CABINET OF MINISTERS OF THE REPUBLIC OF LATVIA

Regulation No 836

Riga, 14 December 2021 (prot. No 80 § 61)

**Regulations for the Implementation of activity 14.1.1.1. “Digitalisation initiatives to improve the quality of studies” of specific objective 14.1.1. “Recovery measures in the education sector (ESF)” of the Operational Programme “Growth and Employment”**

Adopted in accordance with

Paragraph 6 and 13, Section 20 of

the Law On Management of European Union

Structural Funds and the Cohesion Fund

for the 2014-2020 Programming Period

**I. General provisions**

1. The Regulation provides:

1.1. The procedures for the implementation of activity 14.1.1.1. “Digitalisation initiatives to improve the quality of studies” of the specific objective 14. 1.1. “Recovery measures in the education sector (ESF)” of the specific objective “Measures to mitigate the effects of the Covid-19 pandemic (ESF)” of the Operational Programme “Growth and Employment” (hereinafter - the activity);

1.2. the objectives of the activity;

1.3. the funding available for the activity;

1.4. requirements for the European Social Fund project (hereinafter - the project) applicant and project co-operation partners;

1.5. the conditions for the eligibility of supported activities and costs;

1.6. the conditions and procedures for the application of simplified costs;

1.7. the conditions for unilateral termination of the agreement or contract for the implementation of the project.

2. The following terms are used in the Regulations:

2.1. higher education institution - a higher education institution founded and accredited in the Republic of Latvia by the state or a private person in accordance with the Law on Higher Education Institutions;

2.2. digitalisation agent (mentor) - project implementation personnel tasked with the promotion of the implementation of new digital content and technological solutions at the institution of the project applicant and co-operation partner by providing educational and technical support to lecturers;

2.3. Digital technological solutions - integration of information technology into the study process with the objective of improving the digital skills of students, raising the efficiency and quality of studies in order to change the traditional teaching and learning approach to modern learning experience through the integration of digital technologies in the study process, educational methods and learning assessment practices, thereby strengthening personalised learning by encouraging meaningful individual and group learning, better organisation of learning, including resource sharing and more efficient feedback. Digital technology solutions provide support for the acquisition of knowledge, including, by means of developing digital and virtual learning environments, such as simulators and digital laboratories, by the integration of artificial intelligence and machine learning technologies in the learning process, increasing learning efficiency and quality, facilitating resource sharing;

2.4. research institution - a scientific institute registered in the Register of Research Institutions of the Republic of Latvia.

3. The objective of the activity is to introduce digitalisation initiatives at higher education institutions to improve the quality of studies.

4. The target group of the activity includes higher education institutions.

5. The objectives of the activity shall be achieved by implementing the supported activities referred to in Section 17 of this Regulation and reaching the following monitoring indicators:

5.1. Outcome indicator - number of higher education institutions that have received support from the European Social Fund for the implementation of digitalisation initiatives that promote a modern study process based on innovative technological solutions - 7, including:

5.1.1. for the funding indicated in Sub-section 6.1 of this Regulation, - 7;

5.1.2. for the funding indicated in Sub-section 6.2 of this Regulation, - 7;

5.2. Outcome indicator - number of higher education institutions that have introduced digitalisation initiatives that promote a modern study process based on innovative technological solutions - 7, including:

5.2.1. for the funding indicated in Sub-section 6.1 of this Regulation, - 7;

5.2.2. for the funding indicated in Sub-section 6.2 of this Regulation, - 7;

6. The total eligible funding within the framework of activity is EUR 7,860,001*,* including European Social Fund financing - EUR6,681,000 and state budget co-funding - EUR1,179,001*,* including:

6.1. In accordance with the REACT-EU allocation for 2021, the total eligible funding is EUR 6,068,071*,* including European Social Fund financing - EUR5,157,860 and state budget co-funding - EUR910,211;

6.2. In accordance with the planned REACT-EU allocation for 2022, the total eligible funding is EUR 1,791,930*,* including European Social Fund financing - EUR1,523,140 and state budget co-funding - EUR268,790.

7. Within the framework of the activity, the higher education institution shall implement a project that does not qualify as business support, and its maximum intensity of public funding is 100 percent, which consists of:

7.1. state budget support intensity – 15 percent;

7.2. European Social Fund support intensity – 85 percent.

8. The activity shall be implemented in the form of the open selection of project applications.

9. The activity is implemented in one round of selection of project applications for all funding available for the activity.

10. Within the framework of the activity, the functions of the responsible institution shall be performed by the Ministry of Education and Science.

**II. Requirements for the project applicant and co-operation partner**

11. Within the framework of the activity, the project applicant may be a higher education institution, which, after concluding an agreement or contract regarding the implementation of the project with the co-operation institution and approving the project application, is also a beneficiary.

12. The project applicant shall submit the project application and implement the project with at least two co-operation partners - higher education institutions, substantiating the choice and necessity of attraction thereof in the project application and indicating their involvement in the implementation of the supported activities. In addition to the two mandatory co-operation partners, the project applicant may also implement the project with the involvement of several co-operation partners, including other higher education institutions, scientific institutions, private or public organisations and foreign higher education institutions.

13. The project applicant shall enclose a statement of the co-operation partner regarding the readiness to participate in the implementation of the project with the project application. After the approval of the project application, the project applicant shall enter into a co-operation agreement with each co-operation partner in accordance with the regulatory enactments governing the procedures, whereby the institutions involved in the management of the European Union Structural Funds and the Cohesion Fund ensure the preparation of planning documents and implementation of these funds in the 2014-2020 planning period.

14. The project applicant shall prepare the project application in accordance with the requirements specified in the regulation of project application selection and submit it to the co-operation institution by using the electronic environment of Cohesion Policy Fund Management Information System for 2014–2020.

15. The project applicant shall submit one project application within the activity.

16. The minimum total eligible funding of the project is EUR 600,000, and the maximum total eligible funding for the project isEUR 2,600,000.

**III. Eligible actions and costs**

17. The following activities shall be supported under the activity:

17.1. strengthening of the digital capacity of higher education institutions by improving the study content and teaching methodology with the purpose of developing the digital skills of the students, including the introduction and integration of digital technological solutions into the study content and study process;

17.2. advisory support for lecturers in the implementation of new digital content, teaching methods and technological solutions;

17.3. provision of project management;

17.4. information and publicity activities regarding the implementation of the project.

18. For the purposes of strengthening the digital capacity of the higher educational institutions indicated in Section 17.1 of this regulation, the following actions shall be supported:

18.1. acquisition, development or upgrading of digital skills, study content and appropriate teaching methodologies, including by adopting and adapting global best practices;

18.2. integration of innovative digital technological solutions in the study content, including for the purposes of implementing practical and research work in the introduction of new digital content;

18.3. integration of artificial intelligence and machine learning technologies in the study content and study process;

18.4. implementation of learning process data collection and learning analytics solutions, including adaptation and upgrading thereof;

18.5. introduction of remote testing and knowledge assessment technologies to provide more efficient feedback;

18.6. provision of technical equipment required for the implementation of digital technological solutions.

19. The following activities shall be supported for the provision of technical equipment indicated in Section 18.6 of this regulation:

19.1. purchases of technical equipment related to software, data storage equipment and systems;

19.2. augmentation of the existing data centre data arrays and raising of the performance of existing data arrays;

19.3. installation, configuration, adjustment, testing of the purchased technical equipment and instruction of the servicing personnel;

19.4. drafting of procurement documentation for technical equipment procurements and provision of procurements.

20. Direct eligible costs include the following cost items:

20.1. direct eligible costs of the project:

20.1.1. remuneration costs of project management personnel, except overtime, for the implementation of actions specified in Sub-sections 17.3 and 17.4 of this Regulation;

20.1.2. the costs of remuneration, excluding overtime, for project implementation personnel, including experts, specialists, consultants, and foreign personnel, for the implementation of the activities indicated in Sub-section 17.1, 19.3 and 19.4 of this Regulation, costs of digitalisation agents (mentors) for the implementation of the activities referred to in Sub-section 17.1 and 17.2;

20.2. the costs of purchasing or rental of equipment, office furniture, machinery, software and licences for new workstations not exceeding EUR 3,000 per workstation for the entire duration of project implementation, if the project management or implementation personnel is employed in the project for at least 30% of normal working hours on the basis of an employment contract. If the project management or implementation personnel is employed part-time or shared time, the costs for the purchasing or rental of the equipment of the newly created workstations shall be eligible in proportion to the percentage of workload distribution;

20.3. the costs of domestic business trips and business travel for project management personnel for the implementation of the activity referred to in Sub-section 17.3 of this Regulation, as well as the costs of domestic and foreign business trips and business travel for the project implementation personnel for the implementation of the activities referred to in Sub-section 17.1, 17.2, and 19.3 of this Regulation in accordance with the regulatory enactments governing the procedures for the reimbursement of expenses related to business trips, if they are justified and related to project implementation;

20.4. transport costs (fuel charges, vehicle rental, purchase of transport services, charges for the use of public transport) that constitute the costs of domestic business trips or business travel;

20.5. the costs of foreign expert attraction for the implementation of actions indicated in Sub-sections 18.1, 18.2, 18.3, 18.4, and 18.5 of this Regulation;

20.6. service and delivery costs for the implementation of supported activities referred to in Sub-section 17.1, including the costs of cloud services;

20.7. the costs for the purchasing of technical equipment and inventory for the implementation of the supported activities referred to in Sub-section 18.6 of these Regulations, if the acquisition thereof is directly necessary for the implementation of the digital skills study content referred to in Section 17.1 and the introduction of digital technological solutions;

20.8. the costs of licence purchases, including the costs of purchasing licence updates for the implementation of the activities referred to in Sub-sections 18.1, 18.2, 18.3, 18.4 and 18.5 during the validity period of the respective licences, which does not exceed the implementation period of the project;

20.9. the costs of project information and publicity measures in accordance with the regulatory enactments that govern compliance with the procedures for the implementation of communication and visual identity requirements during the implementation of European Union Structural fund and Cohesion Fund financing in the planning period of 2014-2020 for the implementation of the supported activity indicated in Sub-section 17.4 of this regulation.

21. The costs referred to in Sub-section 20.7 of this Regulation shall not exceed twenty percent of the total eligible costs of the project.

22. When planning the direct eligible personnel costs referred to in Sub-section 20.1 of this Regulation, the beneficiary shall ensure that project management and implementation personnel are employed full-time or part-time in the amount of no less than 30 percent of normal business hours, and shall respectively ensure the recording of working hours of project management and implementation personnel by functions and time worked. If the involvement of personnel in the project is ensured in accordance with the principle of part-time eligibility, a workload of no less than 30 percent shall be eligible.

23. Indirect eligible costs shall be planned as a single cost item, applying a flat rate of indirect costs in the amount of 15 per cent of direct eligible personnel costs referred to in Sub-section 20.1 of this Regulation. The flat rate for indirect costs shall apply to personnel costs incurred on the basis of an employment contract.

24. Value added tax shall be deemed to be an eligible cost, if it is not recoverable in accordance with the regulatory enactments of the Republic of Latvia governing the sector of taxation policy.

25. If the service provider referred to in Sub-section 20.6 of this Regulation is a natural person and, if they are not registered with the State Revenue Service as a self-employed person, the mandatory state social insurance contributions of the employer shall be applicable as well.

26. Within the framework of the activity, the costs of beneficiary shall be eligible, if they comply with the cost items referred to in this Regulation and have been incurred since the date of concluding the agreement or contract on the implementation of the project.

27. Costs of co-operation partner shall be eligible after the conclusion of the co-operation agreements referred to in Section 13 of this Regulation, but not earlier than as of the date, when the agreement or contract on the implementation of the project is concluded.

28. The Beneficiary shall be liable for the performance of the duties of a co-operation partner in the implementation of the project and the functions performed by the co-operation partners within the project, including prevention of the risk of double funding and ensuring demarcation with other similar or related projects.

29. The Beneficiary shall ensure synergy, complementarity and non-overlapping of the supported activities that are planned within the framework of the project with other support programmes that promote the implementation of e-solutions and the improvement of the content of study programmes.

**IV. Conditions for the implementation of the activity**

30. During the selection of project applications, the co-operation Institution shall ensure the appropriate involvement of experts included in the expert data base of the European Commission by using the following selection criteria:

30.1. the expert has at least a master’s degree;

30.2. the expert has experience in the research of digital transformation in higher education or in the implementation of digitalisation projects in higher education, for instance, the development of the content of digital skills acquisition, the development and integration of information systems and technologies in the higher education study process over the last four years;

30.3. the experience of the experts in the organisation for economic co-operation and development or other equivalent international research in higher education.

31. For the purposes of the supervision of project implementation, the Ministry of Education and Science, in co-operation with the co-operation institution, shall ensure the quality assessment of the final results of the project in compliance with the following conditions:

31.1. the assessment shall be performed by experts included in the expert database of the European Commission, who comply with the criteria referred to in Section 30 of this Regulation;

31.2. the responsible authority shall develop a standard assessment form, including the requirement for the expert to evaluate and substantiate the extent to which the planned results of the project have been achieved, by expressing the evaluation as a percentage as well;

31.3. the assessment of final results shall be used by the co-operation institution in making a decision regarding the achievement of the project objective and planned results. Based on the final assessment on the level of achievement of the planned project results, the co-operation institution shall decide on the application of financial corrections in accordance with the guidelines of the managing institution on the application of financial corrections in the European Union Structural Funds projects. The co-operation institution shall inform the responsible authority of this decision.

32. The Beneficiary shall implement the project no later than by 31 December 2023.

33. The activity shall be implemented in close connection with specific objective 8.2.3. “To Ensure better governance at higher education institutions” of the operational programme “Growth and Employment”.

34. The place of project implementation is the territory of the Republic of Latvia.

35. If an advance payment to the beneficiary during the implementation of the project is provided for, it may be paid in instalments. One instalment shall not exceed 30 percent of the total amount of European Social Fund financing and state budget co-funding allocated for the project. In compliance with the principles of sound financial management, the total amount of advance and interim instalments for the beneficiaries that have the status of a derived public person partially funded from the state budget and that are implementing the project within the framework of state governance tasks delegated to them, may amount to 100 per cent of the sum total of European Social Fund financing and state budget co-funding allocated for the project. In compliance with the principles of sound financial management, the total amount of advance and interim payments for beneficiaries that are higher education institutions founded by natural persons, may amount to 90 per cent of the total amount of European Social Fund funding and co-funding from the state budget.

36. During the implementation of the project, the beneficiary of the funding shall ensure information and publicity events provided for by Sub-section 2.2, Annex XII of *Regulation (EU) 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 the 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* and regulatory enactments on the procedures governing compliance with the implementation of communication and visual identity requirements during the implementation of European Union Structural fund and Cohesion Fund financing in the planning period of 2014-2020.

37. The Beneficiary shall post up-to-date information regarding the implementation of the project on their website no less frequently than once every three months.

38. The Beneficiary and the co-operation partners shall procure the goods and services required for the implementation of the project in accordance with the regulatory enactments governing public procurement by implementing an open, transparent, non-discriminatory and competitive tender procedure. The integration of environmental requirements into the procurement of goods and services (green public procurement) shall be supported.

39. The co-operation institution shall be entitled to withdraw from the contract or agreement on the implementation of the project unilaterally in any of the following cases:

39.1. the beneficiary fails to comply with the provisions of the contract or agreement on the implementation of the project, including the failure of the implementation of the project in compliance with project deadlines or other circumstances have arisen that affect or may affect the achievement of the objective of the activity referred to in Section 3 of this Regulation and monitoring indicators provided in Section 5 of this Regulation;

39.2. in other cases specified in the contract or agreement on the implementation of the project.

Prime Minister A. K. Kariņš

Minister for Education and Science A. Muižniece