



Ministry of Environmental  
Protection and Regional  
Development  
Republic of Latvia



## Action plan

**For the successful implementation of the tasks for the partner of the European Structural and Investment Funds “European Territorial Cooperation” for 2014-2020 INTERREG EUROPE Interregional Cooperation Program project “Digital Transformation of the Business Environment” (DigiBEST)**

### I part

Project: **Interreg DigiBEST**

Partner organisation: **Ministry of Environmental Protection and Regional Development  
Republic of Latvia**

Country: **Latvia**

NUTS2 region: **Latvia**

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### II part

The Action Plan aims to impact: **Investment for Growth and Jobs programme  
European Territorial Cooperation programme  
Other regional development policy instrument**

Name of the policy instrument addressed: **Recovery and Resilience Facility (RRF) program, for Digital transformation development.**

The DigiBEST project was launched in the EU fund 2014 – 2020 programming (“Growth and Employment - “To improve competitiveness of SMEs”) period. As it was finished during the project’s implementation, it cannot be improved anymore.

Considering the experience gained during the DigiBEST project from its partners, at the end of the project learning phase, three activities for the Action Plan were identified. It is planned that for the implementation of the activities will be tackled a new Policy Instrument instead of the one planned in the Application Form.

All included activities in the Latvian Action Plan will be financed from the RRF plan, pillar 2: Digital transformation Digital transformation development. RRF is a new budget program managed centrally by the European Commission in addition to the multiannual budget of the EU for the 2021 – 2027 programming period. It aims to support reforms and investments related to the transition to a green and digital economy, as well as to reduce the social and economic impact of the crisis.



### Part III – Details of the actions envisaged

The progress report on the implementation of Latvia's National Reform Program in the context of the Europe 2020 Strategy (NRP)<sup>1</sup> concludes that Latvia has made significant improvements in digital public services and is well above the European Union (EU) average due to active use of e-government solutions and the availability of open data in the Latvian open data portal<sup>2</sup>, allowing access to public administration data sets and metadata and making connection with other data sets. Further steps are being taken to increase the efficiency of public administration through the efficient use of cloud computing services in order to reduce administrative burdens and create a more favorable business environment for businesses, including small and medium-sized enterprises (SMEs).

Digital Transformation Guidelines for 2021-2027<sup>3</sup> state that Latvian companies do not fully use their digitalization potential, which is confirmed by the lag the EU average and no significant progress has been made in the integration of digital technologies in companies. Latvian companies are still under-exploiting the potential of online sales of goods and services, lagging significantly behind the EU average in terms of percentage of e-commerce revenue from SMEs. Only 11% of SMEs sell goods online, below the EU average of 17.5%. The share of SMEs trading across borders is still below the EU average (only 6.6% of all SMEs compared to 8.4% in the EU as a whole) and only an average of 5.3% of SME revenue comes from the online segment. Businesses have limited use of electronic information exchange, e-cloud computing and social media, and only 7.7% of businesses use big data.

To promote and support the competitiveness of SMEs and to offer solutions for the digital transformation (DT) of SMEs in Europe's rural areas, using modern technologies and new innovative business methods, and promoting sustainable and inclusive growth in Europe and its regions, on 1st of August 2019 The Ministry of Environmental Protection and Regional Development (MoEPRD) started the implementation of the European Structural and Investment Funds Objective "European Territorial Cooperation" project 2014-2020 INTERREG EUROPE interregional cooperation program project "Digital Transformation of Business Environment"<sup>4</sup> (project).

Seven partners from six countries/regions are participating in the project: Austria, Italy, Latvia, Norway, Portugal and Spain (partner countries). The University of Latvia is participating in the project as an advisory partner.

In the first phase of the project implementation (from 1st August 2019 to 31st July 2022), the current situation of each project partner country in the field of SME DT policy was assessed, raising awareness and sharing experience on SME DT problems and needs, as well as an interregional learning process that included a various of activities.

The following activities were performed in Latvia:

- From May 2020 to December 2020, a Regional Study about the situation of DT and its impact on SMEs<sup>5</sup> (Regional Study) was developed. The Regional Study identified shortcomings and possible solutions for improving SMEs DT on May and June 2020, an Entrepreneurship DT evaluation survey was conducted with the aim of assessing the status and process of SME digitization, obtaining conclusions for the promotion of enterprise digitalization, which would

<sup>1</sup> Latvia's National Reform Program for the Implementation of the Europe 2020 Strategy Simultaneously with the Latvian Convergence Program 2011-2014. were approved by the Cabinet of Ministers on 26 April 2011 and submitted to the EC on 29 April 2011

<sup>2</sup> <https://data.gov.lv/lv>

<sup>3</sup> <https://likumi.lv/ta/id/324715-par-digitalas-transformacijas-pamatnostadnem-20212027-qadam>

<sup>4</sup> <https://www.interregeurope.eu/digibest/>

<sup>5</sup> <https://www.interregeurope.eu/digibest/library/>



allow formulating recommendations. 51 respondents took part in the survey. In November and December 2020, a sociological survey of SME managers working in Latvia was conducted to find out the reasons why entrepreneurs do not use digital solutions, tools and services. 715 respondents took part in the survey.

- From February to August 2021, a Latvian Peer Review<sup>4</sup> was carried out, involving external experts from Norway and Austria<sup>6</sup> to assess the level of SME DT and provide conclusions and recommendations on how to promote SMEs DT in Latvia, improving the Policy Instrument ERDF Program "Growth and Employment" – Operational Program (OP) for the use of ERDF funds, Priority axes 3, Priority "To improve competitiveness of SMEs" (Policy Instrument).
- During the implementation of the project, examples of good practice<sup>7</sup> were identified - both in Latvia and in the partner countries, to promote mutual exchange of experience, transfer of knowledge and policy acquisition processes for the improvement of SMEs DT. Developing regional Action Plans, partner countries are expected to transfer some good practices or their elements, ideas to their region and use them as a good example.
- Six project stakeholder working group meetings<sup>7</sup> and 15 individual meetings with stakeholders were organized to involve them actively in the activities, organized by the project and they were involved in the preparation and implementation of the project deliverables. Stakeholders play an important role in the implementation of activities, have extensive experience in working with SMEs and their views are important in assessing both the current situation in Latvia and in making decisions to improve SMEs DT policy.
- As a result of the implementation of the project activities, a Business Digital Roadmap (Roadmap) was developed, based on the results of the study - business surveys, a regional study, a peer review, good practices and meetings with stakeholders. Roadmap is a tool to help to decide on a specific action to include in the Action Plan.

As a result of the suggestions and recommendations made in the research process for the improvement of policy instruments, Action Plan is being developed. The Action Plan includes activities that will offer to improve the existing policy instrument and strengthen the DT of enterprises by promoting the use of modern technologies and innovative business models. At the meeting of the stakeholder working group on January 20, 2022, the involved parties mutually agreed on the activities to be included in the project Latvian Action Plan for 2022-2023.

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<sup>6</sup> The Latvian peer review was conducted by Linda Randall, Senior Research Advisor Nordregion (Norway), Mari Wøien Meijer, Nordregion Researcher (Norway) and Markus Roth, CreativeBITS business owner and IT consultant specializing in digital transformation and digital business module development.

<sup>7</sup> <https://www.interregeurope.eu/digibest/good-practices/>

<sup>7</sup> The working group was established in accordance with the MEPRD Order No. of 25 October 2019. 1-2 / 79 "On the establishment of the Stakeholder Support Group for the INTERREG EUROPA project". The working group includes the Ministry of Economics, the Ministry of Education and Science, the Ministry of Environmental Protection and Regional Development, the State Employment Agency, the Union of Local Governments of Latvia, Vidzeme, Kurzeme, Riga and Zemgale Planning Regions, Jelgava Municipality, Zemgale Region Competence Development Center, Jelgava Region, Latvia Information and Communication Technology Association, Latvian IT Cluster, Latvian Chamber of Commerce and Industry, Latvian Employers' Confederation, Latvian Open Technology Association, Ventspils Digital Center, Latvian Investment and Development Agency.



## Action N°1

### Complementing a one-stop platform towards SMEs DT

#### The background

In the project Regional Study and Peer Review information fragmentation was mentioned as one of the obstacles of successful DT development of SMEs. The experts in the Peer Review pointed out that in general, in Latvia development of SME DT is promoted - various support tools are available, organized events, trainings, seminars, etc., but these activities are not nationally coordinated that promotes information fragmentation. Due to the information fragmentation, SMEs cannot keep track of the activities and support opportunities offered, as the information can be found on the websites of various service and support providers, and it takes a long time to find the information.

The same was pointed out by involved project's Stakeholders – there are difficulties to navigate and understand all the offers and access to support tools.

As a solution for information fragmentation, the Peer Review experts recommended to create one-stop platform with proactive and life-tailored information as well as integrated, business-oriented services offer in one place. The Peer Review experts recommended the development of coordinated communication channels to enable stakeholders to disseminate information on DT opportunities and benefits to business.

The following good practices of project partners have been partially considered and used in the implementation of Action1:

- **Industry 4.0 initiative Financing Portal** (Portugal):
  - Trainings and tools to support business;
  - Financing solutions for companies.
- **Digital Austria** (Austria):
  - Online materials for increasing digital skills;
  - Digital success stories;
  - Information about the possibilities and meaning of DT.

#### ○ Activity

By mutual agreement, it was proposed to create a single platform or to complement an existing platform as a solution to reduce information fragmentation. The stakeholder group emphasized that the one-stop platform should be sustainable, that information should be gathered from different websites and stakeholders, and that the information should be easy understandable. Stakeholders recommended not to create a new platform, which would be a short-term solution, but to supplement the existing state platform for business development, managed by the Latvian Investment and Development Agency [www.business.gov.lv](http://www.business.gov.lv), which was launched in September 2021. The portal [www.business.gov.lv](http://www.business.gov.lv) is an independent state platform with aim to provide the necessary and up-to-date information to the entrepreneur, so that the entrepreneur is able to increase the company's productivity and promote competitiveness by obtaining this information.

The project stakeholder's pointed out that by developing the platform [www.business.gov.lv](http://www.business.gov.lv), it is important to include easy-to-understand information, which is compiled from various databases, like:

- co-financing opportunities;
- non-formal education;
- information about events, exhibitions, trainings, seminars etc.;
- export opportunities.

As the advantages of SMEs if the platform [www.business.gov.lv](http://www.business.gov.lv) will be supplemented were indicated:

- all necessary information in one place – one-stop platform;
- SMEs saves time and costs on searching for information;
- it is easier for government and industry (as well as NGO) to promote one platform



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A common one- stop platform would facilitate cooperation between stakeholders:

- exchange of information would take place in the one – stop platform;
- transparent information about training, co-financing etc. opportunities.

The action will be divided in:

**Step1** - Organizing SHs meetings to discuss about development of the portal (once per three months)

**Step 2** – Survey development for SMEs about portal usage, availability and comprehensibility of information (200 respondents)

**Step 3** – 70 000 unique visitors who visited portal by 31.07.2023

Activity 1 “Complementing a one – stop platform towards SMEs DT” will directly affect PI “Digital transformation development” because of digital information availability and transparency about SMEs opportunities whose usage will move forward to DT.

#### **Performance indicator**

Improved state platform for business development [www.business.gov.lv](http://www.business.gov.lv)

Number of unique visitors from September 2021 till 1st of March 2022 - 5000,

Till the end of 2022 it is expected to have 50 000 unique visitors and 70 000 till 31st of July 2023.

#### **Responsible institution**

The [www.business.gov.lv](http://www.business.gov.lv) manager is Latvian Investment and Development Agency subordinated by the Ministry of Economics Republic of Latvia - the responsible institution of the chosen PI. Representatives of both institutions are members of the project stakeholder’s team and closely have been working on identifying and developing the Action 1 and will be implementing it.

#### **Co-responsible institutions**

Stakeholders (public administrations, NGOs etc.) who provides services and opportunities to SMEs.

#### **Timeframe**

April 2022 – 31st July 2023

#### **Costs**

10 000 EUR for software development and design

#### **Funding sources**

One – stop platform was created within 62.07.00 European Regional Development Fund (ERDF) projects (2014 – 2020). Project 2.2.1.1/17/026 “Latvian Export and Information System”.

Complementing a one-stop platform towards to SMEs DT will be done within RRF, pillar 2: Digital transformation, reform 2.1.2.r Increasing the efficiency and interoperability of the use of state ICT resources, planned investments, 2.1.2.1.i “Centralized platforms and systems of administration”. Planned name of project: Development of the “National Platform for Business Development”. Planned completion date of the project” 31.12.2025.

## **Action N°2**

### **Knowledge bank**

#### **The Background**

The creation of a Knowledge bank is addition to Activity 1 “Complementing an existing one-stop platform [www.business.gov.lv](http://www.business.gov.lv) for SMEs, as this will be located on this platform. In the Regional Study of project as one of the obstacles were mentioned the low level of SMEs knowledge, which hinders the successful implementation of DT in SMEs. Peer Review experts pointed out that SMEs needs to have



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trainings to understand the role and impact of DT on entrepreneurship, and to increase their knowledge. The Peer Review experts pointed out that SMEs already have a wide range offer of trainings, but because of information fragmentation and poor transparency, makes it difficult for businesses to navigate the wide range of training and materials. Peer Review experts recommended improving the coordination of existing activities.

#### **Activity**

At the same time, Latvian stakeholders pointed out that many SMEs have lack of basic digital skills, not to mention the usage of technologies such as Customer Relationship Management System (CRM), etc. Despite the wide range of training offer in Latvia, regional consultants, governmental and non-governmental organizations devote a huge time by teaching SMEs basic digital skills. Peer Review experts and stakeholders indicated that the creation of a Knowledge bank could increase SMEs level of knowledge.

The stakeholders agreed on the need of a Knowledge bank with the aim of structuring learning materials, videos, infographics, etc. materials which can be developed in an easy and understandable language, so that the entrepreneur can acquire or improve their digital skills at a convenient time and place, as well as increase the level of knowledge and understanding of DT issues. The content of the Knowledge bank will be developed in cooperation with the involved stakeholders.

Access to the Knowledge bank would enable SMEs to acquire knowledge and information about digital tools and services that would increase business productivity, SMEs knowledge and understanding of DT. By increasing SMEs' knowledge of DT and by implementing DT elements would also be increased the competitiveness of entrepreneurs

The action will be divided in:

**Step1** - Organizing SHs meetings to discuss about development the Knowledge bank (once per three months, in frame of meeting about one – stop platform)

**Step 2** - 3000 unique visitors who visited Knowledge bank by 31.07.2023

Activity 2 "Knowledge bank" will directly affect PI "Digital transformation development" by giving learning materials to SMEs that can be used to develop digital business features that will rise business growth and competitiveness.

#### **Performance indicator**

The Knowledge bank will be located on the state platform for business development [www.business.gov.lv](http://www.business.gov.lv)  
Till the 31st of July 2023 it is expected to have 3000 unique visitors

#### **Responsible institution**

[Latvian Investment and Development Agency.](#)

#### **Co-responsible institutions**

Stakeholders (public administrations, NGOs etc.)

#### **Timeframe**

Till 31st of July 2023

#### **Costs**

2000 EUR for software development and design

#### **Funding sources**

Within RRF, pillar 2: Digital transformation, reform 2.1.2.r Increasing the efficiency and interoperability of the use of state ICT resources, planned investments, 2.1.2.1.i "Centralized platforms and systems of administration".



## Activity N°3

### SME Digital Maturity Test to provide individual consultation and trainings.

#### The Background

During the Peer Review in Latvia, experts pointed out that most SMEs would like to understand the first steps in promoting entrepreneurship through the opportunities offered by DT, but they have lack of general knowledge and understanding of the DT opportunities and benefits. A Digital maturity test and individual consultations would provide an in-depth understanding of the DT opportunities and benefits for a particular company. According to the results of the Digital maturity test, tailored training would motivate SMEs to use the knowledge and understanding gained by integrating different digital tools or services into their business, thus would increase their competitiveness. Project stakeholders pointed out that the lack of individual consultations is one of the most common reasons why entrepreneurs turn to the state, municipal institutions and non-governmental organizations for help.

In Latvia, for SMEs is available the Latvian Information and Communication Technology Association's Digital maturity test "[Smart Latvia](#)" - after completing it which the entrepreneur receives general recommendations on how to improve the shortcomings revealed in the Digital maturity test, however, there is currently a lack of individual consultations and appropriate training.

At a meeting of the Stakeholders' Working Group on 3rd October 2021, stakeholders stated that SMEs should have access to a Digital maturity test, after which they receive individual advice and an appropriate level of training.

The Peer Review experts recommended the development of a Digital maturity test that would provide more detailed data that could be used to profile SMEs according to their needs. Experts recommend making the Digital maturity test a mandatory tool when SMEs apply for support instruments.

The mentioned activity was developed inspired by the following good practices of project partners and have been partially taken into account and used in the implementation of Action 3:

- [Industry 4.0. initiative](#) (Portugal). A self- assessment test for companies, specific instrument of THEIA which shows where the company stands in terms of digital maturity, and which are the areas for improvements;
- [Digital Advisors](#) (Spain). Personalized consultations to SMEs by specialized information and communication technologies (ICT) consultants;
- [Ticcamaras program](#) (Spain). Shows an easy way on how to implement DT in daily work. 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;

#### Activity

SMEs' understanding of the implementation of DT in the company would be promoted, which in turn would increase the productivity of SMEs and increase their competitiveness.

Target group for Digital maturity test followed by individual consultations and trainings will be all entrepreneurs who would like to get European Union grants. SME's digitalization journey will start with the onboarding process, where a Digital maturity test and an initial evaluation will be completed to find out which business and/or production processes and services could benefit from innovative solutions or DT elements. These services will be provided across regional contact points<sup>8</sup>. The digitalization process is brought from the idea of connecting relevant experts to SMEs, advising on the latest technology, and providing the necessary infrastructure to test the developed solutions without the risk of making major investments beforehand. To complete the cycle of ecosystem development, SMEs will be provided with networking opportunities and learning tools - by organizing online and in-person events, hackathons, and training activities for different actors. It will act as a matchmaker between Latvian and European research and technology organizations for joint projects.

<sup>8</sup> Latvian Digital Innovation Hub, Zemgale Entrepreneurship Centre, Vidzeme Entrepreneurship Centre, Latgale Entrepreneurship Centre, Kurzeme Entrepreneurship Centre, Liepāja Digital Innovation Park



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The action will be divided in:

**Step1** – Maturity test will be adopted

**Step2** – System development – activities (consultations) that follow the Maturity test

**Step 3** – SMEs who completed Digital maturity test followed by individual consultation (200 SMEs till 31.07.2023)

Activity 3 "Digital maturity test followed by individual consultations and trainings" will directly affect PI "Digital transformation development" by stimulating SMEs interest in DT opportunities and improve the results of SMEs competitiveness by providing concrete solutions.

### Performance indicator

The Digital maturity test has been developed and, according to the results, the possibilities of the underlying consultations and the appropriate level of training offer.

200 entrepreneurs who will fulfil Digital maturity test followed by individual consultation and trainings till 31st of July 2023.

### Responsible institution

Latvian IT Cluster

### Co-responsible institutions

Latvian IT Cluster [Stakeholders](#)

The Ministry of Economics of the Republic of Latvia

The Ministry of Environmental Protection and Regional Development of the Republic of Latvia

Altum (state – owned development finance institution)

Investment and Development Agency of Latvia

### Timeframe

untill 31st of July 2023

### Costs

SME onboarding: Digital maturity test and initial evaluation 500 EUR per company.

Mentoring program for process digitalization, creation of digital transformation roadmaps and/or business plans for large- scale funding programs 10 000 EUR per company.

Mentoring program for process digitalization, creation of digital transformation roadmap to apply for small-scale funding programs 5000 EUR per company.

### Funding sources

Provided from Component 2 "Digital transformation" of the European Union Recovery and Resilience Facility Plan, Reform and Investment Direction 2.2 "Digital transformation and innovation of enterprises" 2.2.1.r. "Creation of the full cycle of business digital transformation support with regional coverage" Regulation for the 2.2.1.1.i. investment "Support for the establishment of Digital Innovation Hubs and regional contact points"

RRF, pillar 2: Digital transformation, reform and Investment Direction 2.2 "Digital transformation and innovation of enterprises" 2.2.1.r. "Creation of the full cycle of business digital transformation support with regional coverage" Regulation for the 2.2.1.1.i. investment "Support for the establishment of Digital Innovation Hubs and regional contact points"

Ministry of Environmental Protection and Regional Development Republic of Latvia  
Deputy State Secretary on Digital Transformation issues

G.Ozols







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Appendix 1

STAKEHOLDERS:



Ekonomikas ministrija



Izglītības un zinātnes  
ministrija



Vides aizsardzības un  
reģionālās attīstības  
ministrija



Nodarbinātības  
valsts agentūra



KURZEMES  
PLĀNOŠANAS  
REĢIONS



ZEMGALES  
PLĀNOŠANAS  
REĢIONS



RĪGAS  
PLĀNOŠANAS  
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