

## JOURNAL

### PROJECT

NextGen Microcities -  
Next Generation Micro  
Cities of Europe

📍 Ventspils & Valmiera,  
Latvia

### TOPIC

Jobs and skills in the  
local economy

EDIT 23 FEBRUARY 2021  
BY FABIO SGARAGLI,  
UIA EXPERT

# NextGen Microcities Journal 2: get an update about Ventspils and Valmiera project

See on UIA  
website



UIA Expert Fabio Sgaragli provides “updates on some of the most interesting activities carried out within the project scope:

- a generational marketing strategy to pull young people towards ICT education;
- qualified specialists’ attraction program to attract to Latvia qualified ICT talents;
- career summer camps for young people devoted to leadership development in the digital era;
- foreign direct investments attraction program to boost local capacity through inbound investments;
- Ed-tech innovative solutions for tertiary education institutions.”

## Executive summary

At the time of writing, in view of the epidemiological assessments of the growing risks of the spread of the COVID-19 virus, a national state of emergency has been declared in Latvia. The same headline goes around Europe, and many other parts of the world: the second wave of pandemic spread is hitting hard the old continent and it is bringing down to citizen’s new lockdowns, for now geographically limited to the most critical situations. It has been a dramatic year, and the situation continues to be dramatic.

The two municipalities leading the NextGen project, Ventspils and Valmiera, have been affected by COVID-19 as most European cities. Notwithstanding the impact of the pandemic, they managed to progress with project activities. In this Journal we focus on project updates on some of the most interesting activities carried out within the project scope:

- a generational marketing strategy to pull young people towards ICT education;
- qualified specialists’ attraction program to attract to Latvia qualified ICT talents;
- career summer camps for young people devoted to leadership development in the digital era;

- foreign direct investments attraction program to boost local capacity through inbound investments;
- Ed-tech innovative solutions for tertiary education institutions.

The menu of interventions planned by the project is rich and complex, those are all activities part of a larger strategy to foster Latvia's capacity to play in the digital global landscape.

This Journal focuses also on challenges, the main being of course COVID-19. Notwithstanding the threat that the pandemic crisis poses on this kind of initiative, the team has managed to charge ahead and bring to completion most of the planned targets, albeit with some delays depending on logistics interruptions and tactical choices of postponing due to the crises.

# 1. Project updates

## 1.1 Introduction

At the time of writing, in view of the epidemiological assessments of the growing risks of spread of the COVID-19 virus, a national state of emergency has been declared in Latvia, in effect between 9 November and 6 December, to introduce strict medical safety measures, while ensuring compliance with the basic rights of the country's residents, and enabling them to access essential services. Given the awareness of the effect that the state-of-emergency measures can have on the economy and the general public, a support mechanism is being implemented to support employers, employees, and those parts of the public most likely to be affected by the measures introduced to limit the spread of the virus.

The same headline goes around Europe, and many other parts of the world: the second wave of pandemic spread is hitting hard the old continent and it is bringing down to citizen's new lockdowns, for now geographically limited to the most critical situations. It has been a dramatic year, and the situation continues to be dramatic. After a somehow relaxed summer, we are now living the effects of a general behavior whose effects have taken us off guard for too many weeks. Even though vaccines have been developed, testing first, and logistics of deployment after, will take us back to normality by Autumn 2021, some experts predict. Therefore, we seem to have in front of us another 12 months in which it is going to be very difficult to make predictions or stabilize our social and economic systems. Businesses and governments alike are struggling to cope with the fast-changing landscape, the very nature of a global pandemic in an interdependent world is to make it very difficult, if not impossible, to look further than one month into the future. It is this uncertainty, combined with the set of restrictions that countries have to impose, that makes policy at all levels a difficult lever to pull.

In this scenario, cities are once again the focus of attention, as urban density favors the spread of the virus. But cities are also on the frontline of responses to the COVID-19 crisis. They play a key role to implement nation-wide measures, but also provide laboratories for bottom-up and innovative recovery strategies. A recent policy analysis paper by OECD maps and benchmarks short and medium-term responses provided by cities, and clusters them around six categories: i) social distancing; ii) workplace and commuting; iii) vulnerable groups; iv) local service delivery; v) support to business, and vi) communication, awareness-raising, and digital tools<sup>[1]</sup>.

The pivotal role of digitalization in emergency responses to the pandemic has pushed many cities to systematize the use of smart city tools more permanently while staying alert and monitoring the risk of contagion. The virtual space is further becoming integral as information, participation, cultural resources, and municipal services are digitalized. It is indeed digital the response to many pressing social and economic issues of our time, including COVID-19, and the long-term effect of the pandemic is to accelerate the trend.

The solution proposed by the NextGen Microcities project is perfectly aligned with the coming world: digital tools are and will be an increasingly pervasive part of our lives, and the competition for local economic development will rest on the ability of cities to build a local ecosystem that can help them to run the race. The two municipalities leading the NextGen project, Ventspils and Valmiera, have been affected by COVID-19 as most European cities. Notwithstanding the impact of the pandemic, they managed to progress with project activities. Despite some delays, everything that was planned is under implementation, and most deadlines have been met. While we deal with those two cities' response to COVID-19 in a recent Zoom-in produced for UIA<sup>[2]</sup>, in this journal we focus on project updates since the first Journal, and on some specific challenges as set by the UIA framework.

---

<sup>[1]</sup> "Cities policy responses (to Covid 19)", OECD, last update July 2020:

## 1.2 Updates

Since January 2020, the time of the first Journal on this project, the world has changed, but the project team managed to pull most of the activities, albeit some with delays. Following we report on some of the most interesting developments.

### **A generational marketing strategy**

One of the project aims was to develop Generational Marketing strategies for the tertiary education institutions, partners of the project, to cope with the challenge of attracting new Gen-Z students, as well as Millennials and Gen-X students. Latvian and foreign students are the target for professional digital marketing content (photos, videos, infographics, etc.) and its distribution using relevant social media (Facebook, YouTube, LinkedIn, etc.). Partner websites are improved to become innovative tools for communication with potential students. The approach is in line with one of the key objectives of the project which is to prepare more young people for a labor market where ICT skills are essential.

One of the application examples of this approach concerns the Valmiera Vocational School, one of the project partners, and promote it as the first choice after primary schools in comparison with general secondary education institutions. The strategy aims to attract more youngsters for studies after primary school with a target goal of +5% per year.

The School has signed a contract with the marketing agency McCann Riga, which developed the marketing strategy. The marketing strategy was developed through a participatory process. One participatory workshop was organized on the 20th of January this year in the School. Overall, 14 representatives of the school took part in this workshop, expressing the opinion of different audiences. Participants were the headmasters, deputies, methodologists, teachers, student council, project managers, dormitory teachers, and public relations specialists. McCann Riga presented graphic design options for the new identity. As a result of discussions and voting, "Viss ir tehnikas jautājums" (Everything is a matter of technology), was recognized as the best claim for the new visual identity.

The following workshop was organized on the 6th of February in the McCann Riga's offices with the same 14 participants of the previous workshop. The Agency presented the new generation marketing strategy together with the new identity and thank you to the additional feedback it was further refined. On 24th February, the Agency presented the new identity to all the students and teachers of the School and received very good feedback.

After the completion of the final version of the strategy, Valmiera Vocational School started implementing it through outdoor advertising, social networks, and other promotional materials.

Below some links the new identity is visible:

- [On the School's Facebook page](#)
- [In regional media](#)
- [On national television](#)

Also, the Ventspils University of Applied Science's marketing strategy has been duly implemented throughout the year, with a postponement of the initial enrollment campaign due to COVID-19. This was mitigated with an "open window" campaign that was attended by about 60 potential students. The event took place online using the BigBlueButton online platform adapted for the University. Those interested had the opportunity to get acquainted with the activities of the University, its facilities, and faculties, hear the feedback of graduates and students. There was an option for attendees to ask questions and receive answers online in real-time. Due to COVID-19, the campaign is planned to continue through online events. The marketing campaign was supported by attracting 8 young influencers, which are financially supported for writing at least 7 posts a month sharing their day-to-day experience with potential new students. Influencers are considered to be a success story and will be continued until the end of the project.

### **Qualified specialists' attraction**

In March this year, the project launched a planned online platform for the attraction of ICT talents from other countries. The platform will gradually integrate tools for matching skills, searching employment and education

opportunities, exploring housing and other services also for family members. The online tool will serve as an open platform for other European Micro cities as well, where to engage and network for addressing attraction and development of critical human resources throughout Europe.

The platform is part of a larger support program for “qualified specialists’ attraction” that will be piloted by the project. Along with the ICT strategy implementation, the Ventspils municipal authority have created a new specialist position to work with Ventspils employers and highly qualified individuals interested in working and living in Ventspils called LIVIN. The mission is to create a one-stop, fully integrated recruiting, matching, migration, and integration service modeled for microenvironments that can be transferred to other micro cities in Europe. The ambition is for the pilot to attract 100 highly skilled ICT and other locally demanded professionals.



The program offers informative support to families who have contacted the established contact point. It also



offers free courses in the Latvian language for returnees/emigrants, as well as integration opportunities for new residents/immigrants. Specific marketing activities for promoting the contact point are being developed, such as the event "Open door afternoon" organized by the Immigrant Center for residents, and videos about educational opportunities in Ventspils, career development support opportunities in Ventspils, and on the support program for qualified specialists' attraction.

Below some links to the videos:

- [Study programmes in Valmiera Vocational School](#)
- [STEM study programmes in Valmiera Vocational School](#)
- [Career development support opportunities in Valmiera.](#)

### Career summer camps

The second edition of a career summer camp took place in August and 30 students took part in it. The planned program of the camp was fully implemented, providing the participants of the camp with an opportunity to get acquainted with professions in various fields and develop new skills for future career development.

The camp took place for the second year in a row, 23 young people participated in the camp for the first time, but 7 repeated the experience for the second time because they wanted to continue the process of self-discovery and appreciated the opportunities provided by the camp for their growth. At the end of the camp, the young people emphasized that this was an opportunity to spend their free time usefully, gain new knowledge, experience, and emotions. Positive insights were gained by meeting with professionals, personalities who were inspiring by sharing their life experience and knowledge. The participants of the camp appreciated that during the week they were able to meet so many people who like what they do and are happy with the chosen profession. Participants paid a visit to the Valmiera Public Library, which is integrated with digital technology and offers a wide range of opportunities to search for information on Internet media and databases, it is a meeting place and organizes various interesting events. The visit to the library was a chance to explore how digital technologies are changing the landscape in many industries, including more traditional ones. The activities of the camp were planned to be as diverse as possible to be able to cover a wide range of interests, to provide young people with sufficiently diverse information about different sectors and professions. Within the activities, young people had the opportunity to work both individually and in groups – to learn to cooperate, to develop communication and leadership skills. They met with different personalities, reflected upon their life course and career path, participated in technical creative workshops, went on excursions, visited Valmiera Technical School and Cēsis Youth House, got an idea of volunteer work in the city, learned programming and robotics skills. Such a dense and intense experience represents a unique opportunity to develop in young people both hard and soft skills so much needed in a digital world.

***All three activities reported above fit into the overall project package titled "career guidance and Talent attraction". The work package deals with dimensions related to human capital, both nationals and coming from abroad, therefore addressing talent attraction, promotion of informed career-making, and lifelong development decisions. Activities are directed at Specialists' and Talent attraction, Career guidance, and Generational Marketing.***

### Foreign Direct Investment attraction

Foreign Direct Investments (FDI) is today an important metric of success for any city that wants to compete on the global scene. They represent productive investments made by a single company or capital fund coming from abroad in a local economy and are an opportunity to accelerate the pace of local economic development by injecting not just money, but also knowledge and competences.

FDI attraction thus generates jobs and enhances the ability to innovate, ultimately fostering the competitiveness of the economic system.

One of the objectives of NextGen was to create and deploy a strategy for the attraction of foreign investments and decided to do it by bringing together the local ecosystems in the two municipalities involved in the project. In the period from August 2019 to January 2020, 11 working groups took place in Ventspils, in which representatives from the Freeport, the City Council, the University College, the Business Support Center, and Accenture participated. An FDI strategy was jointly developed and marketing activities were planned in detail. Representatives of Ventspils City Council participated in the final event of the Kurzeme Planning Region FDI attraction training, where the FDI strategy developed by Ventspils City and the marketing measures to be performed were presented. The design and implementation of the marketing campaign was assigned to partners, including the development of the FDI website [www.startinventspils.lv](http://www.startinventspils.lv), which was carried out by Ventspils University College New Business Management students and it is now online.

The marketing plan has been updated taking into account the situation and restrictions of COVID 19 and

campaigns were postponed to the last part of the year. The current priority for business, industry, and investors is to survive the upcoming economic crisis.

### **EdTech solutions**

The NextGen UIA project has the objective to demonstrate how European micro cities can find their place in the digital era, one where human capital can make a difference in the capacity of these cities to compete for jobs and growth. Europe generally struggles to match increasing demand for digitally wise, highly skilled labor with possibilities of the aging population, brain drain, and shortage of young talents outside of European large cities. In Latvia, microcities also suffer from brain drain to the capital or abroad, causing additional burden to the local economic development. From 2000 to 2010 more than 220.000 people emigrated from Latvia, and on average 38% were in the age bracket 20-29 years. As the skills gap widens and the pressure on the employers to retain their top-performing workers is growing, the local authorities need to take any action to prevent and reverse the fleeing of their best people.

The project seeks to overcome challenges related to the skills shortage and lack of high-level specialists in micro cities. To reduce skills mismatch, four NextGen partners are launching new initiatives where technology becomes a tool for educating younger generations in order to prepare them for the future of work that will be. We talk about those innovations in a dedicated article that can be accessed at the following [link](#).



## 2. Challenges

### 2.1 NextGen facing COVID-19

Given the circumstances that affect many countries around the world, it is inevitable to talk about the impact of COVID-19 on the implementation of the project. This has been probably the main challenge for all UIA projects under implementation at present, as restrictions limit activities, and stakeholders and beneficiaries are struggling with more urgent needs and problems.

In this context, NextGen has pulled a tremendous effort to overcome this challenge and keep activities running,

albeit some with delays depending on logistics interruptions and tactical choices of postponing due to the pandemic crises.

We explore at length the impact of COVID-19 on NextGen in a video documentary produced for UIA and accessible at this [link](#).


## Specific Challenges

According to the UIA framework for challenges in the implementation of complex innovative projects in cities, there are seven dimensions that cities must take into account when planning and delivering change. In this Journal, we update the status of the project in relation to these seven dimensions.

### Challenge


### Observation

1. Leadership for implementation

Challenge level 

The diversity of competences of the NextGen team is the best premise for the strength needed by a team in order to govern such a complex innovation project. The team is also backed up by the political leadership, which recognises the strategic importance of the initiative, especially in the current economic and social climate. Despite the huge challenges arising from the pandemic, the political leadership has kept supporting the project all the way. Therefore, the mandate was for the team not to divert attention from the implementation, and to concentrate on meeting as many targets as possible. As a result, the project results under implementation according to a revised timeline for few specific activities.

2. Public procurement

Challenge level 

The NextGen Micro cities project has a significant portion of the budget allocated to procurement for the purchase of technical equipment for EdTech in Schools and the Makerspaces, as well as for building the Multifunctional Facility in Ventspils, which shows a twofold challenge of building it in time and in an innovative way that would also respect the principles of innovative procurement. The procurement for EdTech equipment was somehow delayed earlier on due to the innovative character of the equipment that not many vendors were able to deliver in Latvia. In addition to that, the temporary displacement of logistical supply chains during lockdown created some more delays. All procurements are now back on track.


3. Integrated cross-departmental working

Challenge level 

Both municipalities involved in the project display a good understanding of the risk of functional specialization and silos within the organizational boundaries and display a good culture of cross-collaboration across cities' departments. What makes it good is the awareness and alignment around the magnitude of the investment received from UIA, and the opportunity it represents for both microcities involved in the project. Moreover, surely bigger administrative structures display "silo" mentality more often, and both Ventspils and Valmiera, with their small size administrative structures, suffer less of this mentality and enjoy an "open" culture of collaboration.




#### 4. Adopting a participative approach

Challenge level 


This has shifted from “low” to “medium” risk because of the COVID-19 crisis. The delivery partnership encompasses a wide range of organizations, possessing complementary competences for the delivery of a very rich spectrum of activities. Regular online meetings allow for the partnership to stay connected during the lockdown and ensure good alignment in the progress of activities. This virtual coordination mode was already established in the project prior to the lockdown, as the team is already structurally distributed in two separate cities. This management model therefore allowed the team to be more resilient to the disruption brought by the lockdown. As a result, the project team continued to communicate and coordinate activities seamlessly, managing to advance the implementation plan in a difficult context.

#### 5. Monitoring and evaluation

Challenge level 

The NextGen Micro cities project has set clear impact indicators for the project’s results and designed a good monitoring and evaluation process to measure them. Each WP has clear output indicators that are measured through qualitative and quantitative tools (e.g. questionnaires, surveys). Experts continuously evaluate the project processes and submit their conclusions. The coordinator together with activity leaders analyses them and takes actions based on the conclusions, in order to continuously improve the internal procedures.


#### 6. Financial sustainability

Challenge level 

There have been no indications of financial concerns throughout the project. Elaborated plans to mainstream the key elements of the project have produced the result hoped for to continue part of the original service. The project budget was built on realistic evaluations of expected expenditures, in order to secure that no extra resources would be needed in the implementation phase. Continuous online liaison between the partners on their use of budget, coupled with the previous relevant experience of all partners involved, is ensuring that this does not occur.


Although the second payment has still not been received, as the Financial Claim was submitted only in October, and is very relevant for some partners, the Project Lead Partner (MUA) has the opportunity to successfully help those partners who need the funding in order to continue the proposed activities.

#### 7. Communicating with target beneficiaries

Challenge level 

It is the essence of this kind of project to be able to collect and take into account feedback, suggestions, and proposals from target users. Most importantly, when dealing with crucial topics like in the case of the NextGen project, it is crucial to engage citizens in the proposed solution as the acceptance of the project’s mission is key to maintain political support. In this regard, the project has planned for a good communication campaign and procured more than one external agency to support its implementation. Specifically, two external agencies have been supporting the tertiary education project partners in designing and implementing the “generational marketing strategy”, and an additional contractor is supporting the design and implementation of the FDI attraction campaign.

#### 8. Upscaling

Challenge level 

Both Ventspils and Valmiera have planned from the beginning to create a model that can serve the same cause in other microcities around Europe, and possibly beyond. It is going to be very important to assess the project in a way that will capture the variety of activities involved. This will allow to build a standard model which, taking into account local differences, can help other micro cities around Europe to make sense of it first, and try and implement all or part of it later.

We will observe in due course how the challenge of sustaining momentum in change will be faced by the project team and report accordingly eventual setbacks and ways in which problems will be overcome in all dimensions of the UIA challenges framework just exposed.

### 3. Lessons learned

The tension between the functional specialization of departments and offices within municipalities, on the one hand, and the cross-department cooperation and coordination needed for the projects' implementation, on the other hand, has represented a challenge at the management level. The team has managed to work across the organization by establishing cooperative relationships with key people from key departments, succeeding in each case in finding a common ground. This was also possible because of the cooperative culture in the two municipalities involved. But much is also due to the strong leadership skills of the Project Manager and the entire team.

The relationships between project partners has been a key factor for the success of the project implementation. A wide range of organizations with complementary competences have been involved from the very beginning, starting with the project design and the application phase. Regular meetings are organized to maintain partners aligned on the common goals and keep alive a shared sense of accountability towards the project implementation.

A well planned, but at the same time flexible partner engagement, adaptable project management, good skills of leadership to keep everyone on the same track and motivated even in the most difficult times, are not to be underestimated when planning or assessing the success of a project. All in all, cooperation is one of the biggest lessons to learn, together with the fact that at the end of the day innovation is about making new things come to life, and for that human capital is the most essential ingredients of all.

---

## Conclusions

For both Ventspils and Valmiera, as for many other small and microcities in Europe, the challenge is twofold: on one side the need to increase the demand side of employment for highly qualified digital workers by supporting the evolution of the business environment and the ability of SMEs to compete in the larger global arena; on the other the need to both prepare future generations for a very different labour market and at the same time to attract talent from outside, reversing the negative population trend.

These two micro cities in Latvia are playing a big gamble: to pilot new and innovative solutions for developing a next-generation economy in European micro cities. The ambition of the NextGen Micro cities project is to develop a blueprint model for enhancing both the demand and offer side of the labour market by simultaneously acting on multiple system points of the local economy, trying to shift it from an industrial-based one to a digital-based one.

The COVID-19 accelerated the pace of development of the digital economy, with many shifting to online for both personal and professional needs and opportunities. As well, it has never been a better moment to accelerate the pace of investments to build capacity to compete in this type of "nextgen" economy. This is why the progress on project goals has continued in Ventspils and Valmiera notwithstanding the effects of the pandemic crisis. The effort put in by the team has been important, and their ability to overcome this magnitude of challenges is a good guarantee for the continuation of the project.

---

[See on UIA website](#)

