



Euregio Pskov-Livonia

REGIONAL REPORT ON IS

20TH JULY 2010

Graphic guidelines:

- ➔ Source: Arial, 10
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- ➔ If you need introduce any chart, please, if possible a bar chart or a pie chart. Colors to be used: orange ■, yellow ■ and red ■

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Report on IS (Final version)

1. Overview

1.1 – Introduction

Euregio Pskov-Livonia (Latvia) is NGO established in 2001 by 4 district municipalities – Aluksne, Balvi, Ludza and Valka. Now, after the administrative reform in Latvia on 2009, Euregio consist of 12 local municipalities – Ape, Aluksne, Baltinava, Balvi, Cibla, Karsava, Ludza, Rugaji, Valka, Vilaka, Zllupe, Smiltene. NGO consist of the board (12 representatives – 1 for each municipality) and executive staff (1+1).

Euregio Pskov-Livonia (Latvia) is working to support the local municipalities to be active on international cooperation – mainly under education, sport, culture, economy and tourism fields. To go forward and by taking into account the legislation of Latvia and legislation of European Council, European Parliament and working papers of European Commission, Euregio Pskov-Livonia in 2008 was started to put the attention on development in Eiregion of information society by taking the experience from international partners.

The wider deployment and more effective use of digital technologies will thus enable Euregio to address its key challenges and will provide citizens of Euregio with a better quality of life through, for example, better health care, safer and more efficient transport solutions, cleaner environment, new media opportunities, new challenges and lots of possibilities to develop business without borders, the easier access to public services and cultural content, etc.

According to the Digital Local Agenda principals there are the attention put to the:

- Actions include making electronic payments and invoicing easier and simplifying online dispute resolution;
- Citizens should be able to enjoy commercial services
- To allow people to create, combine and innovate we need ICT products and services to be open and interoperable.
- Citizens need to feel confident and safe online. The reinforced rules on personal data protection are part of the solution. The actions could also potentially oblige website operators to inform their users about security breaches affecting their personal data.
- Very fast internet is essential for the economy to grow strongly, to create jobs and prosperity, and to ensure citizens can access the content and services they want.
- Attractive content and services need to be made available in an interoperable and borderless internet environment.
- Everyone, young and old, irrespective of social background, is entitled to the knowledge and skills they need to be part of the digital era since commerce, public, social and health services, learning and political life is increasingly moving online.

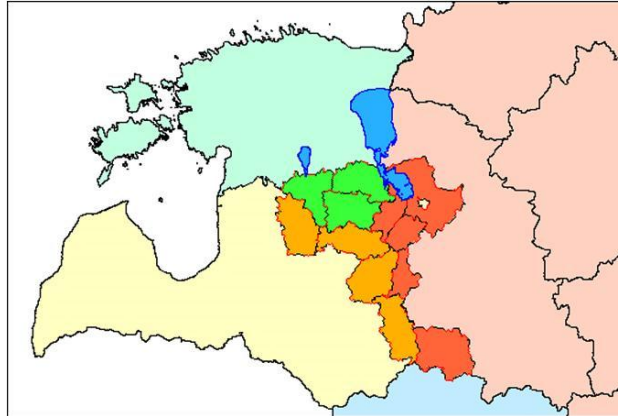
All those below are the strong motivation for local municipalities belongs to Euregio Pskov-Livonia to work on IS development.

Very important in Euregio Pskov-Livonia is to put the attention to the specific characteristics of this area:

- Border area with Estonia (Schengen) and Russia (non-Schengen, VISAs needed);
- Low density of population;
- Low level of business development;
- Large distances to the main cities;
- Low level of quality of the roads;
- Low level of mobile network.

1.2 – Socio-economic data

The territory of Euregio Pskov-Livonia is showed on picture below marked orange color.



There is population around 111 553 people. There are 13,45% of population age 0-14, 65,05% age 15-64 and 21,5% age over 65. The average density of population in region – 19%. The average size of families in region is 2,5 people per family. There are higher incomes for families are living the towns than in rural area, but still Euregio is area with low incomes. Average incomes for family (each of family member) is 183 LVL/per month comparing the data's at national level – 253 LVL/per month.

For the beginning of 2010 there were unemployment in region in average 11,93% (highest – Baltinava, Zilupe, lowest – Smiltene, Ape, Valka). Main industry sectors in region are trade, agriculture, transport, manufacturing with average GDP 1 inhabitant 3 807 LVL/per year related to Latvia in average – 6493 LVL per year. Main business is located in the town (67,7%), the rest in rural area of the Euregio Pskov-Livonia – 32,3%. There are self-employment the most popular as the business form. There are low level of civic participation through NGO's (around 250 NGO's from almost 6000 in Latvia).

(Data: Central statistical Bureau of Latvia, Lursoft and State Regional Development agency)

1.3 – Regional SWOT Analysis

[4 tables-lists concerning: Strengths – Weakness – Opportunities – Threats on IS]

Strengths	Weakness
<ul style="list-style-type: none"> + Increasing number of PC's and internet users + increasing the variation of educational programs in area according the needs of enterprises + Free areas for business development + High level motivation of civil servants and IT staff to implement ICT as daily tool for cooperation + The development of free access internet points + Appropriate national legislation 	<ul style="list-style-type: none"> - Potential of available ICT is not used enough - Low level of density of population - Lack of huge financial investments to develop ICT in the region / business itself - Lack of innovative business / enterprises it selves - Lack of skills of citizens / companies - No mobile phones network available in all area - Rising cybercrime and low trust to ICT security - Fragmented work on ICT development in the region - Low level of data exchange by using ICT - Citizens and businesses are still faced with considerable uncertainty about their rights and legal protection when doing business on line - Personal motivation of citizens to use ICT
Opportunities	Threats
<ul style="list-style-type: none"> √ Development of innovative business by using ICT √ Creation of IS development strategy in region √ Creation of content and borderless services √ to develop life-long learning in region (incl.e-learning) √ Increasing the service demand √ Development of ICT as tools for high quality services √ Publicity of good practice on ICT using in service development by municipalities and enterprises √ Investments to the information dissemination and skills development processes of citizens and civil servants √ To develop easier and more safe electronic identity and authentication services are essential for transactions and applications on the internet both in the private and public sectors. 	<ul style="list-style-type: none"> X Emigration of qualify employees to bigger cities / other areas X No motivation and trust of citizens to e-services coming from historical background and way of life nowadays X Lack of financial resources to invest in ICT X Lack of financial resources to invest to the training courses to increase level of ICT skills of citizens X Not clear national position according the development of ICT in rural regions of Latvia and investments for it X Market for electronic payments and eInvoicing still fragmented along national initiatives (legislation and recognition)

2. The Information Society in Region: information and data

2.1 - Diffusion of the main instruments => Focus is on IS base instruments

2.1.1 Use of the PC

The sustainable growth there is on using PC's at home instead of work. Also more people are using PC's in libraries comparing years 2006-2008.

The situation in region is clearly show that higher % of PC's users are among people with higher incomes. As less incomes per family members, as less % of PC's users.

There is obviously that during the last years in all age ranges number of PC's users increasing every year 2-3% in age 16-24 and age 55-74 and in average 5% in age 25-54. In average 2-3% increasing the number of PC's users every year by gender and students / employees and unemployed people. As well sustainable is increasing the frequency of PC's use.

Data's are noted according to the data's presented by Central Statistical Bureau of Latvia. At indicators were data's haven't been available there is noted n/a. Data's which have been available only at national level are projected to the region according the number and density of population, number of families, companies, towns and villages and the % relation (correlation) have been taken into account.

Indicators	Unit
How many families have a PC	50,1%
How many people use the PC:	
- every day	62%
- more time in a week	26%
- few times in a month	8%
- never	6%
How many enterprises have a PC	78%
How many employees use the PC one time a week at least	83%
How many people has followed a PC course	% n/a

2.1.2 Internet

The sustainable growth there is on using internet at home instead of work. Also more people are using internet in libraries comparing years 2006-2008.

The situation in region is clearly show that higher % of internet users are among people with higher incomes. As less incomes per family members there are, as less % of internet users.

According the types of connection in households there is strong tendency to move from dial-up access over normal telephone line to DSL and other broadband connection (e.g. cable, UMTS, etc)).

There is still large areas in Region where internet connection is not possible to build physically as companies do not invest in ICT cause of high expenses for distance areas and little number of possible consumers.

There is obviously that during the last years in all age ranges number of internet users increasing every year 2-3% in age 16-24 and age 55-74 and in average 5% in age 25-54. In average 2-3% increasing the number of internet users every year by gender and students / employees and unemployed people. As well sustainable is increasing the frequency of internet use.

Indicators	Unit
How many families have an Internet connection at home	42,8% (+3% via mobile phones)
Which are the main declared reasons to not have Internet at home: example	% of reasons
- Unable to use it (connection not skills)	24,1%
- Cost	46,8%
- Accesses to Internet From another place (work,..)	15,9%
- It.s not so interesting	13,2%
How many enterprises use Internet for own activity	70%
How many employees (private sector) use Internet one time a week at least	76%
How enterprises accesses to Internet:	
- Modem	40,6%
- ISDN	31,6%
- Broadband	n/a%
- Wireless	19,9%
How many enterprises (10 employees at least) has a LAN (Local Area Network)	2%
Where people access to Internet:	
- Home	70%
- work/school	35%
- public access points	20%
- other	35%

2.1.3 Broadband

In region there all small PA, that's why data's on Other PA (Region, province, big municipalities) is not presented.

Indicators	Unit
Regional coverage	88%
How many families have a broadband connection at home	29,25%
How many enterprises have a broadband connection for own activity	50,8%
How many Public Authorities have a broadband connection:	
- Small PA (local /mountain Municipalities)	100%
- Other PA (Region, provinces, big municipalities)	%

2.2 The ICT market

2.2.1 ICT enterprises

Data's at this section is available only according the Latvia and in numbers.

The ICT sector is determined according to the international definition of Organization for Economic Cooperation and Development (OECD).

The share of the ICT sector in the regional economy (GDP) and also value added of ICT sector enterprises is decreasing every year in average 0,3-0,5%. It is related to the data's that number of ICT sector enterprises since 2007 is also decreasing every year in average 0,3-0,5%. Number of ICT sector enterprises by number of employees are: 83,7% enterprises with employees 1-9 people; 13,8% enterprises with employees 10-49 people and 2,5% of enterprises with employees 50+.

These data's below shows that since year 2007 value of ICT sector enterprises in Latvia is sustainable.

In Euregio there is law number of ITC companies and data' s shows below can't be projected to the situation in Euregio Pskov-Livonia. There can be only the tendency of development of ICT sector take into account

Indicators	Unit
How many enterprises work on ICT sector	N° 3078
How many enterprises in (according to OECD macro-areas)¹:	
- ICT manufacturing (hardware, cables, communication devices, TV, etc..)	N° 145
- Services related to ICT (trading of hardware, communications instruments, etc..)	N° 562
- General / intangible services (sw, telecommunication, informatics and related activities)	N° 700
- other	N° 1671
How many people work on ICT sector	N° 24 900
What is the share of the ICT sector in the regional economy (GDP)	4,2%

¹ OECD ([Organisation for Economic Co-operation and Development](#)) OCSE: 1) manufacturing 2) services related to products 3) Intangible services

2.2.2 ICT into the Public Administration

There is no Other PA (region, provinces, big municipalities) in Euregio Pskov-Livonia that's why the data's is not presented.

Indicators	Unit
How many PCs every 100 employees	
- Small PA (local /mountain Municipalities)	30
- Other PA (Region, provinces, big municipalities)	N°
How many PA has an Intranet (LAN):	
- Small PA (local /mountain Municipalities)	0%
- Other PA (Region, provinces, big municipalities)	%
→ Of which how many are wireless LAN:	
- Small PA (local /mountain Municipalities)	2%
- Other PA (Region, provinces, big municipalities)	%
How many local PA (municipalities) manage through PC:	
- Personnel	0%
- Accounting	100%
- Payments	100%
- Contracts	0%
- Calls	0%
- Registry office	0%
- Administrative acts and resolutions	20%
- Taxes	100%
How many bigger PA (Region, Provinces) manage through PC:	
- Personnel	%
- Accounting	%
- Payments	%
- Contracts	%
- Calls	%
- Registry office	%
- Administrative acts and resolutions	%
- Taxes	%
How many PA have a Public Relations Office on web	
- Small PA (local /mountain Municipalities)	90%
- Other PA (Region, provinces, big municipalities)	%
How many PA have a front office for enterprises on web	
- Small PA (local /mountain Municipalities)	20%
- Other PA (Region, provinces, big municipalities)	%

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municipalities)	
How many PA use e.procurement	
- Small PA (local /mountain Municipalities)	100 %
- Other PA (Region, provinces, big municipalities)	%
-	
How many PA allow on line payments	
- Small PA (local /mountain Municipalities)	2 %
- Other PA (Region, provinces, big municipalities)	%

2.3 IS: services and customs

2.3.1 Internet and the citizens

Location of internet use by gender, age groups, employment and educational level shows that main location nowadays is home (what is changed during last 5 years from work) and internet is become more available at education institutions and libraries. There is clearly shows that tradition to use mobile phone to access Internet turns to use access to internet via PC's.

The aim to use internet for last 5 years also changed from more for work and academic education to more for non-formal and life-long learning, planning of free time activities and interaction with public services or administrations.

There is increasing the number of people who use internet for internet banking in average 5% per year and e-services provided by administrations – 3% per year and its clearly shows that more e-services will be available, more people will use it.

The main reasons for not ordering goods and services over the internet during last 12 months there are: have no need (70%) or prefer to shop in person, like to see product, loyalty to shops, force of habit (62,6%), but in the same time there is important message for enterprises – 19,5% can't find relevant information about goods and services on websites of enterprises and delivery of goods ordered over the internet is a problem (16,5%) as well as there is no trust (32,8%) according to the receiving and returning goods, services.

There is no separate data's on blogging and chat/communities available in Latvia. Data's on these are presented together. According the real life, even blogging become more and more popular in Latvia, according the specific of Euregio Pskov-Livonia, biggest part on data's presented is according the chat/communities.

Indicators	Unit
How many people use Internet for:	% among people using Internet
- Email	84%
- Searching info on products and goods	77%
- Searching info on travel and holidays	36%
- Searching health info	45%
- Other search activities	% n/a
- Learning	63%
- Downloading	45%
- Home banking	58%
- Blogging	49,7%
- Chat / communities	-“-
- Phone	39%

**Focusing on people which purchasing by Internet,
how many buy**

- Books, papers	9%
- Travel, holidays	16%
- Clothes	34%
- Films, music	8%
- Phone recharges	15%
- Software	4%
- Tickets	38%
- Hardware	4%
- Electronic devices	35%
- Foodstuff	1,7%
- Financial services	3%

2.3.2 Internet and the enterprises

51% companies are agree that Internet is the most important source of business information what is incredible important for business development. In year 2008 only 37% noted Internet as important business information source.

For 30% of citizens the internet is primary media for searching the info on goods, market, social news and the nubmer is increasing according the accesibility to internet for society. It is mean that also enterprises are take into account the needs to develope their bussiness on internet.

Among people there is interest for buying goods and services on internet the interest is growing up, especially according national sellers. That is mean that enterprises should invest more in ICT to make their goods and services even more available for society.

The main reasons for not ordering goods and services over the internet during last 12 months there are: have no need (70%) or prefer to shop in person, like to see product, loyalty to shops, force of habit (62,6%), but in the same time there is important message for enterprises – 19,5% can't find relevant information about goods and services on websites of enterprises and delivery of goods ordered over the internet is a problem (16,5%) as well as there is no trust (32,8%) according to the receiving and returning goods, services.

The main reasons for people to decide to order goods and services over internet there are lower prices (71,9%), can order at any time (60,4%) and easy to use websites (58%) – those aspects also for enterprises should be take into account.

Also comparing EU-27 data's, Latvian enterprises have huge potential to develop their business through internet.

Indicators	Unit
How many enterprises use Internet for:	% among enterprises using Internet
- Commerce (buying/purchasing)	10,2%
- Banking or financial services	85%
- PA services	42%
- Achieving market information (e.g. prices)	% n/a
- Achieving digital information and services	% n/a
- E.learning	% n/a
How many enterprises have a web site	42%
Which services/information they offer by the web site:	
- Catalogues and prices	55%
- On line purchasing / booking	9%
- On line payments	3%
- Working request	10,8%
- Product customization (by customer)	4,3%
How many enterprises (use ICT for data management.	
Example:	
- Receiving digital invoices	% n/a
- Sending digital invoices	% n/a
- Sending/receiving information on products	66%
- Supplying management	19%
- Customer management	% n/a
- Data exchange with PA	% n/a

2.3.3 Focus on PA services

The citizens still use lots of phone for communication with local municipality or on-spot. Among those 13% of citizens who are using online services for the communication there are 66% are using emails for the communication, 31% online forms are available at the web-pages of local municipalities and 3% using skype or chat rooms. People are mainly interested in development of e-services as the answers are possible to get in more short time. In the same time the citizens should visit the local municipality to get whole picture of the answer to the questions. These numbers shows that there are great opportunity to the local municipalities to save the time and to become more close to the citizens in case there are going to develop the e-services.*

* The Survey of The State Regional Development Agency <http://www.vraa.gov.lv/lv/news/article.php?id=19879>

Indicators	Unit
How many people use PA web services for:	
- Asking information	13%
- Sending documents/forms	% n/a
- Downloading documents/forms	% n/a
How many enterprises use PA web services for:	
- Bureaucratic procedures	46%
- E.procurement	11%
- Asking information	67%
- Sending documents/forms	57%
- Downloading documents/forms	65%

2.4 Digital divide

2.4.1 Gap features

There is obviously that during the last years in all age ranges number of PC's and internet users increasing every year 2-3% in age 16-24 and age 55-74 and in average 5% in age 25-54. In average 2-3% increasing the number of PC's and internet users every year by gender and students / employees and unemployed people. As well sustainable is increasing the frequency of PC's and internet use.

The age and gender data's is presented according the system of Latvian statistic where data's are available and given according the people who have been used PC's and internet during the last 3 month at least.

Use of PC according to age/gender

Age	Male	Female
16-24	86,5%	87,1%
25-54	62,8%	67,4%
55-74	11,7%	15,6%
Total	45,5%	50%

Use of Internet to age/gender

Age	Male	Female
16-24	86,1%	86,2%
25-54	61,9%	66,4%
55-74	11,3%	13,6%
Total	64,8%	66,5%

Use of PC/Internet according to job/professional level

	PC	Internet
Director, entrepreneur	% n/a	% n/a
Employee	% n/a	% n/a
Workman	% n/a	% n/a

Use of PC/Internet in a family according to grade level of the householder

	PC	Internet
High level (university degree)	87%	86%
Medium level (high school)	60%	60%
Low level (primary school)	53%	53%

2.4.2 From traditional services to web services

There are shows the clearly tendence that more and more people in Latvia to start to use web services in varois ways – communication and commerc. It is connected with development of ICT in region, skills development of citizens and more secure e-environment for dealing with needs of citizens.

How many male/female use the web for:

Indicator	Male	Female
Email	87%	91%
Searching information on web	98%	95%
Searching/buying travel/holiday on web	20%	30%
Reading papers/news	72%	65%
Using home banking	61%	71%
Looking for a work	32%	35%

Who buy on line according to grade level

Indicator	Unit
High level (university degree)	36,2%
Medium level (high school)	30,3%
Low level (primary school)	24,6%

Who buy on line according to job/professional level

Indicator	Unit
Director, entrepreneur	% n/a
Employee	% n/a
Workman	% n/a

Who use the web for PA services according to grade level

Indicator	Unit
High level (university degree)	% n/a
Medium level (high school)	% n/a
Low level (primary school)	% n/a

Who use the web for PA services according to job/professional level

Indicator	Unit
Director, entrepreneur	% n/a
Employee	% n/a
Workman	% n/a

3. The Information Society in Euregio Pskov-Livonia: governance and policies at local and regional level

This part of the document has to give a whole picture on IS policies, programmes, goals and governance instruments

3.1 – The governance of the Information society in Euregio Pskov-Livonia

In Euregio Pskov-Livonia there is no common IS policy developed. In Region there are 12 independent local municipalities and they are developing their own IS policies according the legislation of Latvia and European Union and local needs.

In the same time there are few common steps on development of IS:

- E-procurement, e-other services, e-information exchange on web: are forced by the national legislation.
- Development of ICT at the schools and the libraries: the financial support from the national government.

3.2 Local and Regional policies and objectives

According the common local and regional policies and objectives we should note that after the regional reform in 2009, all the local municipalities just started to work on common development policies in all fields. So far there is no any local and/or regional development documents where any policy or objectives are fixed. We are expecting the first development planning documents not before mid 2011.

In general the development of ICT for the moment are organized according the needs of local communities – citizens, bussiness and local municipalities but so far there is no systematic development approach for ICT. The development of ICT it is not the priority of the local municipalities as the other questions are with higher priority according the local situation, especially social security policy. The limitation also is the lack of financial resources for development issues.

3.2.1 Overview and main themes/areas of activity [1-2 pages]

See above in intro section.

3.2.2. Theme X (Example: E.services) [2 pages max for each theme]

3.2.2.1 Objectives See above in intro section.

3.2.2.2 Topics See above in intro section.

3.2.2.3 Result indicators See above in intro section.

3.2.2.4 Competencies See above in intro section.