2016 was a significant year for Vidzeme Planning Region (VPR) – we celebrated our 10-year anniversary. Last year demonstrated how important succession is in our field of work – everything that we do has to be connected, consistent and purposeful. Without a doubt implementation of each of our projects, initiatives and activities is strategically necessary to reach our long-term development goals. The basis of our everyday work is the Vidzeme Planning Region Sustainable Development Strategy 2030 which has been elaborated together with experts from Vidzeme municipalities and Vidzeme University of Applied Sciences by involving citizens, thus ensuring that the Strategy offers a comprehensive view on the future of Vidzeme.

In 2016 we were delegated a new function – support to regional entrepreneurship. VPR had already before supported entrepreneurs by implementing business development projects and organising educational seminars to businesses, so this was a logical succession of VPR’s input in this domain. We continue to implement cross-border cooperation projects to improve business and innovation environment in Vidzeme region. The opportunity to continue our work in developing the entrepreneurship environment gives us a chance to increase the quality and impact of our work.

In 2017 we will continue to develop our projects and initiatives and will look for new ways to help Vidzeme region’s businesses become more competitive on an international scale. We will work to improve the support of national policies to regional economy. We will strengthen the international competitiveness of Vidzeme region by promoting collaboration of regional businesses, municipalities and other stakeholders. To achieve that, we are drawing inspiration from other regions across Europe and sharing our experiences with them.

May the 2017 bring us and our many partners growth and sustainability!

Hardijs Vents
Head of Vidzeme Planning Region Development Council

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http://www.vidzeme.lv/en/
Our focus on entrepreneurship development in 2016 was reflected in the activities of our projects and initiatives. In this issue of Vidzeme Planning Region International Newsletter we want to show how our projects and initiatives give impact to our regional businesses.

INCREASING THE COMPETITIVENESS OF TOURISM SMEs

Project **Destination SMEs** brings together partners from 7 countries – France, Italy, Malta, Ireland, Finland, Latvia and Slovenia aims at improving policies in the partner regions in order to increase the competitiveness of SMEs of the tourism sector.

Policies aiming at supporting SMEs lack some effectiveness and efficiency in the tourism sector in many European regions. With a more favorable environment, SMEs could grow faster and create more jobs. For tourism SMEs, it would require creation of a management strategy of the territory, i.e. a destination management strategy. Tourism SMEs are part of a destination, an area with activities, accommodation, transportation systems etc. Destinations that are well managed are more likely to generate ‘wise growth’ from their visitors flow, and are more likely to maximize the benefits of that growth in the long term, and create additional income and jobs. When a territory is not organized as a tourism destination, it is very risky to develop any business in it.

Creating favorable conditions for tourism SMEs means to encourage the territories to organize themselves as a tourism destination. Public-private cooperation is crucial to raise the competitiveness of a tourism destination.

In 2016 project partners have developed Reciprocal Improvement Analysis, suggesting their best practice examples that could be useful for improvement of other partners’ policy documents. VPR has identified three good practices to share across the Europe:

- Gauja National Park tourism cluster “Enter Gauja” comprising local municipalities, entrepreneurs, Nature Conservation Agency and Vidzeme University of Applied Sciences;
- Company “Valmiermuižas pils” that works towards attracting tourists and organizing local product markets;
- Association of municipalities around Valmiera city that have developed a common tourism strategy - “Valmiera+”.


In the past years VPR has worked towards promoting the use of open data and its solutions in the Vidzeme region. Since 2014 we have been implementing a European Union’s ICT Policy Support Program project “SDI4Apps” - Uptake of Open Geographic Information Through Innovative Services Based on Linked Data. The project draws along the lines of INSPIRE, Copernicus and GEOSS and aspires to build a WIN-WIN strategy for building a successful business for hundreds of SMEs on the basis of European spatial data infrastructures. Consortium of 18 partners is working in three main pilot directions – transport networks, land use and tourism points of interest. A cloud framework is developed to facilitate the development of new open spatial data solutions for app developers and users. After the project end the results will be taken over by an international association “Plan4All” where VPR will be one of the members to ensure the sustainability of project’s results and to promote the “SDI4Apps” data accessibility to Vidzeme region’s municipalities, companies and other data users and app developers.

VPR is coordinating the social validation of the project results and has been working to familiarize Vidzeme stakeholders with open data and its advantages. In December in Valmiera city (Latvia) we organized a conference “Open data for regional development”. It gathered participants from Vidzeme region municipalities, Vidzeme University of Applied Sciences, Ministry of Environmental Protection and Regional Development of the Republic of Latvia, Nature Conservation Agency and other government institutions. Experts from Czech Republic, Ireland and Latvia presented examples of open data solutions in spatial planning, transport, education, agriculture and other sectors.

**ECO-INNOVATIVE SMEs SHOW THE NEED FOR INNOVATION STRATEGY**

Project **SUPER** (Supporting Eco-Innovations Towards International Markets) aims to improve SMEs’ uptake of environmentally sustainable innovations into their business. For that the regions need to work further on how to develop models, such as the cooperative business support model, where the focus should be on possible measures for business development and how companies can evolve towards an environmentally driven export market while working together with the whole chain of support and in close interaction with the SMEs themselves. Project partners have developed a survey for eco-innovative SMEs to identify main challenges for eco-innovative companies. It is concluded that the main challenge in Latvia is that there is not one single innovation development strategy, but it is scattered in different policy instruments, so the companies have the difficult task to follow different support instruments and to find the most suitable for their eco-business. Herein lays the need to share solutions how public and private bodies can work on improving innovation policy delivery for an environmentally driven business development of SMEs.
EU CROSS BORDER COOPERATION PROJECTS

INNOVATIVE SOLUTIONS BRING INTERNATIONAL ATTENTION

Project RATIO (Regional Actions to Innovate Operational Programs) brings together 9 partners from 8 countries (Spain, Germany, Italy, Portugal, Ireland, Poland, Latvia, Czech Republic) that are working together to improve regional policies for small and medium-sized enterprises in support of innovation. The core focus of the project is to identify challenges and necessary improvements to provide better business and innovation support in rural areas. RATIO aims to identify the innovative potential of companies and help them to grow and expand their activities through a learning process. This must be done by creating effective exchange of experiences in supporting cluster cooperation and international alliances, networks and clusters. This exchange of experiences among regional actors will be followed by the transfer of the lessons learnt to the regional programs. The project will contribute to reinforce the innovation culture in the region by boosting innovative ecosystems, where actors (regional and local authorities and innovation partners) and stakeholders (associations, academia, regional governments) can work together on the action plan to reach the needed policy change.

Vidzeme Planning Region has identified the best practices of Latvia, finalized regional analysis and concluded innovative SME inventories. VPR organized study visit for project partners and international stakeholders to work together on project issues and to promote the best practices - Latvian High Added Value and Healthy Food Cluster and The Institute of Environmental Solutions (IES). Both are great examples of how innovations and community involvement becomes an important tool for business environment development in rural areas. IES is acting as an innovation leader in technology application for environmental research and working towards commercialization of research results, by attracting global knowledge and human resources. They are developing social environment of the region by working on projects that bring together science and arts to overcome existing barriers of traditional thinking and to offer new solutions for the environment. Both good practices got high interest from project partners and are considered valuable examples also for other countries.

NEW TOURISM PRODUCTS TO EXPLORE THE HANSEATIC HERITAGE

Cross-border cooperation is a way to put small destinations on the international tourism market. The HANSA (Hanseatic Approach to New Sustainable Alliances) project will develop Hanseatic heritage in the small Hanseatic towns in Sweden, Estonia and Latvia and make them visible in Europe. Eleven partners have joined forces to build new tourism packages based on cross-border cooperation, to attract more visitors to the destinations, to prolong the tourism season as cultural tourism is all-year-round tourism and to improve economy. The local tourism SMEs are encouraged to build new products and services around the Hanseatic heritage of the project cities, thus ensuring a comprehensive Hanseatic experience for the tourists. A quality label “Hansa culinary” will be developed to promote locally grown natural products that are significant part of the modern culinary.

As one of the partners, Vidzeme Planning Region helps promoting the Hanseatic destinations since 3 of the 9 Hanseatic towns that have joined the project are situated in the region – Straupe, Cēsis and Valmiera.
EU CROSS BORDER COOPERATION PROJECTS

AN IMPROVED ACCESS TO THE NORTH SEA - BALTIC CORRIDOR AND EUROPEAN MARKETS

**TENTacle** (Capitalising on TEN-T Core Network Corridors for Prosperity, Growth, and Cohesion) project is aimed to improve mobility, intermodality (mixed modes of transportation) and interoperability on the major transport axes across Europe. Such ambitious results are mainly possible because of extensive partnership (23 partners representing regions, municipalities, ports, institutes, and networks, just to mention some, from 9 countries). VPR role is to develop “Vidzeme regional mobility investment plan 2030”.

Plan will be developed mostly during the year 2018, but preparation work has started during last year. One of the most important highlights was the international conference „Europeans on the Move - Between Urban Hubs and Rural Towns“ organized in cooperation of Vidzeme Planning Region and Innovation Circle Network (Norway). The conference helped incorporate latest transport planning trends from other European countries in our mobility and investment plan preparation work, to make sure that Plan is developed up to highest standards and takes in account experiences and best practices from rural and less populated areas around Europe.

What this all means for Vidzeme region, focusing on local business development issues, and what does VPR plan to achieve through TENTacle project?

“Vidzeme regional mobility investment plan 2030” will address the decline processes in the predominantly rural and remote area of Vidzeme (low birth rates and outmigration, shrinking local market, difficulties in commuting of workforce etc.), accompanied by negative business development trends, e.g., relocation of companies to better accessible urban centres, high costs of logistics, ineffective supply chains and others. Additionally, VPR will aim to find measures for a better infrastructural and functional connection of the region area to the North Sea—Baltic Corridor and to the Baltic Sea ports to utilise its territorial capital. Combining this with recommendations on the land use and traffic solutions as well as suggestions on sites for logistics centres it is expected to help potential investors make decisions to start or expand business in Vidzeme.

To facilitate transparency and participatory planning VPR will launch a stakeholder involvement process to increase the ability of planners, decision makers and business actors to work together on providing integrated transport and land use planning solutions. Such stakeholder process would give chance for local businesses to be involved in transnational transport planning and to play an important role in planning of region’s transport infrastructure development, which would significantly change how planning in this field is done.
VPR is developing EU Strategy for the Baltic Sea Region flagship initiative for lifelong learning – **BSR SMART LIFE** which brings together stakeholders from Latvia, Lithuania, Sweden and Germany and other Baltic Sea region countries who are working together to identify necessary improvements in the domain of lifelong education and to implement them in the Baltic Sea region.

The core focus of the initiative is to find sustainable and effective solutions to foster socioeconomic development of the Baltic Sea region through access to qualitative lifelong education and training for all. Labor markets are changing and employers are demanding workforce that shows constant growth and development of skills to keep up with the new technological and market advances. The initiative supports dialogue between labor market organizations, employers and business organizations, relevant authorities, and education providers on a society of longer lives.

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**Via Hanseatica** is a prime Baltic tourism route with rich diversity of cultural and historical heritage. Estonia-Latvia-Russia cross-border cooperation project **Via Hanseatica**, promoting 580 km long route between Rīga, Gauja National Park, Tartu and St. Petersburg, has finished in 2014. It has contributed a lot to the region's competitiveness by raising the visibility of tourism destinations and enhancing an international hub for tourism businesses tending to congregate along the route. The relative efficacy of the destinations is growing, through coordinated tourist route management. In light of these positive results a new project with focus on the gastronomic tourism – a rising trend - along the Via Hanseatica route has been developed to highlight the advantages of local tourism offers.
2016 has been an active year for cluster’s internationalization and management excellence development with the implementation of SFOREXCELLENCE (Five for Cross-industry Value Chain Excellence) project in the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (SMEs) – COSME 2014-2020. Together with other partner clusters from Latvia, Estonia and Sweden, Latvian high added value and healthy food cluster (Latvian Food Cluster) participated in the cluster management excellence benchmarking and quality labelling process, led by The European Secretariat for Cluster Analysis (ESCA). As a result, cluster has received Bronze Label of the European Cluster Excellence Initiative (ECEI), thus becoming one of only three benchmarked clusters in Latvia.

Networking

For the third-time Latvian Food Cluster was represented in the “BSR Stars 4th International Cluster Matchmaking Conference: Internationalization the Strategic Way” that took place in Warsaw, Poland. 250 participants from 151 clusters from 30 countries attended this event. During the conference, Latvian Food Cluster’s board member and internationalization coordinator Kristaps Ročāns received a prize certificate for “European Champion in SME-impact for cluster internationalization 2016”.

SFOREXCELLENCE project has also facilitated an experience exchange trip to Sweden and meeting with Packbridge packaging industry cluster representatives in Malmö. In the beginning of 2017 Latvian Food Cluster board members will participate in similar experience exchange and learning trip to Austria, meeting clusters’ representatives from Business Upper Austria. A five-day training course “Introduction to Cluster Excellence Management”, led by internationally recognized cluster development experts from “European Foundation for Cluster Excellence” will also be organized in Tallinn, Estonia in January 2017.

Future cooperation has been discussed with Korea National Food cluster “FOODPOLIS” during its meeting with Latvian Food Cluster’s Chairman of the board Mr. Jānis Garančs. A meeting with the representatives from FoodNetwork - the Danish National Food Sector Innovation Network, was also held in Copenhagen, which has resulted in a jointly developed bilateral collaboration project “Cross-sectorial collaboration for efficient and sustainable food value chains in Baltic Sea region (Pack&Food Baltic), which will be implemented in the BSR Innovation express programme in 2017.

Local development

On a local scale a major success has been the collaboration agreement between the cluster and Valmiera city Technical school, that allows the cluster companies to use product development and testing facilities of the school for product prototyping. Several new member companies joined cluster in 2016 and cluster representatives were involved in stakeholder groups of three Interreg Europe projects “SUPER”, “RATIO” and “CLUSTERS3”.

The cluster growth, development and internationalization process is continuing, and Vidzeme Planning Region is proud to be among the founding members of the cluster and is looking forward to develop new projects for the cluster development that link together with the region’s smart specialization area of bio-economy.

A cluster collaboration profile is available in the European Cluster collaboration platform:

http://www.clustercollaboration.eu/node/1093
INTERNATIONAL COOPERATION

VPR STRENGTHENS RELATIONS WITH GEORGIA

Since Georgia is one of the six European Union’s Eastern Partnership countries and one of the priority countries defined in the Latvian Development Cooperation Policy 2016—2020, Vidzeme Planning Region strengthened its connections with Georgia by welcoming its representatives to our region. In March we welcomed the Ambassador of Georgia to the Republic of Latvia Mr. Teimuraz Janjalia to talk about Georgia’s economy and cooperation possibilities between the two countries. Mr. Janjalia was especially interested in the collaboration between entrepreneurs, looking for new markets and new partners.

In November, in the framework of European Days of Local Solidarity, VPR welcomed a delegation from Imereti region (Georgia) with whom in May 2016 Vidzeme Planning Region signed a Letter of Intent. During the visit, VPR presented the region and established new contacts between educational institutions and companies. These visits have served as stepping stones in strengthening the cooperation and solidarity between the two countries.

WE ARE OPERATING IN THE FOLLOWING PROGRAMMES:

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