

# Smart Specialisation Strategy

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The smart specialization strategy (RIS3) for Latvia was developed in 2014 to concentrate public R&D investment in programs that create future domestic capability and interregional comparative advantage. This conceptually new and complex strategy provides a balanced and complementary support tool kit to strengthen innovation capacity of Latvian economy. By measures of Innovation Union Scoreboard, currently Latvia is a modest innovator. Therefore, its RIS3 is a strategy of economic transformation towards higher added value and more efficient use of resources. The strategy aims at restructuring of export by inducing change and growth in:

- 1) Production and export structure in traditional sectors of economy;
- 2) Future growth of sectors in which exist or may be products and services with high added value;
- 3) Sectors with significant horizontal impact and contribution in transformation of national economy.

To induce the change and growth in these sectors the strategy has outlined seven investment priorities and defined five specialization areas. The investment priorities are: 1) High added value products; 2) Productive Innovation System; 3) Energy Efficiency; 4) Modern ICT; 5) Modern education; 6) The knowledge base; 7) Polycentric development. The knowledge specialization areas are: 1) Knowledge-intensive bio-economics; 2) Biomedicine, medical technologies, 3) Bio-pharmacy and biotechnologies; 4) Smart materials, technologies and engineering systems; smart energetics; 4) Information and communication technologies (ICT).

To concentrate public R&D investment in programs that create future domestic capability the strategy has defined three core criteria for allocation of public resources:

- Growth of S&T human capital (knowledge and networks), expressed as increased competence of individuals engaged in projects;
- Scientific excellence, characterized by the level of usefulness of new knowledge for future or present economic and societal challenges;
- Net economic value or today's financial and social benefits that project will create.

In 2015 descriptions of ecosystems of each specialization area were developed to introduce policy makers, R&D sector, entrepreneurs and general public with main actors who create and use knowledge and by doing so generate the added value. Descriptions of ecosystems provide a context in which knowledge is created including the scale of each knowledge area, core challenges, public funds and regulations.

In 2016, to ensure the monitoring of the impact of public investment in R&D in the RIS3 context, a three-level monitoring system was launched. By 2020, about one milliard EUR will be invested in programs related to RIS3 goals to strengthen competitiveness of R&D sector, enhance entrepreneurship and increase innovation capacity of Latvian economy.

 [RIS3 progress report 2017 \(.pdf\)](#) 

 [The\\_Informative\\_Report\\_Development\\_of\\_RIS3 \(.pdf\)](#) 

 [Appendix\\_1\\_Knowledge\\_Capacity\\_Assessment \(.pdf\)](#) 

 [Appendix\\_2\\_Assessment\\_of\\_Export\\_Potential\\_of\\_Economic\\_Sectors \(.pdf\)](#) 

 [Appendix\\_3\\_Results\\_of\\_the\\_Entrepreneur\\_Survey \(.pdf\)](#) 

 [Appendix\\_4\\_RIS3 \(.pdf\)](#) 

<https://www.izm.gov.lv/en/smart-specialisation-strategy>