16 January 2018 Regulation No 41

Riga (prot. No. 3 15. §)

**Implementing Regulation for Activity 1.1.1.3 “Innovation Grants for Students” of Specific Objective 1.1.1 “To increase the research and innovative capacity of scientific institutions of Latvia and the ability to attract external financing, investing in human resources and infrastructure” of Operational Programme “Growth and Employment”**

Issued pursuant to

Section 20, Clauses 6 and 13 of

the Law On Management of the European Union Structural Funds and

 the Cohesion Fund in the Programming period 2014-2020

**I. General Provisions**

1. This Regulation prescribes:
	1. the procedures by which Activity 1.1.1.3 “Innovation Grants for Students” of Specific Objective 1.1.1 “To increase the research and innovative capacity of scientific institutions of Latvia and the ability to attract external financing, investing in human resources and infrastructure” of Operational Programme “Growth and Employment” (hereinafter referred to as the Activity) shall be implemented;
	2. objectives of the Activity;
	3. funding available for the Activity;
	4. requirements to the European Regional Development Fund project (hereinafter referred to as the project) applicant (hereinafter referred to as the project) applicant and cooperation partners;
	5. the eligibility conditions of supported activities and costs;
	6. the conditions for a unilateral notice of termination of the project implementation agreement or contract;
	7. the conditions and procedures of application of simplified costs.
2. The following terms are used in this Regulation:
	1. activity of non-economic nature – activity of a higher education institution, which is not part of the scope set out in Article 107(1) of the Treaty on the Functioning of the European Union (Official Journal of the European Union, 30 March 2010, No C 83/47), including:
		1. education measures for more and better skilled human resources;
		2. independent research and development for more knowledge and better understanding, and wide dissemination of research results on a non-exclusive and non-discriminatory basis, including through teaching, open-access databases, open publications or open software;
		3. knowledge and technology transfer activities, if:
			1. knowledge transfer activities are conducted by a department of a higher education institution or a subsidiary of the higher education institution (such a commercial company, in which the interest of its parent company exceeds 50 percent or in which the parent company has the majority of votes), by a higher education institution jointly with other higher education institutions or a higher education institution with third persons, concluding contracts on certain services in an open tender;
			2. all profits from those activities are reinvested in the primary activities of the higher education institution;
	2. higher education institution – a higher education institution or a college established by the state or a private person and registered and accredited in the Republic of Latvia according to the set procedure;
	3. bank of ideas – topical challenges for the society and merchants, problem matters of production and development, which the project applicant in cooperation with strategic and cooperation partners summarises, systematises and constantly updates to make them publicly available and solutions for which can be developed by participants of the Students innovation programme within the scope of the programme;
	4. innovation fund – a set of financial resources for the implementation of the Students innovation programme, which according to Sub-paragraph 48.5 of this Regulation is a financial flow separated from other activities of the beneficiary of funding with separate accounting. The fund for innovation can be an already existing foundation or a foundation established for the needs of the project, which can be granted a status of a public benefit organisation and which ensures clear separation of the financial flow related to the implementation of the Students innovation programme from other activities of the foundation;
	5. mentor – a professional in his/her area, who voluntarily shares practical knowledge and experience and provides participants of the Students innovation programme advices related to the development of business and innovations;
	6. project implementation staff – students’ work supervisors, experts evaluating students’ innovation proposals, lecturers, technology experts, lab technicians for service of equipment during the implementation of students’ innovation projects and other persons, who get involved in the implementation of the Students innovation programme;
	7. cooperation partner – the organisation referred to in Paragraph 16 of this Regulations, which gets involved in the implementation of the project delegating specialists from its organisation as mentors, students’ work supervisors, expects for selection of students’ innovation proposals and evaluation of results, lecturers of educating activities implemented within the scope of the Students innovation programme or ensuring access to the infrastructure of the organisation to help students implement students’ innovation proposals;
	8. strategic partner – the organisation, which participates in the development of the Students innovation programme, including scientific institutions, student organisations, higher education institutions, leading industry associations corresponding to the activity profile, business accelerators, business incubators, associations, foundations or other organisations, which have competence in the development of business and innovation;
	9. students’ innovation proposal – a solution, which is offered and developed by a student or a students’ team for a problem matter from the bank of ideas, or a solution for a problem matter defined by a student or a students’ team in order to improve socioeconomic situation;
	10. Students innovation programme – a programme developed by the project applicant in cooperation with strategic partners, which includes a set of activities and the procedure and conditions of its implementation for the development of students’ innovative capabilities and entrepreneurial mind, including envisaging that:
		1. students’ innovation proposals are selected by an expert commission composed of experts with appropriate scientific and business competences and experience, including founding members of start-ups and other merchants, industry or technology experts;
		2. students from other Latvian and foreign higher education institutions can be involved in the implementation of students’ innovation proposals, as well as students of colleges, general secondary education and vocational education institutions, whose contribution in the implementation of the students’ innovation proposal is identifiable;
		3. number of a students’ work supervisors, mentors and network of laboratories for implementation of the students’ innovation proposals is sufficient for the implementation of the programme, including taking into account the number of students or students’ teams indicatively planned in the Students innovation programme;
	11. students’ work supervisor – a professional in his/her area, who helps to develop the innovative idea of a student or a students’ team providing support in the scientific or technical area, or helps to develop a business idea, to become aware of the risks and potential development possibilities, to provide practical recommendations for the development of an innovative idea. Students, post-doctoral students and residents with proper competence and experience also can be involved as a students’ work supervisor.
3. The objective of the Activity is to foster the implementation of students’ innovation proposals, which develop students’ innovative capabilities and entrepreneurial mind of students, incl. business skills, resolve problems important for the society or a part thereof, strengthen cooperation of higher education institutions and students with merchants and attract private funding for the implementation of the Students innovation programme.
4. Students innovation programmes of Latvian higher education institutions within the scope of the Activity are financed, which make a contribution to the achievement of objectives of the Latvian Strategy for Smart Specialisation and the implementation of growth priorities, especially in fields of STEM (Science, Technology, Engineering and Mathematics), medical and creative industries, including making a contribution to ensuring an increase in human capital.
5. Non-economic projects are financed within the scope of the Activity.
6. The direct target group of the Activity is:
	1. students of the Bachelor’s, professional, Master’s, Doctor’s or residency study programmes;
	2. Latvian higher education institutions.
7. The following monitoring indicators must be achieved within the scope of the Activity by 31 December 2023:
	1. output indicators:
		1. number of merchants cooperating with research institutions (implementers of projects) – 270;
		2. private investment which complements public support for innovation or research and development projects – at least 9,633,333 euro;
	2. specific output indicators:
		1. number of created innovations, including new developed products, processes, services, developed technological, organisational or marketing innovations, created prototypes or new or significantly improved methods;
		2. number of students and doctoral candidates, whose innovation and business skills have been improved;
		3. number of established start-ups by students after participation in the Students innovation programme;
		4. number of students, who get involved in a business incubator, business accelerator, programmes of Joint Stock Company’s “Development Financial Institution Altum” and other early stage venture capital programmes as a result of implementation of the Students innovation programme;
		5. other results according to the specifics of the training and innovation projects, which supplement the results mentioned in Sub-paragraph 7.2 of these Regulations;
	3. a contribution has been made in the achievement of the result indicator of the common specific objective: external funding attracted by the state and higher education sector for research work – 160,600,000 euro.
8. Functions of the responsible institution within the scope of the Activity shall be fulfilled by the Ministry of Education and Science.
9. The total eligible public funding planned for the Activity is 38,533,333 euro, which is formed by funding from the European Regional Development Fund – 28,900,000 euro and private co-funding – at least 9,633,333 euro:
	1. the total planned eligible funding available for the first selection round is 26,467,596 euro, which is formed by funding of the European Social Fund – 19,850,697 euro and private co-funding – at least 6,616,899 euro;
	2. the total planned eligible funding available for the second selection round is 12,065,737 euro, which is formed by funding of the European Regional Development Fund – 9,049,303 euro and private co-funding – at least 3,016,434 euro.
10. *(Deleted by Cabinet Regulation No. 684 of* [*17 November 2020*](https://likumi.lv/ta/id/318989-grozijumi-ministru-kabineta-2018-gada-16-janvara-noteikumos-nr-41-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*)*
11. The amount of the funding of the European Regional Development Fund shall not exceed 75 percent of total eligible funding of the project. Private co-funding shall constitute at least 25 per cent of total eligible funding of the project.
12. 1 The amount of the funding of the European Regional Development Fund shall not exceed 75 percent of total eligible funding of the project. Private co-funding shall constitute at least 25 per cent of total eligible funding of the project.

1. The Activity is implemented in the form of open selection of project applications.
2. The place of implementation of the project shall be the territory of the Republic of Latvia.

**II. Requirements to the Project Applicant and the Cooperation Partner of the Project**

1. The project applicant can be a higher education institution, which, after a project implementation agreement or a contract has been concluded with the cooperation authority and after the project application has been approved, shall also be the beneficiary of funding of the European Regional Development Fund (hereinafter referred to as the beneficiary).
2. The project applicant shall implement the project in cooperation with one or more cooperation partners referred to in Paragraph 16 of this Regulation, justifying their choice in the project application and specifying their involvement in the implementation of supported activities.
3. The project applicant can involve as a cooperation partner:
	1. a higher education institution;
	2. a scientific institution;
	3. a merchant;
	4. a association (society) or a foundation;
	5. a state or local government institution.
4. The project applicant shall append to the project application a certification of the cooperation partner about its readiness to participate in the implementation of the project, including also information about the contribution of the cooperation partner in the implementation of the project.
5. After the approval of the project application the beneficiary of funding shall conclude with each cooperation partner a cooperation contract according to the laws and regulations regarding the procedures by which the institutions involved in the management of European Union Structural Funds and the Cohesion Fund shall ensure preparation of planning documents and implementation of such funds in the planning period 2014-2020, including planning how the cooperation partner gets involved in the implementation of the project using the property, intellectual property, financing or human resources it possesses or owns, and the beneficiary of funding cannot have a legal relationship with the cooperation partner as a result of such contributions, which would indicate that this transaction has indications of a public procurement agreement according to the Public Procurement Law or the Law on the Procurement of Public Service Providers or that the transaction should be subject to the laws and regulation about the procurement procedure and the procedure of its application to the projects financed by the contracting authority. In addition to the information specified in the laws and regulations regarding the procedures by which the institutions involved in the management of European Union Structural Funds and the Cohesion Fund shall ensure preparation of planning documents and introduction of such funds in the planning period 2014-2020, at least the following information shall be included in the cooperation contract:
	1. the activities implemented by the cooperation partner and their scope;
	2. the contribution of the cooperation partner in the implementation of the project, including information about the contribution of financial and human resources, as well as provision of access to the infrastructure of the cooperation partner;
	3. the procedure of making payments for the implementation of the supported activities and covering of eligible costs referred to in Sub-paragraphs 28.1.1 and 28.1.3 of this Regulation;
	4. procedure and deadlines of submission of reports and other information.
6. Costs related to the implementation of the supported activities referred to in Sub-paragraphs 28.1.1 and 28.1.3 of this Regulation for cooperation partners shall be eligible after the conclusion of the cooperation contracts referred to in Paragraph 18 of this Regulation, but not earlier than from the day of conclusion of the project implementation agreement or contract.
7. The beneficiary of funding shall be responsible for fulfilling the obligations of project partners within the framework of project implementation, as well as the implementation of the function of project partners within the project, including the prevention of the risk of double funding and ensuring demarcation with other similar or related activities, including the Student Innovation Programmes implemented within the first selection round, if the beneficiary has also received funding within the framework of the first round.
8. The beneficiary of funding shall ensure that the procedure of implementation of the Students innovation programme is clearly defined and is publicly available, including:
	1. develops regulations, evaluation criteria and the evaluation methodology for the selection of students’ innovation proposals;
	2. creates a commission for evaluation of students’ innovation proposals and includes in this commission Latvian and foreign experts with appropriate scientific and business competences and experience;
	3. takes a decision on the allocation of the funding referred to in Sub-paragraphs 32.2.1.1, 32.2.1.2 and 32.2.1.3 of this Regulation according to the procedure developed by the beneficiary.
9. The project applicant shall prepare a project application according to the requirements and within the deadlines set in the regulations for selection of project applications and shall submit it electronically to the cooperation authority, using the Cohesion policy fund management information system for 2014-2020. In addition to the requirements set in the selection regulations, the project applicant shall append to the project application a list of the following documents:
	1. the Students innovation programme;
	2. a translation of the project application and annexes thereto into English according to provisions of the selection regulations.
10. The project applicant shall submit one project application within the scope of the selection round of the Activity.
11. If the beneficiary of funding simultaneously is or plans to be a cooperation partner of other beneficiary, this should be specified in the project application justifying the sufficiency of resources for the implementation of planned activities in all related projects.
12. The Beneficiary shall ensure synergy and complementarity with other support programmes promoting education development, innovation and entrepreneurship for the activities scheduled for support within the project, including the Student Innovation Programme implemented during the first selection round of the activity, if the Beneficiary has also received funding within the framework of the first round.
13. The beneficiary of funding shall collect and when needed provide to the responsible and cooperation authority information about the number of students and other parties involved in the Students innovation programme and actions performed and other characterising parameters, as well as about the results achieved during the implementation of the project and the fulfilment of the monitoring indicators listed in Paragraph 7 of this Regulation, including the contribution to the implementation of horizontal priorities:
	1. about the private funding raised within the scope of the project, excluding own income of the higher education institution, which is diverted to co-funding of the project;
	2. about merchants, which allocate funding for the implementation of the project, delegate specialists of their company as mentors, supervisors or expects for selection or evaluation of students’ innovation proposals or also ensure access to the infrastructure of the company to help students implement students’ innovation proposals;
	3. about the horizontal indicator of the horizontal principle “Sustainable development” – training in the field of eco-innovations implemented within the scope of the project or number of green public procurements (if applicable) used in the implementation of the project.

**III. Supported Activities and Eligible Costs**

1. Within the scope of the project the beneficiary of funding shall ensure the implementation of measures of the Students innovation programme, and also create and independently develop a bank of ideas.
2. The following activities shall be supported within the scope of the Activity:
	1. implementation of the project:
		1. implementation of the Students innovation programme, which may include activities like innovation contests and competitions, innovation workshops within which students’ innovation proposals are implemented, summer schools, specialised trainings and educational conferences, and other activities, which ensure the development of innovative capabilities and entrepreneurial mind of students;
		2. evaluation, selection, monitoring of fulfilment and evaluation of results of students’ innovation applications;
		3. communication and publicity activities for the implementation of the Students innovation programme and its results;
	2. management of the project;
	3. information and publicity measures for the implementation of the project.
3. The maximum public eligible funding of one project application in the first round shall not exceed 2,500,000 euros and in the second round - 900,000 euros.
4. The following costs are eligible within the scope of the Activity:
	1. direct eligible costs, which are directly related to the implementation of supported activities referred to in Paragraph 28 of this Regulation and are necessary for the achievement of results of the project, and this connection is clearly understandable (raises no doubts) and can be proved;
	2. indirect eligible costs, which are not directly related to the implementation of supported activities referred to in Paragraph 28 of this Regulation for the achievement of project results, but support proper conditions for the implementation of supported activities and achievement of results.
5. Costs of the beneficiary of funding referred to in Paragraph 32 of this Regulation shall be eligible, if they correspond to the cost items specified in this Regulation and where incurred to:
	1. state colleges – from the day, when an agreement on the implementation of the project was concluded;
	2. other beneficiaries of funding – in the first selection round from the date of entry of this Regulation into force and in the second selection round from the date of submission of the project application.
6. The direct eligible costs of the project referred to in Sub-paragraph 30.1 of this Regulation include the following cost items:
	1. direct eligible staff costs:
		1. remuneration costs of project management staff (with the exception of extra hours) for the implementation of the supported activities specified in Sub-paragraphs 28.2 and 28.3 of this Regulation;
		2. remuneration costs of project implementation staff (except overtime) for the implementation of the supported activities specified in Sub-paragraphs 28.1 of this Regulation:
			1. expert remuneration costs for the provision of individual consultations, which are directly related to the topic of the student innovation application and are aimed at achieving the goals and results of the student innovation application;
			2. remuneration costs of other project implementation staff involved in the implementation of the Student Innovation Programme, except for the costs referred to in Paragraph 32.1.2.1 of this Regulation.
		3. remuneration costs of project implementation staff (except overtime) for the implementation of the supported activities specified in Sub-paragraphs 28.3 of this Regulation.
	2. project implementation costs related to the implementation of the Students innovation programme:
		1. costs of the target scholarship for the students, who are involved in the Students innovation programme according to the procedure developed by the beneficiary of funding and referred to in Paragraph 21 of this Regulation and to observe the following cost restrictions:
			1. for a student of a Bachelor, professional higher education, Master and residency study programme, student of general secondary education, vocational education institutions and colleges – up to 200 euro per month;
			2. for a student of a doctoral study programme – up to 228 euro per month;
			3. a one-time scholarship for awarding prices in the Students Innovation Programme activities. The maximum amount for the first place shall not exceed 5000 euro for a team, but for the second and third place it shall be respectively graded according to the provisions of the Students innovation programme;
		2. costs of materials and services related to the implementation of students’ innovation proposals, including costs of laboratory, testing equipment, designing equipment use, analysis, supply of materials and specialised trainings;
		3. costs of networking and public activities of students, including rental payment of premises (if rental of premises outside the registered or business address of the beneficiary of funding is required for the implementation of project activities), remuneration of experts, costs of material supply and students mobility in Latvia and foreign countries, which are directly related to the implementation of innovation of proposals of specific students, conference participation fees and involvement in informative measures;
		4. costs of development and publishing of informative and methodical materials, including information preparation and publication on the website of the beneficiary of funding and the cooperation partner, costs of translation for the implementation of the supported activities referred to in Paragraph 28 of this Regulation;
	3. costs of purchasing or renting equipment, office furniture and devices, computer programmes and licences for the newly created workplaces, including equipment maintenance and repair costs, no more than 3000 euro per workplace for the entire project implementation period, if project management or implementation staff is employed at least 30 percent of normal working hours on the basis of an employment contract. If the project management or implementation staff is employed part time or timeshare, the costs of purchasing or rent of equipment for the newly created workplaces are eligible in proportion to the percentage of their workload;
	4. costs of information and publicity measures of the project in accordance with the laws and regulations regarding the procedures by which the requirements for communication and visual identity shall be ensured in introduction of the European Union Structural Funds and the Cohesion Fund in the Programming period 2014-2020;
	5. costs of services, including costs of project management staff, for the implementation of the supported activities referred to in Sub-paragraphs 28.2 and 28.3 of this Regulation.
7. When planning the direct eligible staff costs referred to in Sub-paragraph 32.1 of this Regulation, the beneficiary of funding and the cooperation partner (if applicable) shall account working time about the functions performed and time worked within the framework of the project management and implementation staff and shall ensure that for the staff, who is employed:
	1. full time, part time or timeshare not less than 30 percent of normal working hours, direct eligible staff costs shall include wages, State mandatory social insurance contributions from taxable eligible costs, allowances and social guarantee payouts set out in the laws and regulations in the area of employment relations and remuneration;
	2. timeshare less than 30 percent of normal working hours, costs of remuneration shall be made according to the time remuneration rate set in the waging policy of the beneficiary of funding and the cooperation partner (if applicable), taking into account the number of hours worked on the project. Direct eligible staff remuneration costs shall include employee’s wage and mandatory state social insurance contributions from taxable eligible costs, but shall not include allowances and social guarantee payouts set out in the laws and regulations.
8. After the lump sum methodology enters into force, it shall be applied by determining the costs of expert remuneration referred to in Sub-paragraph Article 32.1.2.1 of this Regulation, the costs referred to in Sub-paragraph 32.2.2 of this Regulation and student mobility costs in Latvia and abroad referred to in Sub-paragraph 32.2.3, which are directly related to the implementation of specific student innovation applications. Until the date when the lump sum methodology enters into force, the costs referred to in these sub paragraphs shall be eligible as actual costs.
9. When planning the costs of remuneration of project management staff, the following conditions should be taken into account:
	1. they do not exceed 56,580 per year, if direct eligible costs are equal to 5,000,000 or higher;
	2. costs of the project management staff do not exceed 24,426 euro per year, plus 0.64 percent of direct eligible costs of the project, but not including the costs of project management staff, if direct eligible costs are lower than 5,000,000 euro. For a partial calendar year the fixed amount shall be calculated in proportion to the number of months of the project.
10. The beneficiary funding and cooperation partners shall purchase goods and services necessary for the implementation of the project, observing the laws and regulations in the area of public procurement. The integration of environmental requirements in procurements of goods and services (green public procurement) is supported within the scope of projects.
11. The indirect eligible costs referred to in Sub-paragraph 30.2 of this Regulation shall be planned as one cost item, applying a flat rate indirect costs rate of 15 percent of the direct eligible staff costs referred to in Sub-paragraphs 32.1.1 and 32.1.2 of this Regulation. The flat rate of indirect costs shall be applied to the staff costs, which occurred on the basis of an employment contract.
12. Value added tax shall be considered eligible costs of the project, if it is not recoverable according to laws and regulations of the Republic of Latvia in the area of tax policy.

**IV. Project Implementation and Financing Conditions**

1. Within the scope of the Activity, the project shall be implemented no longer than three years from the day, when the project applicant has signed an agreement or contract with the cooperation authority, but not longer than until 30 November 2023.
2. 1 The Beneficiary shall ensure that the implementation of the supported activities and procurement is commenced no later than within the first quarter after the conclusion of the contract or agreement regarding the implementation of the project.
3. The total private co-funding required for the implementation of the project in the amount of at least 25 percent of the total eligible costs of the project within the framework of the first round of the activity and in the amount of at least 15 percent of the total eligible costs of the project within the second round shall be provided from the following funds:
	1. donations or gifts to the innovation fund, which are financial resources or property without compensation for certain purposes or without a purpose;
	2. other funding to the innovation fund, including:
		1. funding from merchants, associations or foundations (target payment of a legal person);
		2. beneficiary’s of funding and project cooperation partner’s – state higher education institution’s or state scientific institution’s – funding from their economic activity, credit resources or other financial resources free of any public support, including funding free of any government or local government guarantees, or government or local government loan under preferential conditions (target payment of a legal person);
		3. funding of private persons (target payment of a natural person);
		4. contributions in kind of the project applicant and the cooperation partner, the value of which can be independently audited and evaluated according to the provisions set out in Paragraph 42 of this Regulation. The total contribution in kind does not exceed five percent of the total eligible costs of the project.
4. The private co-funding of at least 100,000 euro referred to in Paragraph 40 of this Regulation, shall consist of the co-funding referred to in Sub-paragraphs 40.1 and 40.2.1 of this Regulations (with the exception of the merchant, which is a higher education institution), the funding referred to in Sub-paragraph 40.2.3 of this Regulation or the contribution in kind referred to in Sub-paragraph 40.2.4 of this Regulation, if the contribution in kind is provided by a merchant, association, foundation or private person.
5. Project contributions in kind can consist of:
	1. fixed assets – technological equipment (equipment, measuring devices, control devices, laboratory and medical equipment, motor vehicles), which were not purchased from public funds and the total usage value of which is calculated taking into account the minimum value of each fixed asset used within the scope of the project (average one working day usage costs during the entire period of effective use of the fixed asset) and the period, during which there are plans to use the fixed asset for the performance of the activities intended in the project. The total usage value of fixed assets is determined using the following formula:

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|  | , where |

P – total value of fixed asset use, euro;

Vi – initial value of i-th fixed asset (purchase costs or production cost), *euro*;

i – valiant of fixed asset (i = 1, 2, .., n; n – number of fixed assets);

ti – time period, during which it is planned to use the fixed asset for the performance of the activities intended in the project, in working days;

tKi – total period of effective use of the fixed asset, in working days;

* 1. granted materials (physical, biological, chemical and other materials, experimental animals, reagents, chemicals, laboratory vials, medicines for research, land areas, electronic components and modules), the value of which is calculated in proportion to the amount of materials consumed within the scope of the project and the market price of these materials.
1. The beneficiary of funding shall ensure the creation of an innovation fund by the day, when a project implementation agreement or contract is concluded, and the funding of the innovation fund is sufficient for the implementation of at least the first round students’ innovation proposals, however, not smaller than:
	1. 33 percent of the total amount of private co-funding, if the duration of the project is three years;
	2. 50 percent of the total amount of private co-funding, if the duration of the project is two years or less.
2. The beneficiary of funding shall ensure that for each 107,000 euro of public funding within the scope of the project not less than one eneterprise is involved, who makes a contribution to the project at least in one of the following ways:
	1. granting funding for the implementation of the Students innovation programme;
	2. delegating specialists of the merchant as mentors, students’ work supervisors, expects for selection of students’ innovation proposals and evaluation of results, or as lecturers of educating activities implemented within the scope of the Students innovation programme;
	3. providing access to the infrastructure of the merchant in order students can implement students’ innovation proposals.
3. During the selection of project applications the cooperation authority shall ensure the involvement of proper foreign experts included in the database of experts of the European Commission, using the following selection criteria:
	1. the expert has a doctoral degree;
	2. the expert had experience in the area of development or expertise of education content innovations, technology transfer, innovation projects or programmes in the last four years.
4. Any additional costs or increase in costs that occur during the implementation of the project shall be covered by the beneficiary of funding from its own resources.
5. If during the implementation of the project, an advance payment to the beneficiary is provided for the implementation of the supported activities referred to in Paragraph 28 of this Regulation, it may be paid in instalments provided that the advance payment has been made in accordance with the conditions indicated in Sub-paragraph 13.1 of Cabinet Regulation No. 130 of 17 March 2015 “Regulations regarding the planning of state budget funds for the implementation of projects of the European Union Structural Funds and the Cohesion Fund and the making of payments in the 2014–2020 planning period”, as well as payments of target scholarship referred to in Sub-paragraph 32.2.1 of this Regulation, and it may be used to cover the cost of the lump sum. One advance payment shall not exceed 30 percent of the total amount of public funding granted to the project. For the beneficiaries of funding, having a status of a derived public person partially funded from the state budget or an agency of a derived public person, who implement the project within the scope of state management tasks delegated to them, the total amount of advance and interim payments can amount to 100 percent of the total amount of funding from the European Regional Development Fund. For the beneficiaries of funding, which are higher education institutions established by private persons, the total amount of advance and interim payments can amount to 90 percent of the total amount of funding from the European Regional Development Fund intended for the project.
6. The project applicant shall submit a project, which meets all of these conditions:
	1. the activities performed within the scope of the Students innovation programme correspond to the definition provided in Sub-paragraph 2.1 of this Regulation;
	2. if intellectual property results from the implementation of the Students innovation programme, then according to the procedure of management and use of project applicant’s intellectual property rights intellectual property alienation contracts (parent alienation or licence contract) shall be concluded with a licensee, and such remuneration is received for the economic advantages transferred to the licensee, which is equivalent to the market price for the intellectual property rights. The remuneration shall be considered equivalent to the market price, if it can be proved with documents in one of the following ways:
		1. the amount of the remuneration has been established by means of an open, transparent and non-discriminatory competitive sale procedure;
		2. the beneficiary of funding, as seller, can demonstrate that it negotiated the compensation under conditions in fair competition, in order to obtain the maximum economic benefit at the moment when the contract is concluded;
	3. if as a result of implementation of the project revenue is gained from the knowledge and technology transfer obtained within the scope of the project and the project meets provisions of Articles 61(7)(b) and 65(8) of Regulation No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (hereinafter - Regulation No 1303/2013 of the European Parliament and of the Council) the beneficiary carries out a financial analysis in order to determine the amount of funding deficit attributable to funding from public funding;
	4. when implementing the project the beneficiary of funding shall ensure separation of the financial flow of implementation of the project from other financial flows of the beneficiary of funding during the implementation of the project and five years after the final payment;
	5. when implementing the project, separate accounting of non-economic incomes and expenses should be ensured, as well as separation of financial flows related to these transactions according to the laws and regulations on the preparation of an annual report.
7. When implementing the project, the beneficiary of funding ensures the information and publicity measures referred to in Sub-paragraph 28.3 of this Regulation and set out in Annex XII, Sub-paragraph 2.1 of Regulation No [1303/2013](http://eur-lex.europa.eu/eli/reg/2013/1303?locale=LV) of the European Parliament and of the Council and laws and regulations on the procedure of ensuring communication and visual identity requirements in 2014-2020 programming period in the implementation of European Union structural funds and the Cohesion Fund.
8. The beneficiary of funding posts updated information on the implementation of the project on its website at least once in three months.
9. The beneficiary of funding shall ensure sustainability of the results envisaged in the project for at least five years after the final payment, envisaging in this time period:
	1. public availability of the results of students’ innovation proposals according to the intellectual property policy of the project applicant to the extend commercial interests are not infringed (if applicable);
	2. the implementation of the Students innovation programme or systemic implementation of integrated measures aimed at the development of innovation competences and entrepreneurial mind of students.
10. The cooperation authority shall have the right to recede from the project implementation agreement or contract unilaterally in any of the following cases:
	1. the beneficiary of funding does not fulfil the project implementation agreement or the contract, including if the implementation of the project does not happen according to the deadlines set for the project or other conditions set in, which negatively affect or may affect the achievement of the objective of Activity referred to in Paragraph 3 of this Regulation and the achievement of the monitoring indicators referred to in Paragraph 7 of this Regulation;
	2. in other cases set out in the project implementation agreement or contract.

Prime Minister,

Acting Minister

of Health Māris Kučinskis

Minister of Education and Science Kārlis Šadurskis