region by increasing overall business environment and therefore being able to compete with other territories, or even other countries in attraction of skilled labour force. Also, additional re-education of unemployed population is a key to create new skilled employees.</p>
<p>Specially tailored trainings, on-demand training or educational tutorials for enterprises (SMEs) on how to use specific digital solutions and/or how to make digital transformation in SMEs.</p>	<p>In “Sustainable Development Strategy of Latvia until 2030” one of the priorities is human capital and lifelong education. Also “Education Development Guidelines 2014-2020” included lifelong education as top priorities together with vocational programs that would address labour market changing trends. “Education Development Guidelines 2021-2027” also sets Latvian National Skills Strategy goals such as improving study outcomes for learners, promoting a culture of lifelong learning, reducing skills mismatches in the labour market and strengthening skills system management. The State Employment Agency provides trainings to unemployed that include such qualifications and skills as computer technician, agile project management, e-commerce, data analysis, IT data security and other.⁵⁶ Organisations like Latvian Information and Communications Technology</p>	<p>Some of programmes (“Digital Advisors”, “TICCAMARAS”) of Granada Province are specifically designed to address the challenge to identify appropriate digital solutions and use them, as well to provide training for general population and SMEs (“Guadalinfo”). However, based on PR Expert observations from field research, Granada province lacks tailored training approach to meet digital needs of different profile SMEs.</p>

⁵³ <https://www.varam.gov.lv/en/areas-activities>

⁵⁴ <https://www.varam.gov.lv/en/media/3097/download>

⁵⁵ https://latvija.lv/DzivesSituacijas/2261/NEW_Eiropas_Savienibas_fondi#show1

⁵⁶ <https://www.nva.gov.lv/lv/apmacibu-jomu-un-profesiju-saraksts>



	<p>Association support training programmes that boost the uptake of digital tools, particularly by SMEs. In particular, the EU co-funded “SMEs trainings for digital technologies and innovation development“ project (launched in 2016) was aimed at entrepreneurs, managers and SMEs employees.</p>	
<p>Mentoring for SMEs, which support and assist in the process of implementing digital solutions/in process of SME digital transformation (supported by EU funds/government).</p>	<p>In Latvia There are several successful mentorship programs such as consultancy on business support provided by Zemgale Region Human Resource and Competences Development Centre, and Technology Transfer programme that provides assistance for SMEs regarding digital solutions and business digital transformation.</p>	<p>Several programmes in Granada province, such as “Digital Advisors Program”, “Guadalinfo” and “TICCAMARAS” provide individual assistance in business evaluation and digital strategy development.</p>
Innovative environment for digital development		
<p>Country/region has clearly identified business digitalization priorities. Please list them (in descending order).</p>	<p>According to “Digital Transformation Guidelines for 2021-2027” there are supposed to be five prioritised action directions:</p> <ol style="list-style-type: none"> 1) Digital skills and education; 2) Digital security and credibility; 3) Availability of telecommunications and computing; 4) Digital transformation of the economy; 5) Innovation, ICT industry and ICT science. <p>But based on Regional study of Latvia, PR Experts understood, that the main priorities of digital transformation regarding SMEs is to raise awareness among SMEs about the need of digitalisation and possible digitalisation solutions, as well as to increase</p>	<p>Based on available Granada province planning documents in Granada there are not identified certain business digitalization priorities in Granada province. But as PR Experts understood from field research interviews, the main priorities are to improve the average level of business digitalisation in the target sectors, to better manage talent and to encourage entrepreneurship and creation of new innovative companies, as well as raise awareness among SMEs about necessity of digitalisation and possible digitalisation options, and develop rural areas</p> <p>According to the “Digital Transformation Strategy for the city of Granada: Creativity and Wellness, core of the Digital Transformation in Granada” main priorities in wellness and creativity sectors are:</p>



	digital literacy among SMEs and population in general.	<ol style="list-style-type: none"> 1) To improve the average level of business digitalisation in the target sectors; 2) To better manage talent as one of the essential components of digitalisation 3) To encourage entrepreneurship and the creation of innovative companies; 4) To design and develop emblematic collaborative flagship projects pushing the whole city a step forward.
Clusters, accelerators, science parks, digitalisation and other innovation hubs are present and act as support instruments. What do they offer?	Support instruments are provided by such organizations as Latvian IT cluster ⁵⁷ , 2 Digital Innovation Hubs , and other organizations such as Latvia Technology Park and Ventspils High Technology Park. Latvian IT cluster for example provides “Cross-industry collaboration, networking and knowledge sharing services” program. Digital Innovation Hub provides Hackathons, workshops and other digitalisation promoting events for SMEs as well as work as one-stop-shops. Most of Latvian universities also have their own business accelerators.	In Granada there are several business clusters, that are part of SHs team of Granada province, however majority of them did not participate in PR event, therefore PR Experts had limited chance to find more about their actual involvement. OnGranada Tech city cluster actively facilitates idea exchange between academic environment and business world by organising idea exchange hackathons, collaboration events and other awareness raising events. However, PR Experts did not notice large concentration of other accelerators or similar organisations in Granada province that could facilitate innovation promotion in the region.
Intermediary organisations (such as Chambers of Commerce, Business Associations, development agencies ...) play an active role in fostering the business digitalization on the territory. What are their responsibilities?	Such organisations as the Latvian Chamber of Commerce and Industry are representing SME and business organisation interests. Latvian Information and Communications Technology Association ⁵⁸ , Latvian Open Technology Association ⁵⁹ as well as Investment and Development Agency of	One of the most committed stakeholders are Motril Chamber of Commerce and Granada Chamber of Commerce. For example, Motril Chamber of Commerce is in charge of Granada’s good practice “TICCÁMARAS”. Other private entities as Technological circle, Smart agri-food or OnGranada Tech City are

⁵⁷ <https://www.itbaltic.com/>

⁵⁸ <https://likta.lv/en/home-en/>

⁵⁹ <https://www.lata.org.lv/?lang=en>



	<p>Latvia provide various digital awareness raising activities, including seminars, hackathons, training courses and financial support schemes. Latvian Open Technology Association promotes cooperation between technology suppliers and consumers, including public, municipal authorities, educational and scientific institutions. Latvian Information and Communications Technology Association provides training and awareness raising programs, as well as other initiatives related to SME digitalisation support.</p>	<p>involved stakeholders. OnGranada for example is active in organising different awareness raising activities idea exchange hackathons, and similar activities. Other organisations like “Young Entrepreneurs Association” works as a network for their member companies and therefore facilitates collaboration and availability of assistance to each other.</p>
<p>Knowledge providers (universities, research and innovation centres) cooperate/network efficiently with companies.</p>	<p>Several universities have their own business accelerators, through which they can promote new company creation and business development. Universities also have their institutes that work as a scientific research organizations. For example, University of Latvia has its Mathematics and IT institute⁶⁰. Besides University institutes there are also other scientific institutes that are researching topics regarding ICT. One such example is Institute of Electronics and Computer Science⁶¹. Also, the Ministry of Economics has established 8 competency centres that target companies of any size and promote research and industrial cooperation in new product and technology development projects. These centres must earmark at least 25% of their funding for experimental development.</p>	<p>According to Digital Cities Challenge: Digital Transformation Strategy for the city of Granada, the University of Granada is responsible for several actions in scope of digital transformation of SMEs and overall digitalisation of the region. Such projects are Open Data strategy development, Development of the action plan for supporting the creation of Start-ups in the target industries, Development of the action plan for talent attraction and employment in Granada, and Development of the action plan of knowledge transfer activities, Establishing and promoting links between research centres and enterprises together with OnGranada.</p>

⁶⁰ <https://www.lu.lv/par-mums/struktura/instituti/lu-matematikas-un-informatikas-instituts/>

⁶¹ <https://www.edi.lv/>



<p>Business environment actively supports business digitalization. What does business environment include to support digitalization?</p>	<p>Business organisations like The Chamber of Commerce and Industry provide different support mechanisms to entrepreneurs in order to represent their business interests. Particularly regarding digitalization there exist a committee responsible for transfer of technologies to business environment. Latvian Open Technology Association however in PR Experts opinion plays more important role in open technology facilitation among businesses. It promotes collaboration between entrepreneurs, government bodies and education institutions. However, it is hard to evaluate how SMEs, especially small SMEs are aware about their provided services and organised events. Also, Latvian IT Cluster provide ICT environment facilitating activities to support entrepreneurs. Latvian IT Cluster vision is to create a value network of Latvian companies, providing reliable IS development and application services for export. The cluster also organizes training of ICT professionals to promote innovation and industry development.</p>	<p>Business associations such as “Young Entrepreneurs Association” actively works to promote and support their members in adoption of new technologies through collaboration and use of their network. However, PR Experts see that more active idea and success story sharing would be necessary to promote digitalisation and awareness raising.</p>
<p>Private financial actors (additional to commercial banks) are present and participate in business digitalisation (venture capitalist⁶², business angels⁶³,</p>	<p>In addition to EU funding, “Altum” which is state development finance institution provides easier access to funding for SMEs and business start-ups than commercial banks would.</p>	<p>Based on the information from field work PR Experts understood, that there is not wide availability of other funding opportunities for SMEs than their own funds and funding from EU. Venture capitalists,</p>

⁶² A **venture capitalist** (VC) is a private equity investor that provides capital to companies exhibiting high growth potential in exchange for an equity stake. This could be funding startup ventures or supporting small companies that wish to expand but do not have access to equities markets. Venture capitalists are willing to risk investing in such companies because they can earn a massive return on their investments if these companies are a success. VCs experience high rates of failure due to the uncertainty that is involved with new and unproven companies. (<https://www.investopedia.com/terms/v/venturecapitalist.asp>)

⁶³ An **angel investor** (also known as a private investor, seed investor or angel funder) is a high-net-worth individual who provides financial backing for small startups or entrepreneurs, typically in exchange for ownership equity in the company. Often, angel investors are found among an entrepreneur's family and friends. The funds that angel investors provide may be a one-time investment to help the business get off the ground or an ongoing injection to support and carry the company through its difficult early stages. (<https://www.investopedia.com/terms/a/angelinvestor.asp>)



<p>seed funds⁶⁴...). Which ones are the most active in promoting digitalization?</p>	<p>Altum also provides access to venture capital. However, according to DigiBEST regional study of Latvia, in general it is not easy for SMEs to access additional funding for investments in ICT, due to lack of own funds and necessity to finance also other core business projects.</p>	<p>business angels and other funding providers tend to focus on more developed regions, like Malaga, where business infrastructure is better developed.</p>
<p>Cooperation</p>		
<p>National/regional authority has an active role in fostering business digitalization in cooperation with main stakeholders (companies, clusters, innovation and research centres, universities).</p>	<p>National level strategy and policy framework is designed by various Ministries of the Republic of Latvia. As mentioned previously, The Ministry of Environmental Protection and Regional Development is primary responsible ministry for digital transformation aspect, however Ministry of Economics is also responsible for business related policies, incl. in relation to digitalization.</p> <p>The Ministry of Defence is responsible for Cyber Security Strategy, and several other ministries such as Ministry of Education and Science, Ministry of Welfare, Ministry of Transport are also responsible for digitalization topics related to their competency areas.</p> <p>At regional level regional planning regions are responsible for development of their represented regions. As PR Experts understand, planning region Entrepreneurship centres are one of the main stakeholders, and actively facilitate digitalisation in the regions by providing support to SMEs an</p>	<p>Granada Province is an autonomous region and it can operate rather independently when it comes to digital transformation strategy development, however local strategy still follows the guidelines of National and regional Andalusia policy goals. According to information from desk research and field research the Provincial Council of Granada interacts with local stakeholders and municipalities on the bases of Program of Assistance and Cooperation for Local Economic Promotion⁶⁵. The program is designed to provide assistance to municipal policies to support entrepreneurs and businesses and to facilitate cooperation with local business centres as well as to provide support to strategic sectors. However, based on impressions from field research PR Experts see that collaboration between stakeholders in common strategy elaboration could be increased by more frequent idea exchange meetings and policy activity feedback sessions.</p>

⁶⁴ The term **seed capital** (funds) refers to the type of financing used in the formation of a startup. Funding is provided by private investors—usually in exchange for an equity stake in the company or for a share in the profits of a product. Much of the seed capital a company raises may come from sources close to its founders including family, friends, and other acquaintances. Obtaining seed capital is the first of four funding stages required for a start-up to become an established business. (<https://www.investopedia.com/terms/s/seedcapital.asp>)

⁶⁵ <https://www.dipgra.es/seccion/AsistenciaMunicipios/>



	<p>also through collaboration with local universities and other organizations. According to planned “Digital Transformation Guidelines for 2021-2027” there are identified key measures that should be done to increase digitalisation in the country, and for each measure there are assigned responsible organisations, such as IT Cluster, Planning regions, Latvian Information and Communications Technology Association, Investment and Development Agency of Latvia, as well as different other business associations.</p> <p>However, it is though unclear how feedback from other stakeholders (NGO’s, clusters, etc.) is gathered by government institution like Ministry of Environmental Protection and Regional Development of the Republic of Latvia about policy introduction in local level to identify areas of improvement.</p>	
<p>If applicable, the DigiBEST partner has an active role/is involved in the existing partnerships among innovation stakeholders (companies, clusters, innovation and research centres, universities).</p>	<p>Ministry of Environmental Protection and Regional Development of the Republic of Latvia is responsible for policy introduction in such areas as environment protection, regional development as well as digital transformation.</p> <p>Ministry of Environmental Protection and Regional Development of the Republic of Latvia also collaborates with universities like the University of Latvia and RTU in project about digital skill integration in academic environment.</p>	<p>DigiBEST partner in Spain is the Provincial Council of Granada, that is also the main coordinator of policy implementation in the region and administrative support provider. As PR Experts understood it is also actively collaborating with most of the stakeholders through periodical meetings. However, based on what PR Experts understood during field research there is a limited idea exchange regarding potential digitalisation strategy improvements and policy framework development. Provincial Council of Granada has an agreement with all local entities of Assistance and Cooperation for Local Economic Promotion, which works as a tool for communication with</p>



		local municipalities and other economic interest groups of the province.
Involvement of other stakeholders, such as the Chamber of Commerce, trade unions, employment agencies in different projects, cooperation networks, etc. related to the digitalization of SMEs and microenterprises.	Based on information from web pages of The Latvian Chamber of Commerce and Industry PR Experts understood that The Latvian Chamber of Commerce and Industry organizes seminars for entrepreneurs and provide other support services to their members. Latvian Chamber of Commerce and Industry also has a Technology Transfer Committee that deals with technology facilitation among SMEs	Other stakeholders actively participate in digitalisation support to SMEs. For example, Granada Council of Commerce together with Motril Chamber of Commerce are in charge of good practice “TICCAMARAS”. Other stakeholders like OnGranada Tech city are also actively involved in digitalisation promotion and support to SMEs.

INTERREGIONAL LEARNING AND EXCHANGE

Good practices identified in the Hosting region useful for a potential transfer to the SP’s country/region. Please include, what is necessary to have them successfully implemented.⁶⁶

1. **“Digital Advisors”** programme (*Promotion of the digital transformation of SMEs through individualized advice by specialized agents*)

Link to the programme: <https://www.red.es/redes/es/que-hacemos/transformaci%C3%B3n-digital-en-pymes/asesores-digitales>

This is individualised support programme to SMEs. This service is focusing on the realization of a Digitalization Plan for the incorporation of ICT in its processes (business management, relationship with third parties, electronic commerce, digitalization of services and solutions). One of the main benefits of this program is that it works as a platform that brings together help seekers (SMEs) and registered advisors, therefore providing value added to both SMEs and highly skilled advisors in terms of new projects. The entity responsible of the programme, through a general invitation, prepares a list of providers of digital advice services: Registry of Advisors. To implement such practice a development of united platform where SMEs can meet professional advisors should be created, therefore interest would have to be raised among both SMEs and advisors to match demand with a supply.

In addition, financing structure should be defined to allocate funds for this kind of program. In scope of this program SMEs can receive up to 5000 EUR grant for project realisation. In Granada in total 5 mil EUR are allocated for the program, part is financed by European Regional Development Fund According to Granada regional review the program is described as easy transferable to any EU country or geography.

⁶⁶ Please, include sources, where further information can be found.



2. **“TICCAMARAS”** (*Programme providing to local SMEs a series of instruments, activities and support to help their digitalization processes and applications of IT.*)

Link to the programme: <https://www.camara.es/innovacion-y-competitividad/ticcamaras>

TICCAMARAS promotes the systematic incorporation of the IT to the usual activities of SMEs as competitive key tools in its strategy, as well as to maximize the opportunities that IT offer to improve its productivity and competitiveness.

The programme is characterized by its orientation towards the specific needs of the targeted companies through the development of a mixed methodology of diagnosis, support in the process of solutions' implementation and dissemination of the knowledge. The programme materializes through the following actions of direct support.

- 1) In the 1st phase, technological advisors bring a qualified vision and recommendations about the solutions that they will make to improve the competitiveness to the company. Such solutions include:
 - Tools of productivity in the cloud (ERP, CRM, TPV, Lot, Big Data, virtual reality);
 - E-commerce (web, online shop, footbridge of payments, e-invoicing, digital signature);
 - Digital marketing (social web positioning, marketing email, media, mobile applications, Lot).
- 2) In the 2nd phase, the SMEs are advised and mentored how to introduce advisors' recommendations.

The Chamber of Commerce of Motril helps companies with 4,900 euros if they invest at least 7,000 euros in IT solutions (computer developments, licenses, solutions, hardware and connectivity). “TICCÁMARAS” organizes also local actions in awareness-raising of the advantages of using the IT.

3. **“Guadalinfo”** (*Guadalinfo offers a free accessible public space on the internet which aims to generate projects and initiatives and stimulate the digital transformation of local areas*)

Link to the program: <http://www.guadalinfo.es/home>

“Guadalinfo” aim is to close gab between urban and rural areas and to encourage full integration of digital knowledge into society. Similar program might be useful also for Latvia as there exist a gap in knowledge and general economic situation between urban and rural areas.

“Guadalinfo” offers a free accessible public space on the internet which aims to generate projects and initiatives and stimulate the transformation of local areas. “Guadalinfo” assists urban population in how to use internet, general computer tools, and other basic IT solutions for people for whom internet access is limited, or who are in low digital literacy level. The region has improved in IT literacy in the “Guadalinfo” towns, benefiting in particular people, entrepreneurs and SMEs in rural areas and those with traditionally more difficulties in accessing ICTs. 53% of the users, for example, are women. “Guadalinfo” can be considered as the first step to initiate digitalization among urban population. Some activities of the programme are dedicated to SMEs, which aim to develop entrepreneurial capacities and increase self-esteem as vital assets for adapting to change.

At the moment there are 800 centres around Andalusia with 800 local innovation agents in scope of the program.

However, it seems that the practice is relatively extensive with total budget of EUR 19.3 million, therefore financing structure should be defined to allocate funds for this kind of programme as well as strategy would have to be elaborated where to place such centres, how many of such centres



would be needed, to approach SMEs in the most efficient way. Also skilled agents would have to be trained and allocated to the program. Based on the information that we have from Granada regional review the program is described as easy transferable to other regions and countries, which might be an advantage.

What else you could recommend to the SP's country/region to learn or take over from the HP's country/region?

In several good practices HP has provided support to SMEs through programs that bring together SMEs and private consultants. In PR Experts opinion programs that involve subsidised private consultant or ITC company support to SMEs could be created. By implementing such practices SMEs would be able to get individual advise and their business evaluation by professional experts, that could help with elaboration of individual SME digital strategy. At the same time, it would facilitate development of ICT industry businesses and overall collaboration between sectors.

Granada province as PR Experts understood from the field research has a large concentration of SMEs in early digital maturity stage, therefore many of their initiatives are related to showing digital path specifically to these kinds of SMEs. In PR Experts understanding this is also the case for Latvia, therefor more efforts should be put into providing opportunities for SMEs to learn relatively simple tools related to e-commerce, digital marketing, etc. Granada is working on platform (Granada Empresas), that would provide information about such tools to SMEs. Also, assistance in simple digital tools to population and SMEs of rural areas is provided by Guadalinfo program, as discussed previously. PR Experts know that in Latvia PR Experts also have some good practices such as "Consultancy on business support", organized by "Zemgale Region Human Resource and Competences Development Centre", that assist SMEs regarding these kinds of tools, however in policy framework aspect of basic tool promotion could be highlighted and identified and unified assistance centres could be distributed across territory of Latvia. Also already existing such good practices as "Consultancy on business support" that operate in single region could be identified and implemented also in other regions, therefore facilitating, that all regions work with the same approaches and the same or slimily aligned and organized programs.

CONCLUSIONS AND RECOMMENDATIONS related to enabling digital transformation of SMEs and microenterprises, providing guidance on potential solutions of existing problems and feasible improvements of the PP's Policy instrument, transferring GPs and knowledge from other EU countries. Conclusions and recommendations should also consider the current situation with COVID-19 pandemics and possible digital solutions and tools to help SMEs and microenterprises to continue operating and succeed in long term perspective.

Conclusions for the SP

Similarly, as in Granada in Latvia one of the main problemis awareness about need of digitalisation and possible digital solutions that could provide benefits to SMEs, as well as awareness about possible financing opportunities. At the same time digital skill level is relatively low among SME managers and employees as well as most SMEs have challenges to attract skilled ICT field employees. Altogether the adoption of digital technology is below average in comparison to OECD countries and as well Latvia has low comparatively low score in DESI index category – "Integration of Digital Technology". Also, similarly as in other areas of EU, in Latvia there is a gap between rural and urban areas, in terms overall economic development and therefore also in digitalisation level.

Improvement of these areas are addressed in policy instruments and certain goals to be accomplished are set by policies, however actual execution is rather fragmented. Similarly, as in Granada more active feedback gathering could be organised between policy makers, business



institutions and other organisations who provide support to SMEs in order to identify gaps in approaches how policies are implemented in real life and what is the success of the approaches.

Recommendations for the SP following this analysis and in accordance with the requirements of the work contract and specification (list of tasks and specific requirements of SP).

1) Maturity assessment and SME profiling

PR Experts encourage to assess data that can be collected by tools like “Smart Latvia & Digital Maturity Test”⁶⁷, and if necessary expand it/use additional tools like surveys to collect broader range of data that could be used to profile SMEs, their needs for digitalization and digital transformation, as well to monitor progress in digitalization and digital transformation across industries. The tool could be set as a mandatory instrument to be used in cases when funding is provided to SMEs for digital technology implementation. The maturity assessment also can be used as a tool for raising awareness within SMEs about their areas of improvement in regard to digitalization and digital transformation.

2) Standard technology usage promotion

Granada province “Granada Empresas” initiative has an aim to identify primary digital tools that could be provided to SMEs as a support mechanism. This idea is based on the use of the “Granada Empresas” platform⁶⁸ as an online access mechanism for contents of maximum business utility and work tools hosted in the cloud. PR Experts encourage to identify such tools also in Latvia based on SME profiling and SME business need matching with available ICT tool functionality, to raise an awareness among SMEs about relatively simple tools, and a digital approach, that could be adopted in their daily business activities.

3) IT support consultations

It would be beneficial to provide united framework of tailored digital consultation and mentoring services to facilitate growth of SME competitiveness and productivity. Such programs would have to be united across the country so that all regions can get access to the same services. Policy framework could include facilitation of such programmes and based on experience from Granada Province field research PR Experts would suggest considering previously mentioned GPs (“Digital Advisors” and “TICCAMARAS”) as a potential examples to be implemented. The consultations would ensure customized support specific to each SMEs needs regarding digitalization and digital transformation thus enabling them to increase the maturity in the area. To facilitate such initiative certain program of EU funding could be devoted to such initiative.

4) IT competencies and awareness raising

Similarly, as in Granada province, also in Latvia, digital competencies are a key issue in digital transformation process. Especially this is an issue in rural areas. Possibly it would be a beneficial to make access to internet and provide possibility to learn simple ITC skills for part of population, that has limited experience and knowledge to operate with computer, in order to do simple daily tasks, as well for those who do not have a computer or access to internet. To facilitate this it would possibly wide network of physical access points to internet and computer could be developed, similarly as it is done by “Guadalinfo” GP. Similar centres could work as ambassadors for potential of what digital solutions can give to businesses and individuals, carrying out activities for entrepreneurs, SMEs and the community in general, therefore facilitating new project and initiative creation and would stimulate transformation of local areas. Centres like that could also work as a source of information about communication with “e-government”.

⁶⁷ <https://www.interregeurope.eu/policylearning/good-practices/item/4119/smart-latvia-digital-maturity-test/>

⁶⁸ <https://www.granadaempresas.es>

At the same time, PR Experts would suggest to especially stress out in policy documents importance of up to date vocational studies and life-long learning programs that are related to ICT competency and tool learning, such as e-commerce, latest business systems like CRM, ERP. Centralised EU funded programs could be created. Similarly, programs could be created that are specifically oriented on systematic SME experience exchange projects with SMEs from other countries and regions, to raise an awareness and show best practices from abroad from similar industries.