**Cabinet of Ministers Regulations No 34**

Riga, 12 January 2016 (prot. No 2 § 38)

**Rules of implementation of measure 1.1.1.1 “Industry-Driven Research” of specific objective 1.1.1 “To increase the research and innovation capacity of scientific institutions of Latvia and their ability to attract external funding by investing in human resources and infrastructure” of operational programme “Growth and Employment”**

*Issued in accordance with Sections 20(6) and (13) of the European Union Structural Funds and Cohesion Fund 2014-2020 Programming Period Management Law*

# I. General Matters

1. The Regulations lay down:
	1. the procedure of implementation of measure 1.1.1.1 “Industry-Driven Research” of specific objective 1.1.1 “To increase the research and innovation capacity of scientific institutions of Latvia and their ability to attract external funding by investing in human resources and infrastructure” of priority axis “Research, development of technologies and innovation” of operational programme “Growth and Employment” (hereinafter referred to as the measure);
	2. objectives of the measure;
	3. funding available for the measure;
	4. requirements to the project applicant of the European Regional Development Fund and the cooperation partner;
	5. provisions on the eligibility of costs and the activities to be supported;
	6. rules and procedure of application of simplified costs;
	7. rules of unilateral termination of the agreement or contract on the implementation of the project.
2. The following terms are used in the Regulations:
	1. a project not related to economic activity – a project, which meets the following criteria:
		1. the project is implemented by a scientific institution, which meets the definition of a research organisation referred to in Sub-Paragraph 2.18 of these Regulations;
		2. the activities to be implemented within the framework of the project meet the rules listed in Paragraph 21 of these Regulations;
	2. a project related to economic activity – a project, which meets one or both of the following criteria:
		1. the project is implemented by an institution (a scientific institution or an enterprise registered in the Commercial Register of the Republic of Latvia), which does not meet the definition of a research organisation;
		2. activities of economic nature are implemented within the framework of the project;
	3. start of works – a commitment, which meets the definition set out in Article 2(23) of Commission Regulation No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (hereinafter referred to as Commission Regulation No 651/2014);
	4. activity having no economic nature – basic activity of a research organisation, which is not part of the scope set out in Article 107(1) of the Treaty on the Functioning of the European Union and which manifests itself as follows:
		1. education measures aimed at increasing the number of staff and improving their qualifications;
		2. independent research and development aimed at acquiring more knowledge and better understanding, including collaborative research and development, with the research organisation engaging in effective collaboration;
		3. dissemination of research results on a non-exclusive and non-discriminatory basis, including through teaching, open-access databases, open publications or open source software;
		4. knowledge and technology transfer activities, if:
			1. knowledge and technology transfer activities are carried out by a department of a research organisation or a subsidiary of a research organisation (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 and which meets the definition of a research organisation stated in Sub-Paragraph 2.18 of these Regulations), a research organisation jointly with other research organisations or a research organisation with third parties, concluding agreements on specific services by way of open tenders;
			2. all profits from such activity are then reinvested in the basic activities of the research organisation;
	5. effective collaboration – collaboration, which meets the definition laid down in Article 2(90) of Commission Regulation No 651/2014;
	6. experimental development – a category of research, which meets the definition laid down in Article 2(86) of Commission Regulation No 651/2014;
	7. fundamental research – a category of research, which meets the definition laid down in Article 2(84) of Commission Regulation No [651/2014](http://eur-lex.europa.eu/eli/reg/2014/651?locale=LV);
	8. intellectual property – a systematised set of certain information (knowledge), which [can be used](http://eur-lex.europa.eu/eli/reg/2014/651?locale=LV) simultaneously for the creation of an unlimited number of material objects in different places around the world;
	9. new technology – a technology, which meets the definition laid down in Article 2(114) of Commission Regulation No 651/2014[;](http://eur-lex.europa.eu/eli/reg/2014/651?locale=LV)
	10. young scientist – a natural person, who carries out scientific activities and who obtained his/her scientific doctor’s qualification in the last 10 years according to the procedure set out in the Law on Scientific Activity;

2.10.1 number of new researchers in supported entities – the number of that scientific staff or research technical staff involved within the scope of the project as a full-time equivalent (hereinafter referred to as FTE):

2.10.1 1. which is directly involved in the implementation of the research;

2.10.1 2. after the involvement of which the institution:

2.10.1 2.1. creates a new job for scientific staff or research technical staff (hereinafter referred to as the new researcher);

2.10.1 2.2. increases the total number of persons employed in research;

* 1. new product – goods or services, which are completely new or have improved functional properties or changed intended use (including changed or improved technical parameters, components, materials, [added software](http://eur-lex.europa.eu/eli/reg/2014/651?locale=LV), user-friendly properties). The following shall not be considered a new product:
		1. ceasing to use some part of a process;
		2. capital replacement or extensive increase (purchasing of modules identical to the modules being used, insignificant extensions, equipment and software upgrades). New equipment or extensions must have significant improvements in specifications;
		3. alterations due to changes in prices of components (changes in product price or productivity of the production process are not a product innovation, for example, in manufacturing of computers, sales prices of a computer model drop due to the drop in the price of its chip);
		4. adaptation of products to specific needs (for example, adaptation of a product to customer’s needs, which does not cause such changes in functional or technical properties of the new product, which ensure higher competitiveness of the product compared to existing products);
		5. daily, seasonal and cyclic changes and improvements (for example, a new seasonal collection in manufacturing of clothes is not considered as innovation);
		6. changes in design (including flavour and aroma), which do not change functions, application or technical properties;
		7. resale of goods or processes of other manufacturers;
		8. improvements to promote marketing (including aesthetic changes);
		9. improvement of organisational processes in the enterprise’s activity;

2.11.1 number of new products and technologies, which can be commercialised – the number of prototypes developed within the project, of sustainability of project results is ensured for five years after the last payment, making a contribution to the development of the innovation system according to one of more types of contribution:

2.11.1 1. protects technology rights related to the prototype;

2.11.1 2. concludes an intellectual property licence agreement;

2.11.1 3. improves the prototype developed within the project to introduce it into production or provision of services;

* 1. large enterprise – an undertaking, which meets the definition laid down in Article 2(24) of Commission Regulation No 651/2014;
	2. beneficiary – an entity (a project applicant, a cooperation partner or a contracting entity of a contract research), who obtains intellectual property rights and economic advantages resulting from the entity’s part of the project or the activities carried out within the scope of a contract research;

* 1. party – a project applicant, a cooperation partner or a performer of a contract research (if [applicable](http://eur-lex.europa.eu/eli/reg/2014/651?locale=LV)), who concluded a cooperation agreement on the implementation of the project or an agreement on the performance of a contract research;
	2. contract research – a research conducted in the interests of an enterprise (contracting entity of the contract research), which is carried out on behalf of the contracting entity of the contract research by a scientific institution, which is defined according to laws and regulations on the procurement procedure and the procedure of its application for the projects financed by the contracting entity and whose activity is registered in Latvia or abroad. A contract research is characterised by the following criteria:
		1. the contracting entity of the contract research owns the results of the research and the contracting entity of the contract research carries the risk of failure;
		2. intellectual property rights resulting from the activity carried out within the scope of a project of a scientific institution are fully conferred to the contracting entity of the contract research, who obtains all the economic advantages, keeping them to itself, including intellectual property licensing rights;
		3. the contracting entity of a contract research sets terms and conditions for this service, which are applicable to the publicity and commercialisation of project results;
		4. the scientific institution uses the funding received for contract research only to conduct the contract research concerned;
		5. the contracting entity of a contract research may combine several contract researches for different scientific institutions within the scope of one project, if it is required for the achievement of project results;
	3. transparent category of aid – a category of aid, which meets the definition laid down in Article 5(2) of Commission Regulation No 651/2014;
	4. research infrastructure – infrastructure, which meets the definition laid down in Article 2(91) of Commission Regulation No 651/2014;
	5. research organisation – an entity, which meets the definition laid down in Article 2(83) of Commission Regulation No 651/2014;
	6. research – activities spanning over one or several categories of research, and intended to accomplish an indivisible task of a precise economic, scientific or technical nature with clearly pre-defined goals. A research project may consist of several work packages, and it includes clear objectives, activities to be carried out to achieve those objectives (including their expected [costs), and](http://eur-lex.europa.eu/eli/reg/2014/651?locale=LV) concrete deliverables to identify the outcomes of those activities and compare them with the relevant objectives. When two or more research projects are not clearly separable from each other and in particular when they do not have independent probabilities of technological success, they are considered as a single project;
	7. project life cycle – the economically viable project time, during which it is possible to obtain financial or economic benefit from the funds invested in or assets created within the framework of the project;
	8. prototype – an original model, which according to Articles 2(85) and (86) of Commission Regulation No 651/2014 was created including all the technical properties and functions of the new product or technology. Designing, construction, manufacturing and testing of prototypes is considered an industrial research or an experimental development. One or more prototypes can be constructed or manufactured consequently or at the same time for the development of a new product or technology. If tests of prototypes are not successful, results can be used for further improvement of the new product or technology;
	9. public funding intensity – total amount of funding from the European Regional Development Fund and the state budget as a percentage from project’s total eligible costs;
	10. industrial research – a category of research, which meets the definition laid down in Article 2([85](http://eur-lex.europa.eu/eli/reg/2014/651?locale=LV)) of Commission Regulation No 651/2014;
	11. micro, small and medium-sized enterprise – an enterprise, which meets the definition laid down in Annex I to Commission Regulation No 651/2014;
	12. feasibility study – a category of research, which meets the definition laid down in Article 2(87) of Commission Regulation No 651/2014;
	13. technology rights – know-how and other rights or a combination thereof, including applications for or applications for registration of those rights, which meet the definition laid down in Article 1(b) of Commission Regulation No 316/2014 of 21 March 2014 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of technology transfer agreements (hereinafter referred to as Commission Regulation No 316/2014);
	14. knowledge and technology transfer – any process which is aimed at acquiring, collecting and sharing explicit and tacit knowledge, including skills and competence in both economic and non-economic activities such as research collaborations, consultancy, licensing, spin-off creation, publication and mobility of researchers and other personnel involved in those activities. Besides scientific and technological knowledge, it includes other kinds of knowledge such as knowledge on the use of standards and regulations embedding these considerations and on conditions of real life operating environments and methods for organisational innovation, as well as management of knowledge related to identifying, acquiring, protecting, defending and exploiting intangible assets;
	15. know-how – a package of practical information, which meets the definition laid down in Article 1(1)(i) of Commission Regulation No 316/2014;
	16. scientific institution – a scientific institute registered in the Register of Scientific Institutions of the Republic of Latvia (a public agency, a derived public person, an enterprise or a division of an enterprise) or a higher education institution;
	17. research workers – a scientist, scientific staff, research attending staff and research technical staff;
	18. scientific staff – senior researchers, researchers and research assistants elected according to the laws and regulations regulating scientific activity, as well as persons employed by a commercial company, who performs duties of a senior researcher, a researcher or a research assistant.

*(CM Regulations No. 129 of*[*27.02.2018*](https://likumi.lv/ta/id/297452-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*as amended)*

1. Public funding for the implementation of projects related to economic activity is granted pursuant to Articles 25 and 28 of Commission Regulation No 651/2014.
2. The purpose of the measure is to support research, which contributes to the achievement of goals of the Latvian Smart Specialization Strategy, to the development of human capital for science and technology and to the creation of new knowledge for the improvement of competitiveness of the national economy.
3. The measure supports research projects, which contribute to the implementation of axes of transformation of the national economy and growth priorities defined in the Latvian Smart Specialization Strategy and to the development of areas of specialisation:
	1. knowledge intensive bioeconomics;
	2. biomedicine, medical technologies, biopharmacy and biotechnologies;
	3. smart materials, technologies and engineering systems;
	4. smart energetics;
	5. information and communication technologies.
4. The target group of the measure includes:
	1. scientific institutions;
	2. enterprises registered in the Commercial Register of the Republic of Latvia;
	3. employees, holders of master’s and doctor’s degrees employed in science and research.
5. The following monitoring indicators must be achieved within the scope of the measure:
	1. output indicators until 31 December 2018:
		1. number of new researchers in the supported entities (full-time equivalent) – 76.5;
		2. number of scientific articles, for the development and publication of which aid is provided within the scope of projects – 29;
		3. number of new products and technologies, which can be commercialised and for the development of which aid is provided within the scope of projects – 37;
		4. private investment matching public support in innovation or R&D projects – 1,925,000 euro;
		5. number of enterprises cooperating with research institutions – 15;
	2. financial indicators until 31 December 2018 – certified expenses in the amount of 11,617,160 euro;
	3. output indicators until 31 December 2023:
		1. number of new researchers in the supported entities (full-time equivalent) – 306;
		2. number of scientific articles, for the development and publication of which aid is provided within the scope of project applications – 192;
		3. number of new products and technologies, which can be commercialised and for the development of which aid is provided within the scope of project applications – 114;
		4. private investment matching public support in innovation or R&D projects – 9,625,000 euro;
		5. number of enterprises cooperating with research institutions – 80;
	4. result indicators until 31 December 2023 to be achieved as a total result of specific objective 1.1.1 “To increase the research and innovation capacity of scientific institutions of Latvia and their ability to attract external funding by investing in human resources and infrastructure” of priority axis “Research, development of technologies and innovation” of operational programme “Growth and Employment”:
		1. average number of scientific publications per one full-time equivalent of scientific personnel (hereinafter referred to as FTE) per year – 0.48;
		2. external funding raised by the state and higher education sector for scientific and research work – 160,600,000 euro.

*(CM Regulations No. 129 of*[*27.02.2018*](https://likumi.lv/ta/id/297452-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*as amended)*

1. The following activities should be supported in the project:
	1. feasibility study, if the research referred to in Paragraph 8.2 of these Regulations is implemented;
	2. research, which includes at least one of the following research categories:
		1. in the first round of selection of project applications:
			1. fundamental research, where the public funding available does not exceed 20 percent of the total public funding referred to in Paragraph 11 of these Regulations, not including the fundamental research referred to in Sub-paragraph 8.2.1.2 of these Regulations. The project applications, which envisage only the implementation of fundamental research, are evaluated separately from the research referred to in Sub-paragraph 8.2.1.2 of these Regulations;
			2. industrial research. Industrial research may be combined with fundamental research in one project application, if the total public funding for the implementation of the fundamental research does not exceed 20 percent of total eligible costs of the project;
			3. experimental development, if industrial research is implemented. The total public funding for experimental developments does not exceed 20 percent from the total eligible costs of the project;
		2. in the second and subsequent rounds of selection of project applications:
			1. fundamental research in the cases referred to in Paragraph 21 of these Regulations. The total public funding for the implementation of fundamental research does not exceed 10 percent of the eligible public funding available in the respective round for the implementation of the projects referred to in Paragraph 21 of these Regulations;
			2. industrial research;
			3. experimental development, if industrial research is implemented within the framework of the project. The total public funding for experimental development does not exceed 20 percent from the total direct eligible costs of the project;
	3. acquisition, approval and defence of technology rights (intangible assets), which arise from the activity carried out in Sub-paragraph 8.2 of these Regulations (hereinafter referred to as protection of technology rights);
	4. dissemination of the knowledge created within the framework of the project in the form of trainings, publications or knowledge and technology transfer, including the engagement of the public in project arrangements and informing on project results, which are not related to intellectual property rights. The costs of these actions with regard to the projects related to economic activity, are eligible, observing the conditions of Paragraphs 44 and 49 of these Regulations.

*(CM Regulations No. 129 of*[*27.02.2018*](https://likumi.lv/ta/id/297452-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*;  CM Regulations No. 277 of 15.05.2018 as amended)*

1. The measure is implemented in the form of an open selection of project applications.
2. The Ministry of Education and Science fulfils functions of the responsible authority within the scope of the measure (hereinafter referred to as the responsible authority).
3. The total eligible public funding planned for the measure is 76,512,873 euro, which is formed by funding from the European Regional Development Fund of 65,035,942 euro and national public state budget co-funding of 11,476,931 euro.

*(CM Regulations No. 206 of 11.04.2017 as amended)*

1. The maximum public funding intensity for a project not related to economic activity is 92.5 percent, which is formed by:
	1. state budget aid intensity – 7.5 percent;
	2. European Regional Development Fund aid intensity – 85 percent.

*(CM Regulations No. 206 of 11.04.2017 as amended)*

12.1 In the second and subsequent rounds of selection of project applications the total eligible funding available is 36,743,093 euro, which is formed by funding of the European Regional Development Fund – 28,259,322 euro and state budget co-funding – 8,483,771 euro, including:

12.1 1. for projects not related to economic activity:

12.1 1.1. the amount of the total eligible public funding available is 22,613,432 euro, which is formed by funding of the European Regional Development Fund – in the amount of 14,129,661 euro and state budget co-funding – in the amount of 8,483,771 euro;

12.1 1.2. the maximum public funding intensity is 92.5 percent, which is formed by:

12.1 1.2.1. state budget funding intensity – 34.70 percent;

12.1 1.2.2. European Regional Development Fund aid intensity – 57.80 percent;

12.1 2. for projects related to economic activity the amount of the total eligible public funding available is 14,129,661 euro, which is formed by funding of the European Regional Development Fund.

*(CM Regulations No. 129 of*[*27.02.2018*](https://likumi.lv/ta/id/297452-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*as amended)*

12.2 In the second round of selection of project applications the planned total eligible public funding is 25,000,000 euro, which is formed by:

12.21. 15,386,179 euro for the implementation of projects not related to economic activity, including state budget funding in the amount of 5,772,358 euro and funding of the European Regional Development Fund in the amount of 9,613,821 euro;

12.22. funding of the European Regional Development Fund in the amount of 9,613,821 for the implementation of projects related to economic activity.

*(CM Regulations No. 129 of*[*27.02.2018*](https://likumi.lv/ta/id/297452-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*as amended)*

1. The maximum public funding for a project related to economic activity is determined according to Paragraphs 33 and 45, Sub-Paragraph 50.2 of and Annex 3 to these Regulations.
2. The public funding granted to a project related to economic activity with regard to the same eligible costs cannot be combined with funding within the scope of another aid programme or individual aid project, as well as with *de minimis* aid, which is provided according to Commission Regulation No 1407/2013 of 18 December 2013 on the application of Articles107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid.
3. *(CM Regulations No. 129 of*[*27.02.2018*](https://likumi.lv/ta/id/297452-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*as amended)*
4. The amount of maximum public funding per one project is 600,000 euro, the minimum amount of public funding is 30,000 euro.

# II. Requirements to the Project Applicant and the Cooperation Partner

1. A project applicant can be:
	1. a scientific institution, which can submit:
		1. the project referred to in Paragraph 21 of these Regulations, if the scientific institution meets the definition of a research organisation. The compliance of a scientific institution with the definition of a research organisation is confirmed by a financial management and the accounting policy overview and a turnover report of the scientific institution, which has been prepared according to Annex 4 to these Regulations;
		2. the projects referred to in Sub-Paragraphs 22.1 and 22.3 of these Regulations;
	2. the micro, small, medium-sized or large enterprise (hereinafter referred to as the enterprise) registered in the Commercial Register of the Republic of Latvia, which can submit the project referred to in Paragraph 22 of these Regulations.
2. Within the framework of the measure, the project applicant may submit a project application, which was submitted for the EU Framework Programme for Research and Innovation Horizon 2020, was assessed above the quality threshold, but did not receive funding for the implementation of the project. In this case, the following conditions should be met to qualify for funding within the framework of the measure:
	1. the project contributes to the implementation of axes of transformation of the national economy and growth priorities defined in the Latvian Smart Specialization Strategy referred to in Paragraph 5 of these Regulations and envisages the implementation of the activities referred to in Paragraph 8 of these Regulations;
	2. the total public funding for a project application to the scientific institution or the enterprise referred to in Paragraph 17 of these Regulations does not exceed the amount of total eligible public funding indicated in Paragraph 16 of these Regulations;
	3. if it is planned to implement a project application in the form of an international consortium, a certification of foreign cooperation partners is attached to the project application confirming the provision of funding for the implementation of the cooperation partner’s part of the project, having regard of provisions of Sub-Paragraph 30.3 of these Regulations;
	4. *(CM Regulations No. 129 of*[*27.02.2018*](https://likumi.lv/ta/id/297452-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*as amended)*
	5. the project is not funded from other public or foreign financial instruments, and its funding is not planned within the scope of other state or foreign financial instruments.

*(CM Regulations No. 129 of*[*27.02.2018*](https://likumi.lv/ta/id/297452-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*as amended)*

1. The project application quality evaluation procedure referred to in Paragraph [18](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#p18) of these Regulations is as follows:
	1. the expert evaluation of project quality received within the Horizon 2020 programme is used for the evaluation of quality of the project application of the Horizon 2020 programme;
	2. regulations for the second and subsequent rounds of selection round of project applications shall provide the procedure of alignment of the project quality evaluation system of the Horizon 2020 programme and the project quality evaluation system of the measure, observing the following conditions:
		1. if the evaluation systems of a specific quality criterion within the Horizon 2020 programme and within the measure are not identical, the evaluation referred to in Paragraph 19.1 of these Regulations is recalculated using the following formula:

PKV = PH2020 x PKV Max/PH2020 Max, where:

PKV – evaluation within the framework of the measure for the compliance of the project application with the specific quality criterion;

PH2020 – evaluation within the framework of the Horizon 2020 programme for the compliance of the project application with the specific quality criterion;

PKV Max – maximum score to be obtained in the specific criterion within the framework of the measure;

PH2020 Max – maximum score to be obtained in the specific criterion within the framework of the Horizon 2020 programme;

* + 1. the project application submitted within the Horizon 2020 programme receives the maximum possible score in the quality criteria, which were not evaluated within the Horizon 2020 programme – the criterion for the contribution of the project to achievement of industrial policy objectives and the criterion for horizontal priorities;
		2. the conditions referred to in Paragraph [20.2](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#p20.2) of these Regulations shall be taken into account.

*(CM Regulations No. 129 of*[*27.02.2018*](https://likumi.lv/ta/id/297452-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*as amended)*

1. In the first round of selection of project applications the project application referred to in Paragraph [18](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#p18) of these Regulations shall be submitted according to the project application form defined in the measure selection regulations adding the information referred to in Annexes [1](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#piel1), [2](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#piel2), [6](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#piel6)and [7](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#piel7) to these Regulation, the expert evaluation of the scientific quality of the project by experts included in the database of experts of the European Commission referred to in Paragraph [19](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#p19) of these Regulations, a decision on rejection of the project due to insufficient funding or inclusion of the project on the reserve list and a certified copy of the project application submitted within the framework of the Horizon 2020 programme.

*(CM Regulations No. 129 of*[*27.02.2018*](https://likumi.lv/ta/id/297452-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*as amended)*

20.1 In the second and subsequent rounds of selection of project applications, in the case referred to in Paragraph [18](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#p18) of these Regulations the project applicant should submit a certified copy of the project submitted within the framework of the Horizon 2020 programme and should attach:

20.1 1. documentation, which certifies that the evaluation of scientific quality of the project application was conducted within the framework of the Horizon 2020 programme and the project application has been evaluated above the defined minimum quality threshold;

20.1 2. a decision on rejection of the project due to insufficient funding or inclusion of the project on the reserve list;

20.1 3. a certification that the project is not funded or co-funded, as well as it is not planned to be funded or co-funded from other state or foreign financial aid instruments;

20.1 4. other documents according to Paragraph [25.1](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#p25.1) of these Regulations.

*(CM Regulations No. 129 of*[*27.02.2018*](https://likumi.lv/ta/id/297452-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*as amended)*

20.2 The procedure for selection of project applications in the second and subsequent project application selection rounds is as follows:

20.2 1. the project application is evaluated and compared within the framework the set of project applications referred to in paragraph [21](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#p21) of these Regulations and the set of project applications referred to in Paragraph [22](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#p22) of these Regulations, respectively;

20.2 2. the following conditions are applicable to each selection set:

20.2 2.1. the project application, which has received the highest score in the total evaluation of quality criteria, should be supported as a priority;

20.2 2.2. if the total quality evaluation of several project applications is equal, the project application, which has received the highest score in the quality criterion “Excellence”, should be supported as a priority;

20.2 2.3. if the total evaluation of several project applications in the quality criterion "Excellence” is equal, the project application, the results of which foster the increase in the Latvian innovation capacity pursuant to provisions of Sub-paragraph 24.12 of these Regulations, should be supported as a priority.

*(CM Regulations No. 129 of*[*27.02.2018*](https://likumi.lv/ta/id/297452-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*as amended)*

1. The following projects not related to economic activity can be implemented within the scope of the measure:
	1. a project individually implemented by a research organisation, within the scope of which independent research is being conducted to obtain more knowledge and better understanding;

* 1. a collaboration project of at least two independent parties, one of which is a research organisation, if effective collaboration rules are ensured and the project meets the following criteria:
		1. activities carried out within the scope of the project match the basic activity not related to economic activity, which includes research and transfer of research results by way of knowledge and technology transfer;
		2. the beneficiary ensures the compliance of knowledge and technology transfer activities with provisions of Sub-Paragraphs 2.4.3 and 2.4.4 of these Regulations and:
			1. an intellectual property licence agreement is concluded with the licensee, which is established in the open tender, thus excluding the possibility to conclude an exclusive licence agreement with the cooperation partner;
			2. for all the economic advantages transferred to the licensee, the beneficiary receives a remuneration equal to the market price of the intellectual property rights resulting from the activity carried out within the scope of the project of a research organisation. If it is impossible to determine the market price, the proof of market price is a public auction of the intellectual property according to laws and regulations on organisation of auctions or a documented negotiation procedure between the research organisation – the licensor – and the licensee, as a result of which the licensor has obtained the maximum price for its intellectual property rights;
	2. if revenue is gained from the knowledge and technology transfer obtained within the scope of the project as a result of implementation of the project referred to in Sub-Paragraphs 21.1 or 21.2 of these Regulations 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 referred to as Regulation No 1303/2013 of the European Parliament and of the Council), the beneficiary carries out a financial analysis according to Annex 5 to these Regulations in order to determine the amount of funding deficit attributable to funding from public funds.
1. The following projects related to economic activity can be implemented within the scope of the measure:
	1. a project implemented individually by a scientific institution or an enterprise, within the scope of which the project applicant obtains intellectual property rights and economic advantages resulting from the activity carried out within the scope of the project;
	2. a project, which includes:
		1. a contract research, which is implemented by a scientific institution on behalf of an enterprise. Costs of the contract research constitute at least 80 percent of total eligible costs of the project;
		2. research implemented individually by the contracting entity of the contract research, if:
			1. the contract research referred to in Sub-Paragraph 22.2.1 of these Regulations is implemented within the scope of the project;
			2. research costs do not exceed 20 percent of the total eligible costs of the project referred to in Sub-Paragraph 22.2 of these Regulations;
			3. the research is not part of the contract research referred to in Sub-Paragraph 22.2.1 of these Regulations;
	3. a collaboration project of at least two independent parties aimed at achieving a common goal.
2. The following provisions are met within the scope of the collaboration project in the case referred to in Sub-Paragraph 21.2 and 22.3 of these Regulations:
	1. a cooperation partner can be a scientific institution or an enterprise, whose economic activity is registered in Latvia or abroad;
	2. the project is submitted by the leading partner, who is responsible for the implementation of the project and the achievement of results planned in the project;
	3. at least two partners participate in the development of the collaboration project, contribute to its implementation and share the project risk and results. A cooperation partner may engage in the implementation of the project using property, intellectual property, funding or human resources possessed or owned by it. By making such investments, the leading partner must not have such legal relationship with its cooperation partner, which has the features of a public procurement contract according to laws and regulations on public procurement or procurement for the needs of public service providers;

* 1. within the scope of a collaboration project, each cooperation partner obtains intellectual property rights and economic advantages resulting from the activities carried out within the scope of the specific cooperation partner’s part of the project;
	2. if the collaboration project is implemented by cooperation partners – an enterprise and a research organisation – one of the following conditions is satisfied:
		1. research results, which do not give rise to intellectual property rights, may be widely disseminated, and any intellectual property rights with regard to research results that result from activities of the research organisation, are fully conferred to the research organisation;
		2. the research organisation receives such a remuneration (compensation) from the enterprise, which is equal to the market price for the intellectual property rights resulting from the activity carried out by the research organisation within the framework of the project, and which were transferred to the cooperation partner (enterprise). If intellectual property rights to the intellectual property created in the research organisation’s part of the project are alienated or the cooperation partner (enterprise) gets exclusive or usage right, the market price of the intellectual property is reduced by the value of contribution of property, intellectual property or human resources, which, based on actual costs (except for the profit part) the cooperation partner (enterprise) invested in the implementation of the part of the project of the research organisation giving rise to respective intellectual property rights;
	3. Costs of the project part of each cooperation partner form at least 20 percent of total project costs, taking into account the conditions of Paragraph 30.3 of these Regulations.

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1. One or more of the following project results are expected during the project life cycle:
	1. original scientific articles which are published in magazines or conference proceedings, the citation index of which reaches at least 50 percent of the average citation index in the sector;
	2. original scientific articles which are published in scientific journals or conference proceedings included in the Web of Science or SCOPUS (A or B) databases;
	3. technology rights – patents;
	4. technology rights – other intangible assets;
	5. intellectual property licence agreements;
	6. a new product or new technology prototype;
	7. new treatment and diagnostic methods (including a non-commercialisable method);
	8. other project results (including data) according to the specifics of the research, which supplement the results mentioned in Sub-Paragraphs 24.1, 24.2, 24.3, 24.4, 24.5, 24.6 or 24.7 of these Regulations.

*(CM Regulations No. 129 of*[*27.02.2018*](https://likumi.lv/ta/id/297452-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*as amended)*

24.1 The beneficiary justifies in the project application the sustainability of expected research results during at least five years after the final payment according to one or more contributions to the improvement of the innovation system capacity:

24.11. contribution to the development of human capital – preservation of jobs for new researchers created within the scope of the project;

24.12.  knowledge and technology transfer created within the project, including the scientific articles, registered technology rights, intellectual property licence agreements referred to in Paragraph 24.1 of these Regulations;

24.13. improvement of the prototype developed within the project to introduce it into production or provision of services;

24.14. maintenance, improvement or updating of the research results corresponding to the project specifics defined in Sub-paragraph 24.6 of these Regulations.

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1. The project applicant shall prepare and submit its project application to the cooperation authority according to the requirements of the project application selection regulations.

25.1 In the second and subsequent rounds of selection of project applications a project application shall be submitted to the Cohesion Policy funds management information system for [2014](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#piel2014)–[2020](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#piel2020). The following annexes should be appended to the project application:

25.1 1. planned workload as FTE of the research workers involved in the implementation of the project during the period of implementation of the project (Annex [1.1](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#piel1.1));

25.1 2. curriculum vitae of each senior researcher or persons performing duties of the senior researcher in the enterprise’s institution (*Curriculum vitae*) ([Annex 6](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#piel6));

25.1 [3.](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#piel3) translations of the project application and annexes thereto into English according to provisions of the selection regulations;

25.1 4. in the case referred to in [Paragraph 21](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#p21) of these Regulations:

25.1 4.1. reports on turnover of the research organisation about the last three closed reporting years (Annex [4](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#piel4));

25.1 4.2. a description of the financial management and accounting policy of the research organisation or a written certification that copies of this document have been submitted to the cooperation authority within the scope of the measure (with a reference to the date and number of the specific document);

25.1 5. in the case referred to in [Paragraph 22](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#p22) of these Regulations:

25.1 5.1. a calculation of the average weighted aid intensity of public funding for a project related to economic activity ([Annex 3](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#piel3));

25.1 5.2. a declaration of compliance of the project applicant and the cooperation partner with the category of a micro, small or medium-sized enterprise, which has been prepared pursuant to the laws and regulations on the procedure of declaration of micro, small or medium-sized commercial enterprises;

25.1 6. in the case referred to in Sub-paragraph of these Regulations 22.2.1 – a certified copy of the contract on performance of a contract research;

25.1 7. in the case referred to in [Paragraph 23](https://likumi.lv/ta/id/279475-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifiska-atbalsta-merka-palielinat-latvijas-zinatnisko-instituciju#p23) of these Regulations – the contract referred to in Sub-paragraph 27.3 of these Regulations.

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25.2 In order to justify the socioeconomic impact of the project, the project application can be accompanied by an opinion of such an association registered in Latvia on the significance of the research for the development of the sector of the national economy or the enterprise, which:

25.2 1. represents economic operators from the sector, in which the research results planned within the scope of the project may be used;

25.2 2. brings together economic operators of the sector with the total annual turnover for the last closed reporting year of at least EUR 150,000,000;

25.2 3. has been registered with the Register of Associations and Foundations of the Register of Enterprises for at least five years.

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1. In the case referred to in Sub-Paragraph 22.2.1 of these Regulations, the contracting entity of the contract research and the performer of the contract research conclude an agreement about performance of the contract research, which includes:
	1. the criteria and rules referred to Sub-Paragraphs 2.15 and 22.2 of these Regulations;
	2. the procedure of ensuring financial flow of the project according to provisions of Paragraph 54 of these Regulations;
	3. the procedure according to which the agreement is amended or terminated;
	4. sanctions, if obligations under the agreement are not fulfilled, and other provisions;
	5. rules of provision of services – the contract research – by the research organisation for a market price. If the market price cannot be determined, the research organisation provides its service according to the Paragraph 25(b) of Communication from the Commission — Framework for State aid for research and development and innovation (Official Journal of the European Union, 27 June 2014, No C 198/1).
2. To a collaboration project:
	1. funding is granted according to Article 90 of the Regulation No 1303/2013 of the European Parliament and of the Council;
	2. the beneficiary may partially alienate or confer a part of usage rights to the intellectual property created within the scope of the project part of a specific beneficiary to other cooperation partner, ensuring that rules for other cooperation partners are not more beneficial than for third parties. If intellectual property rights resulting from activities performed within the framework of the project, belong only to one cooperation partner, such a project is implemented according to Sub-Paragraphs 2.15 and 22.2.1 of these Regulations;
	3. the agreement should include information according to laws and regulations about the procedure, according to which institutions involved in the management of the European Union structural funds and the Cohesion Fund ensure preparation of programming documents and the implementation of these funds in 2014-2020 programming period, and in addition include at least the following information:
		1. cooperation goals and principles;
		2. criteria justifying collaboration efficiency according to provisions of Sub-Paragraph 2.5 of these Regulations;
		3. planned total funding of the collaboration project, funding of the project part of each cooperation partner and contribution of each cooperation partner broken down by types of contributions, including tangible assets, intangible assets, funding or human resources contributions (hereinafter referred to as the contribution);
		4. the procedure of ensuring financial flow of the project;
		5. the breakdown of rights to project results (including intellectual property rights) in proportion to the contribution of each cooperation partner to the implementation of the project;
		6. rules of use, implementation, publicity and commercialisation of project results, including rules of knowledge and technology transfer, rules of use and implementation of experimental objects (if applicable);
		7. sanctions, if obligations under the cooperation agreement are not fulfilled.
3. The following requirements shall be laid down for the project applicant and cooperation partner:
	1. it is not an enterprise in difficulty according to the definition laid down in Article 2(18) of Commission Regulation No 651/2014;
	2. its tax arrears, arrears of mandatory state social insurance contributions and other mandatory payments established by the government do not exceed 150 euro;
	3. it has not provided false information with regard to the implementation of the project co-funded from the European Union structural funds to the cooperation authority, the responsible authority or other competent authority;
	4. it has not received and does not plan to receive funding from the state or the European Union funds or other financial resources for the same eligible costs or research results, except for the case referred to in Paragraph 20 of these Regulations, if the project application is added to the reserve list of projects;
	5. it is not subject to an outstanding recovery order referred to in Article 1(4)(a) of Commission Regulation No 651/2014;
	6. according to laws and regulation regulating scientific activities, the scientific institution has submitted public reports on scientific activities for the last three closed reporting years to the responsible authority (the Register of Scientific Institutions). If the scientific institution was established less than three years ago, public reports on closed reporting years according to its registration in the register have been submitted;
	7. if any of sectors, in which the beneficiary is operating, is not eligible for aid and the beneficiary applies for implementation of the project in aided sector, the beneficiary shall, within the scope of the project, clearly separate activities in aided sectors and financial flows related to the implementation thereof from activities and financial flows of other sectors during implementation of the project and for three years after implementation of the project, if the beneficiary conforms to the definition of a micro, small or medium-sized enterprise, and for five years after implementation of the project, if it conforms to the definition of a large enterprise or if the beneficiary implements a project not related to economic activity;
	8. if the beneficiary performs economic activity and activity having no economic nature, it separates types of activities and their costs, funding and revenue in order to prevent cross-subsidising of the economic activity effectively;
	9. within the framework of the second and subsequent rounds of selection of project applications, when implementing the project referred to in Paragraph 21 of these Regulations the project applicant ensures the involvement of students or doctoral degree candidates in the implementation of the project, taking into account that the total workload of the students or doctoral degree candidates during the entire project implementation period is:
		1. at least two FTE if the total workload of research workers during the entire project implementation period is equal to eight FTE or higher;
		2. 25 percent of the total workload of research workers during the entire project implementation period, if the total workload of research workers during the project implementation period is lower than eight FTE.

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# III. General Financing Conditions

1. In the cases referred to in Paragraph 22 of these Regulations the project applicant and the cooperation partner (if applicable) regardless of its legal status (a legal entity governed by public or private law) or type of its economic activity (a profit or non-profit institution) should qualify for reception of public funding as a performer of economic activity according to the definition laid down in Article 2(24) of and Annex 1 to Commission Regulation No 651/2014.
2. Determination of the amount of national funding:
	1. in the cases referred to in Paragraph 21 of these Regulations, the national funding of 7.5 percent of total eligible costs of the project required for the implementation of the project is provided from the funds available to the project applicant or the cooperation partner (if applicable):
		1. from private funding available to the beneficiary from its economic activity, loan resource funds, other financial resources or funding granted according to laws and regulations on the procedure, according to which state budget funds are intended for the implementation of basic activities of a state scientific institution;
		2. from contributions in kind, the value of which can be independently audited and evaluated according to the evaluation methodology developed by the managing authority and provisions set out in Paragraph 31 of these Regulations. The total contribution in kind does not exceed five percent of the total eligible costs of the project;
	2. in the cases referred to in Paragraph 22 of these Regulations, national co-funding required for the implementation of the project is provided from own private funding of the project applicant and the cooperation partner (if applicable) (funds available to the project applicant and the cooperation partner (if applicable), loan resources or other financial resources, for which no public aid was received, including funding, for which no state or local government surety was received, or state or local government soft loan was received). The amount of national funding is determined taking into account the amount of public funding, which is determined according to Paragraphs 33 and 45, Sub-Paragraph 50.2 of and Annex 3 to these Regulations;
	3. if the cooperation partner is a foreign scientific institution, which is not registered in the Latvian Register of Scientific Institutions, or is not a legal entity registered in the Commercial Register of Latvia, the funding necessary for the implementation of the project part of the cooperation partner is ensured from the funds available to the cooperation partner.

*(CM Regulations No. 277 of*[*15.05.2018*](https://likumi.lv/ta/id/297452-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*as amended)*

1. If the project referred to in Paragraph 21 of these Regulations is implemented, contributions in kind, for which no public aid is received and the value of which cannot be audited independently and evaluated according to such provisions, can consist of:
	1. fixed assets – technological equipment (equipment, measuring devices, control devices, laboratory and medical equipment) and vehicles, the total usage value of which is calculated taking into account the minimum value of each fixed asset used within the scope of each project application (average one working day usage costs during the entire period of effective use of the fixed asset) and the period, during which it is planned to use the fixed asset for the performance of the activities intended in the project application. The total usage value of fixed assets is determined using the following formula: ,

 , where:



P – total value of fixed asset usage, euro;

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

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

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

tKi – total period of effective use of the fixed asset, on 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 application and the market price of these materials;
	2. professional work related to research within the scope of the project application:
		1. which is performed by scientific personnel or technical scientific personnel;
		2. if this is not done during the time period when according to the contracts entered into the person carries out tasks not related to the project, and remuneration is not received for such tasks within the scope of the project;
		3. the value of which is determined, taking into account the time spent on the research and the remuneration and waging principles set out in Sub-Paragraph 43.1.6 of these Regulations.

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1. In the cases referred to in Paragraph 22 of these Regulations:
	1. aid is provided in the form of transparent categories of aid (grant);
	2. in order to receive funding, the project applicant justifies the incentive effect of the total public funding of the project according to the criteria of incentive effect laid down in Article 6(2) of Commission Regulation No 651/2014 in its project application.
2. Determination of the amount of public funding and the weighted average public funding aid intensity in the cases referred to in Paragraph 22 of these Regulations:
	1. permissible amount of public funding for the supported activity:
		1. the amount of public funding permissible for each category of research referred to in Sub-Paragraphs 8.1 and 8.2 of these Regulations is determined separately according to provisions of Paragraph 45 of these Regulations;
		2. the amount of public funding permissible for the technology rights protection activity referred to in Sub-Paragraph 8.3 of these Regulations is determined according to provisions of Paragraph 50.2 of these Regulations;
	2. the amount of public funding of the project and the beneficiary’s project part is determined taking into account the project’s total eligible costs and the weighted average public funding intensity permissible for each beneficiary, which is calculated according to Paragraphs 33 and 45, Sub-Paragraph 50.2 of and Annex 3 to these Regulations.

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1. The following types of costs are planned within the scope of the project:
	1. direct eligible costs, which are directly related to the implementation of the project and necessary for the achievement of results, and this liability is clearly understandable and can be proved;
	2. indirect eligible costs, which are not directly connected with achievement of project results, however, aid and ensure corresponding circumstances for implementation of supported activities and achievement of results. When implementing a project not related to economic activity, indirect eligible costs are:
		1. the costs referred to in Paragraph 35 of this Regulation;
		2. the costs of implementation of the activities referred to in Sub-paragraphs 8.4 and 21.3 of these Regulations, which do not exceed two percent of the total amount of the costs referred to in Paragraph 43 of these Regulations.

*(CM Regulations No. 129 of*[*27.02.2018*](https://likumi.lv/ta/id/297452-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*; CM Regulations No. 277 of*[*15.05.2018*](https://likumi.lv/ta/id/298995-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*as amended)*

1. For a project not related to economic activity, the indirect eligible costs referred to in Sub-Paragraph 34.2 of these Regulations are planned as a single cost item, applying a unified indirect cost rate of 25 percent of the total amount of direct eligible costs referred to in Paragraphs 43 and 49 of these Regulations, except for direct eligible costs related to the conclusion of subcontractor agreements and costs related to resources provided by third persons and are not used in premises or research objects of the beneficiary or financial aid to third persons (according to Article 29 of Regulation No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in “Horizon 2020 (2014-2020)” and repealing [Regulation](http://eur-lex.europa.eu/eli/reg/2013/1290?locale=LV) No 1906/2006).
2. The following costs are not eligible within the scope of the measure:
	1. a fee for examination, preparation, reservation and servicing of a loan, a fee for financial transactions, late payment interest, penalties and judicial costs;
	2. costs not corresponding to justified financial management principles, especially monetary value and efficiency of costs;
	3. costs, which occurred after the end of the period of implementation of project application activities or payments of which were made later than 20 working days after the end of the period of implementation of project application activities;
	4. costs, which occurred in the time period, which does not correspond to provisions of Paragraph 52 of these Regulations;
	5. costs, which are not confirmed by supporting documents or occurred due to failure to comply with laws and regulations regulating procurement procedures;
	6. costs related to the preparation of the project application;
	7. recoverable value-added tax payments (to be indicated in the project application as non-eligible costs);
	8. a membership contribution of a cooperation partner (to be indicated in the project application as non-eligible costs) in the case referred to in Sub-Paragraph 30.3 of these Regulations;
	9. costs exceeding the restrictions set in Sub-Paragraphs 30.1.2, 43.1.2, 43.1.5 and 43.4 and Paragraph 35 of these Regulations;
	10. costs, which are not established as eligible in Paragraphs 43, 44 and 49 of these Regulations and exceed the permissible public funding intensity set out in Paragraphs 33, 45 and 50 of these Regulations;
	11. non-eligible costs to be indicated in the project application – costs of remuneration of the scientific adviser, whose amount of work within the framework of the implementation of the project is less than 0.3 FTEav, if any.

*(CM Regulations No. 277 of*[*15.05.2018*](https://likumi.lv/ta/id/298995-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*as amended)*

# IV. Funding Conditions for Research

1. Within the scope of the measure, the development of a new product or technology prototype or other experimental object is financed, which will be used in further research, but cannot be used directly for generating income by selling it or using in production or provision of services. The income generated from commercial use of prototypes or other experimental objects is deducted from eligible costs of the project.
2. Experimental production or testing of developed products, processes or services in production environment is financed only, when it is necessary for validation and verification of research results and they will not be used for generating income directly or in a transformed form by selling or using in production or provision of services.
3. Product or technology development activities within the scope of the measure are financed in the services sector, if it meets at least one of the following provisions:
	1. the new product or technology is developed in cooperation with a research organisation;
	2. doctors or doctoral students are employed as personnel;
	3. research results are published in scientific magazines or disseminated at scientific conferences.
4. The following new product or technology development activities within the scope of the measure are financed in the area of information technology:
	1. research in order to develop new theoretical computer science theorems and algorithms;
	2. development of information technology at the level of tools of development of operating systems, programming languages, data management, communication software and software;
	3. development of internet technology (internet opportunities to send information and data through mediation of different servers and systems);
	4. research of software designing, development, deployment or maintenance methods;
	5. development of software, which improves acquisition of information and transfer from data storage systems, storage of information, as well as general methods of use and display;
	6. experimental developments in order to obtain missing technological expertise, which is necessary for the development of software or systems;
	7. research and development of software tools or technologies in specialised areas of computer science (image processing, display of geographical data, text recognition, artificial intelligence and other areas).
5. The following new product or technology development activities within the scope of the measure are not financed in the area of information technology:
	1. development of software and information systems to be used in business activities, using known methods or existing software tools;
	2. support of the existing systems;
	3. conversion and translation of computer languages;
	4. upgrading programs with new functionality for users;
	5. debugging of systems;
	6. adaptation of the existing software;
	7. preparation of user documentation;
	8. development of websites;
	9. development of internet applications;
	10. development of program platforms inseparable from ready-to-use developed software.
6. The following research aid activities are not financed within the scope of the project:
	1. education and training;
	2. related scientific and technological activities – scientific and technical information services, collection of data for general purposes, tests not related to the research implemented within the scope of the project (including maintenance of national standards, adaptation of secondary standards, analysis of materials, components, products, processes or other objects);
	3. activities, which are necessary for the implementation or commercial use of a new product or technology – pre-manufacturing processes, market research, distribution of products and technologies.
7. A project not related to economic activity has the following eligible costs directly related to research:
	1. remuneration of the research workers or the student to the extent they are employed in the project, if the following conditions are satisfied:
		1. the research worker or student is employed in the Republic of Latvia and receives remuneration within the scope of the project according to an employment or a works contract;
		2. FTEav of the person employed in the project during the entire period of implementation of the project is at least 0.3 FTEav or higher;
		3. if the research worker or the student involved in the implementation of the project also performs other tasks, which are not related to the implementation of the project, but for the performance of which they receive remuneration according to the main employment contract, other employment contract or works contract, including in another institution, the research worker or the student, upon request of the beneficiary, records total work time and work performed according to Paragraph 57 of these Regulations and Annex 8 to these Regulations. The party ensures that the total work time of the research worker or the student involved in the implementation of the project complies with the laws and regulations regulating the legal employment relationship and the work on the project is not performed during the time, when, according to the concluded contract, the person performs tasks, which are not related to the project;
		4. the tasks set in the employment contract or the works contract are not duplicates of the duties performed in the project;
		5. the research workers involved in the implantation of the project may at the same time be involved also in measure 1.1.1.2 “Post-doctoral research aid” of specific objective 1.1.1 “To increase the research and innovation capacity of scientific institutions of Latvia and their ability to attract external funding by investing in human resources and infrastructure” of priority axis “Research, development of technologies and innovation” of operational programme “Growth and Employment”, if this research worker is a scientific adviser of the beneficiary of post-doctoral aid, and measure 1.1.1.3 “Innovation grants for students” thereof, if the tasks performed within the scope of both measures do not overlap and no remuneration is received at the same time within the scope of measure 1.1.1.3, as well as provisions of the Labour Law are observed with regard to employment restrictions;
		6. the remuneration of the research worker or the student involved in the project is calculated according to the waging policy and remuneration rates of each beneficiary;
	2. costs of business and work trips of the research worker or the student involved in the research, which are related to the research being implemented within the scope of the project, including publication of results achieved according to laws and regulations on the procedure of compensation of costs related to business trips, if the research worker or the student is employed in the Republic of Latvia. These costs are also applicable to such a scientific adviser of the project, whose remuneration is financed from own funds of the beneficiary as non-eligible costs of the project;
	3. costs of research infrastructure to the extent it is used in the research, including:
		1. tangible assets:
			1. costs of purchasing or creation of new technological equipment (including installation, mounting and other capitalisable costs), if the period of use of fixed assets according to laws and regulations regulating accounting records covers the entire period of effective use of these fixed assets within the scope of the project;
			2. depreciation costs (applicable to the fixed assets purchased and owned within the scope of the project, which are used for the research). If the period of use of fixed assets within the scope of the project does not cover the entire period of effective use of these fixed assets, only the depreciation costs corresponding to the life of the project are considered to be eligible. These costs are calculated in proportion to the period and intensity of use of the fixed assets according to laws and regulations regulating accounting records, but not exceeding 20 percent per annum of the purchase value of the fixed asset. If the initial purchase of fixed assets was co-funded from public funds, depreciation costs of fixed assets are eligible only for the part of private funding;
			3. the rent payment, if rent is based on such an agreement, by which the lessor transfers to the lessee for one or more rent payments the right to use the asset for a certain period of time, not exceeding the project implementation period and without transferring all risks and remuneration characteristic of asset property rights. The measure does not allow to conclude a rent agreement between cooperation partners one of a single project;
			4. costs of purchasing and delivery of inventories, instruments and materials (including physical, biological, chemical and other materials, experimental animals and plants, reagents, chemicals, laboratory vials, medicines, coolants, heat carriers, electronic components and modules, carrier gases, oils, energy materials and electrical energy to the extent they are used in research) required for the implementation of the project according to the laws and regulations regulating the procurement procedure;
		2. intangible assets – costs of purchasing of technical knowledge, patents, licences to rights referred to in Sub-Paragraph 2.26 of these Regulations or licences to other intellectual property rights from external sources, if the transaction has been made in competitive conditions and there had been no collusion. If the time required for the use of intangible assets in the research project exceeds full life of the intangible assets, only the depreciation costs, as calculated on the basis of laws and regulations on depreciation rates and use conditions and according to good accounting practice, are considered to be eligible;
	4. outsourcing costs, if the outsourcing procurement is organised according to laws and regulations regulating the procurement procedure and total outsourcing costs do not exceed 25 percent of total eligible costs of the project:
		1. costs of outsourced research;
		2. research ensuring costs (inspection, testing, certification and other costs in order to ensure such research data, which are comparable with research conducted in other countries);
	5. the costs of publication of the scientific articles referred to in Sub-paragraph 24.1 of these regulations.

*(CM Regulations No. 129 of 27.02.2018. as amended)*

1. The project related to economic activity has eligible research costs according to Article 25(3)(a), (b), (d) and (e) of Commission Regulation No 651/2014.
2. The permissible public funding intensity for research in the cases referred to in Paragraph 22 of these Regulations is:
	1. (*CM Regulations No. 129 of 27.02.2018 as amended*);
	2. for feasibility study:
		1. 70 percent to the project applicant and the beneficiary, which meets the definition of a micro or small enterprise;
		2. 60 percent to the project applicant and the beneficiary, which meets the definition of a medium-sized enterprise;
		3. 50 percent to the project applicant and the beneficiary, which meets the definition of a large enterprise;
	3. for industrial research:
		1. 70 percent to the project applicant and the beneficiary, which meets the definition of a micro or small enterprise;
		2. 60 percent to the project applicant and the beneficiary, which meets the definition of a medium-sized enterprise;
		3. 50 percent to the project applicant and the beneficiary, which meets the definition of a large enterprise;
	4. for experimental development:
		1. 45 percent to the project applicant and the beneficiary, which meets the definition of a micro or small enterprise;
		2. 35 percent to the project applicant and the beneficiary, which meets the definition of a medium-sized enterprise;
		3. 25 percent to the project applicant and the beneficiary, which meets the definition of a large enterprise.
3. The public funding intensity referred to in Sub-Paragraphs 45.3 and 45.4 of these Regulations can be increased by 15 percent, without exceeding 80 percent of total eligible costs of the project, if at least one of provisions of Article 25(6)(b) Commission Regulation No 651/2014 is met.
4. The unjustifiably granted public funding should be deducted from total eligible costs of the project and should be repaid to the state budget. Unjustified funding is considered to be funding, which is received in the following cases:
	1. in a project related to economic activity:
		1. if the implementation of the project starts before the submission of the project application according to Sub-Paragraph 2.3 of these Regulations;
		2. if provisions of Paragraphs 33, 44, 45 and Sub-Paragraph 50.2 are not observed;
	2. public funding granted to a project not related to economic activity should be repaid in full, if the cooperation authority finds after the last payment during the period of implementation of the project or during five years after the end of the implementation of the project that the project does not meet the criterion referred to in Sub-Paragraphs 2.1 and 2.4 of these Regulations.

*(CM Regulations No. 277 of*[*15.05.2018*](https://likumi.lv/ta/id/297452-grozijumi-ministru-kabineta-2016-gada-12-janvara-noteikumos-nr-34-darbibas-programmas-izaugsme-un-nodarbinatiba-1-1-1-specifisk...)*as amended)*

# V. Funding Conditions for Protection of Technology Rights

1. Funding for the protection of technology rights referred to in Sub-Paragraph 8.3 of these Regulations can be received within the scope of the project. Funding for protection of technology rights can be received by the beneficiary, who:
	1. meets the definition of a micro, small or medium-sized company, if it implements a project related to economic activity;
	2. implements a project not related to economic activity.
2. Protection of technology rights has eligible research costs according to Article 28(2)(a) of Commission Regulation No 651/2014.
3. The public funding aid intensity for the protection of technology rights is:
	1. 92.5 percent in the cases referred to in Paragraph 21 of these Regulations;
	2. 50 percent in the cases referred to in Paragraph 22 of these Regulations.

# VI. General Rules of Selection and Implementation of the Project

1. During the selection of project applications, the cooperation authority ensures involvement of proper 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 scientific qualification of the expert conforms to the sector or subsector of science of the particular project application;
	3. the expert has proper professional experience and competence.

*(CM Regulations No. 129 of 27.02.2018. as amended)*

1. The activities referred to in Paragraph 8 of these Regulations can be supported, if they are started according to the following provisions:
	1. the activity referred to in Paragraph 8.1 of these Regulations is performed:
		1. in the first round of selection of project applications:
			1. starting from the day these Regulations come into force, if a project not related to economic activity is implemented;
			2. after the submission of the project application to the cooperation authority, if a project related to economic activity is implemented;
		2. in the second and subsequent rounds of selection of project applications:
			1. starting from the day of announcement of the specific open project application selection round (by publishing a notice in the official edition “Latvijas Vēstnesis”), if a project not related to economic activity is implemented;
			2. after the submission of the project application to the cooperation authority, if a project related to economic activity is implemented;
	2. the actions referred to in Sub-paragraphs 8.2, 8.3 and 8.4 of these Regulations are implemented within the framework of a project not related to economic activity and are performed:
		1. in the first round of selection of project applications, starting from 1 January 2016;
		2. in the second and subsequent rounds of selection of project applications after the submission of the project application to the cooperation authority;
	3. the actions referred to in Sub-paragraphs 8.2, 8.3 and 8.4 of these Regulations are implemented within the framework of a project related to economic activity and is performed:
		1. in the first round of selection of project applications:
			1. after the submission of the project application to the cooperation authority, if the beneficiary applies for support according to the definition of a micro, small or medium-sized enterprise;
			2. after entering into a project implementation contract or agreement with the cooperation authority, if the beneficiary applies for support according to the definition of a large enterprise;
		2. in the second and subsequent rounds of selection of project applications after the submission of the project application to the cooperation authority.

*(CM Regulations No. 129 of 27.02.2018. as amended)*

1. The activities referred to in Article 1(2)(c) and (d) of Commission Regulation No 651/2014 cannot be supported within the scope of the project.
2. The beneficiary receives funding, if the following conditions are satisfied:
	1. to receive payments (including advance payments) and make payments, the beneficiary opens a separate account in the Treasury or a credit institution, on which it makes and receives all the payments related to the implementation of the project;
	2. the party ensures a clear separation of the financial flow of implementation of the project from other operational financial flows of the beneficiary and the party during the implementation of the project and for three years after the implementation of the project, if the party meets the definition of a micro, small or medium-sized enterprise, or for five years after the implementation of the project, if the beneficiary and the party meet the definition of a large enterprise or the definition of a research organisation;
	3. when implementing the project, separate accounting is ensured for income and expense of economic transactions related to the implementation of the project, as well as separation of activities and financial flows related to their implementation is ensured according to laws and regulations on the procedure of reflection of financial aid, donations and gifts in money and in kind from state, local government, foreign, European Union, other international organisations and institutions in financial statements;
	4. the place of implementation of the project is the territory of the Republic of Latvia.

*(CM Regulations No. 129 of 27.02.2018. as amended)*

1. Only the eligible costs, which are directly related to the activities performed within the scope of the project, are proportionate, justified and comply with Regulation No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation No 1605/2002, are financed within the scope of the project.
2. If an advance payment is made to the beneficiary during the implementation of the project referred to in Paragraphs 21 or 22 of these Regulations, [it can be paid](http://eur-lex.europa.eu/eli/reg/2012/966?locale=LV) in instalments. The advance payment does not exceed 30 percent of the total amount of public funding granted to [the project](http://eur-lex.europa.eu/eli/reg/2002/1605?locale=LV). After an agreement on the implementation of the project is concluded, the cooperation authority, based on a written request of the advance payment from the beneficiary, provides the advance payment to the beneficiary according to laws and regulations on planning of state budget funds for the implementation of projects of the European Union structural funds and the Cohesion Fund and making payments in the 2014-2020 programming period.
3. In order to ensure that provisions of Paragraphs 33 and 45, Sub-Paragraphs 43.1 and 50.2 of these Regulations are met and to prevent the risk of double financing, the beneficiaries ensure that total working hours and work performed by research workers involved in the project are recorded according to Annex 8 to these Regulations, having regard of the following rules on recording of working hours:
	1. working hours are recorded for each research worker employed within the scope of the project based on an employment contract or a works contract according to the working hours actually worked by the research worker;
	2. the recorded working hours include information about all the tasks performed by the research worker involved in the project, including about the tasks in the party’s institution;
	3. each activity related to the research should state the category of research directly related to it.
4. The beneficiary ensures that the implementation of supported activities and conducting of procurements starts in the first quarter after the contract or agreement on the implementation of the project is concluded. Payments within the scope of supported activities and eligible costs are started in the first six months after the contract or agreement on the implementation of the project is concluded.

*(CM Regulations No. 129 of 27.02.2018. as amended)*

1. When implementing the project, the beneficiary ensures information and publicity measures set out in Regulation No 1303/2013 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 the European Union structural funds and the Cohesion Fund.
2. The beneficiary posts updated information on the implementation of the project on its website at least once in three months.
3. In the cases referred to in Paragraph 22 of these Regulations, the beneficiary:
	1. when submitting an interim payment request to the cooperation authority, applies to each cost item the weighted average public funding intensity corresponding to the project part of the specific beneficiary, which is calculated according to Paragraphs 33 and 45, Sub-Paragraph 50.2 of and Annex 3 to these Regulations;
	2. when submitting the final payment request to the cooperation authority:
		1. recalculates the permissible weighted average public funding intensity and the amount of permitted public funding (hereinafter referred to as the recalculation) for the project and each beneficiary (if applicable) according to Paragraph 33 and Sub-Paragraph 45.2 and 50.2 of and Annex 3 to these Regulations, taking into account the breakdown of actual project costs by supported activities and categories of research within the scope of the project part of each beneficiary (if applicable);
		2. the recalculation referred to in Sub-Paragraph 61.2.1 of these Regulations and the application for project amendments, which envisages correction of public funding, which is confirmed by the recalculation, is submitted for coordination to the cooperation authority, if such changes to the breakdown of costs by the activities referred to in Paragraph 8 of these Regulations and the eligible costs referred to in Paragraphs 44 and 49 to these Regulations are made during the implementation of the project, which reduces the public funding intensity permitted for the project according to the recalculation.

*(CM Regulations No. 277 of 15.05.2018. as amended)*

1. Having received the final payment request referred to in Sub-Paragraph 61.2 of these Regulations, the cooperation authority verifies the data used in the recalculation and results thereof according to Paragraphs 33, 45, Sub-Paragraph 50.2 of and Annex 3 to these Regulations. The information about the verification results is provided to the beneficiary.

*(CM Regulations No. 277 of 15.05.2018. as amended)*

1. If non-eligible costs occur during the implementation of the project, costs significantly increase or the amount of the initially granted public funding is exceeded as a result of the recalculation referred to Sub-Paragraph 61.2.1 of these Regulations, the beneficiary covers them from its own funds. The beneficiary ensures that projects related to economic activity do not exceed the total amount of funding granted for the project and the aid intensity referred to in Paragraph 45 and Sub-Paragraph 50.2 of these Regulations is observed.

*(CM Regulations No. 277 of 15.05.2018. as amended)*

1. In order to monitor the implementation of the project, the Ministry of Education and Science or an authority delegated by it in cooperation with the cooperation authority ensures a scientific quality assessment of mid-term and final results, observing the following rules:
	1. assessments are made by experts included in the database of experts of the European Commission, which meet the criteria referred to in Paragraph 51 of these Regulations;
	2. the Ministry of Education and Science or an authority delegated by it draws up the standard form of assessment and submits it for approval to the cooperation authority, including a requirement in the mid-term assessment for the expert to evaluate how the progress of implementation of the project matches the planned one, and, when necessary, to make proposals for the correction of the work plan, and, in the assessment of final results, to evaluate and to justify to what extent the planned results of research applications have been achieved (expressing the assessment also as a percentage);
	3. conclusions and recommendations of the assessment of mid-term results are evaluated by the Ministry of Education and Science, the cooperation authority, the responsible authority and the beneficiary, when needed, agreeing on amendments to the work plan of the project;
	4. the cooperation authority uses the scientific quality assessment of final results in decision-making about the achievement of the project goal and the planned results. Based on the final assessment of the level of achievement of planned results in the project, the cooperation authority takes a decision on the application of a financial adjustment according to guidelines of the managing authority on the application of financial adjustments to projects financed by the European Union structural funds, the Cohesion Fund, the financial instrument of the European Economic Area, the Norwegian financial instrument, the Swiss-Latvian Cooperation Programme. The cooperation authority informs the responsible authority about this decision.
2. The cooperation authority has the right to withdraw from the agreement on the implementation of the project unilaterally in any of the following cases:
	1. the beneficiary does not honour the agreement on the implementation of the project, including if the implementation of the project does not happen according to the deadlines set in the project or other conditions set in, which affect or may affect the achievement of the specific objective referred to in Paragraph 4 of these Regulations and the monitoring indicators referred to in Paragraph 7 of these Regulations;
	2. in other cases set out in the agreement on the implementation of the project.
3. The beneficiary capitalises research costs and creates intangible assets in all the cases, when allowed by International Accounting Standard 38 “Intangible Assets”, which was approved by Commission Regulation No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation No 1606/2002 of the European Parliament and of the Council.
4. The project is implemented within 36 months from the project start date, but not later than until 30 November 2023.
5. The beneficiary publishes information on its website according to Article 9(1) and (4) of Commission Regulation No 651/2014.
6. A decision on granting of public funding for projects related to economic activity can be taken until 30 June 2021.
7. The beneficiary ensures the availability of information for 10 years, counting from the day of granting of the aid according to Article 12 of Commission Regulation No 651/2014.

*(CM Regulations No. 129 of 27.02.2018. as amended)*

Prime Minister Laimdota Straujuma

Minister of Education and Science Mārīte Seile

Annex 1.1
to Cabinet of Ministers Regulations
No. 34
of 12 January 2016

**Workload as FTE of the research workers involved in the implementation of the project during the period of implementation of the project**

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Position | Project implementation period | Follow-up period |
| status 1 | year | workload | months worked | number of working hours worked per year (T) | *FTE Iv2* | new job | *FTE Iv2* | storage period | improvement of competences4 |
| [1] | [2] | [3] | [4] | [5] | [6] = 160\*[4]\*[5] | [7]3  | [8] | [9] | [10] | [11] |
| Scientists/scientific staff: scientific adviser, senior researchers, researchers, research assistants (incl. young scientists, students and doctoral degree candidates), guest researchers |
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| Research technical staff (including students and doctoral degree candidates) |
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| *GP* project implementation period (in years) |  |
| Number of scientific staff and research technical staff in the beneficiary’s institution before the implementation of the project | FTE |  |
| jobs |  |
| Number of scientific staff and research technical staff in the beneficiary’s institution during the implementation of the project | FTE |  |
| jobs |  |
| Number of scientific staff and research technical staff in the beneficiary’s institution five years after the last payment is received | FTE |  |
| jobs |  |

Notes.

1Status – specify:

1) "S" – if on the day of submission of the project the person is a student in an accredited or licenced higher education programme, the corresponding programme education classification code according to Regulations of the Cabinet of Ministers No. 322 of 13 June 2017 “Regulations on Classification of Latvian Education”, the higher education institution;

2) "DDC" – if the person is a doctoral degree candidate;

3) "NR" – if the person is a new researcher according to Sub-paragraph 2.10.1 of Regulations of the Cabinet of Ministers No. 34 of 12 January 2016 “Rules of implementation of measure 1.1.1.1 “Industry-Driven Research” of specific objective 1.1.1 “To increase the research and innovation capacity of scientific institutions of Latvia and their ability to attract external funding by investing in human resources and infrastructure” of operational programme “Growth and Employment”;

4) "YS" – if the person is a young scientist;

5) "GR" – if the person is a guest researcher.

2 Conditions of Sub-paragraphs 36.11 and 43.1.2 of Regulations of the Cabinet of Ministers No. 34 of 12 January 2016 “Rules of implementation of measure 1.1.1.1 “Industry-Driven Research” of specific objective 1.1.1 “To increase the research and innovation capacity of scientific institutions of Latvia and their ability to attract external funding by investing in human resources and infrastructure” of operational programme “Growth and Employment”.

3 [7] = (T1 + T2 + T3)/1920\**GP*.

4 For the young scientists, whose competence was improved within the scope of implementation of the project, specify “C”, if it is intended to ensure career growth, “R”, if it is intended to ensure the renewal of scientific staff.”

Annex 3

to the Cabinet of Ministers

Regulations No 34
of 12 January 2016

# Calculation of the weighted average public funding intensity of a project related to economic activity of measure 1.1.1.1 “Industry-Driven Research” of specific objective 1.1.1 “To increase the research and innovation capacity of scientific institutions of Latvia and their ability to attract external funding by investing in human resources and infrastructure” of operational programme “Growth and Employment”

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No.Seq. | Beneficiary | Project activity | Eligible costs (EUR) | Public funding intensity (IP %) |
| name | category of enterprise | [A] | [B] |
| 1. | project applicant *[name]* |  | feasibility study |  |  |
| 2. | fundamental research |  | 85 |
| 3. | industrial research |  |  |
| 4. | experimental development |  |  |
| 5. | protection of technology rights |  | 50 |
| 6. | Project part No 1 |  |  |
| 7. |  |  | feasibility study |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 8. | cooperation partner No 1 *[name]* |  | fundamental research |  | 85 |
| 9. | industrial research |  |  |
| 10. | experimental development |  |  |
| 11. | protection of technology rights |  | 50 |
| 12. | Project part No 2 |  |  |
| 13. | **Project** |  |  |

Notes.

1. Meets provisions of Paragraph 33, Sub-Paragraphs 45.2 and 51.2 of the Cabinet of Ministers Regulations No 34 of 12 January 2016 “Rules of implementation of measure 1.1.1.1 “Industry-Driven Research” of specific objective 1.1.1 “To increase the research and innovation capacity of scientific institutions of Latvia and the ability to attract external funding by investing in human resources and infrastructure” of operational programme “Growth and Employment”.
2. Provides information about each cooperation partner, who obtains intellectual property rights and economic advantages resulting from the activities carried out within the scope of the project.

Minister of Education and Science Mārīte Seile

Annex 4

to the Cabinet of Ministers

Regulations No 34
of 12 January 2016

# Turnover Report of Scientific Institution < *name*> for 20\_\_

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | N |  | E |  |
| Non-economic activity | Indirect activity | Economic activity |
| basic activity | other | indirect |  | basic activity | other | indirect |  |
|  | research | tech-nology |  | research | tech-nology |
| F | I | E | F | I | E |
| fundamental | industrial | experi-mental | funda-mental | industrial | experi-mental |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ECC | education | research | research | development | transfer | activity | activity | TOTAL | total | education | research | research | development | transfer | activity | activity | TOTAL | **TOTAL** |
|  |  |  |  |  |  |  |  | 0 |  |  |  |  |  |  |  |  | 0 | 0 |
|  |  |  |  |  |  |  |  | 0 |  |  |  |  |  |  |  |  | 0 | 0 |
|  |  |  |  |  |  |  |  | 0 |  |  |  |  |  |  |  |  | 0 | 0 |

## 2. Revenue broken down by economic classification codes (ECC) and dimensions: character of activity and type of activity

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ECC | N |  | E | **TOTAL** |
| Non-economic activity | Indirect activity total | Economic activity |
| basic activity | other activity | indirect activity | TOTAL | basic activity | other activity | indirect activity | TOTAL |
| edu-cation | research | tech-nology transfer | edu-cation | research | technology transfer |
| F | I | E | F | I | E |
| funda-mental research | industrial research | experi-mental deve-lopment | funda-mental research | industrial research | experi-mental deve-lopment |
|  |  |  |  |  |  |  |  | 0 |  |  |  |  |  |  |  |  | 0 | 0 |
|  |  |  |  |  |  |  |  | 0 |  |  |  |  |  |  |  |  | 0 | 0 |
|  |  |  |  |  |  |  |  | 0 |  |  |  |  |  |  |  |  | 0 | 0 |

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Annex 5

to the Cabinet of Ministers

Regulations No 34
of 12 January 2016

## Financial analysis of projects that generate income

|  |  |
| --- | --- |
|  | Financial flow calculation |
|  | Project years | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| REVENUE |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **1.** | Revenue from knowledge and technology transfer |  |  |  |  |  |  |  |  |  |  |
| 1.1. | licence 1 |  |  |  |  |  |  |  |  |  |  |
| 1.2. | licence 2 |  |  |  |  |  |  |  |  |  |  |
| 1.3. | … |  |  |  |  |  |  |  |  |  |  |
| 1.4. | … |  |  |  |  |  |  |  |  |  |  |
| EXPENSES |  |  |  |  |  |  |  |  |  |  |
| **2.** | Additional investments for the development of project results |  |  |  |  |  |  |  |  |  |  |
| **2.1.** | Research infrastructure |  |  |  |  |  |  |  |  |  |  |
| 2.1.1. | Tangible assets |  |  |  |  |  |  |  |  |  |  |
| 2.1.2. | maintenance costs |  |  |  |  |  |  |  |  |  |  |
| 2.1.3. | … |  |  |  |  |  |  |  |  |  |  |
| **2.2**. | Intangible assets |  |  |  |  |  |  |  |  |  |  |
| 2.2.1. | legal documentation (licences or technology rights) |  |  |  |  |  |  |  |  |  |  |
| 2.2.2. | software |  |  |  |  |  |  |  |  |  |  |
| 2.2.3. | … |  |  |  |  |  |  |  |  |  |  |
| **2.3.** | Replacement of equipment with short lifetime |  |  |  |  |  |  |  |  |  |  |
| **2.4.** | Costs of activities applicable to project results |  |  |  |  |  |  |  |  |  |  |
| 2.4.1. | Costs of direct activities |  |  |  |  |  |  |  |  |  |  |
| 2.4.1.1. | remuneration |  |  |  |  |  |  |  |  |  |  |
| 2.4.1.2. | materials |  |  |  |  |  |  |  |  |  |  |
| 2.4.1.3. | transport/fuel |  |  |  |  |  |  |  |  |  |  |
| 2.4.1.4. | costs of energy resources |  |  |  |  |  |  |  |  |  |  |
| 2.4.2. | … |  |  |  |  |  |  |  |  |  |  |
| **2.5.** | Costs of indirect activities |  |  |  |  |  |  |  |  |  |  |
| 2.5.1. | administrative costs |  |  |  |  |  |  |  |  |  |  |
| 2.5.2. | repair and operation of buildings |  |  |  |  |  |  |  |  |  |  |
| 2.5.3. | insurance |  |  |  |  |  |  |  |  |  |  |
| 2.5.4. | other indirect costs |  |  |  |  |  |  |  |  |  |  |
| **3.** | Project costs |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **4.** | Total costs |  |  |  |  |  |  |  |  |  |  |
| **5.** | Residual value |  |  |  |  |  |  |  |  |  |  |
| **6.** | Net cash flow |  |  |  |  |  |  |  |  |  |  |

1. **Results of financial analysis**

|  |  |
| --- | --- |
| Financial discount rate = | 4 % |
| Project life cycle | 10 years |
| Financial rate of return (FRR) |  |
| Financial net present value (FNPV) |  |

7.3.14. ERDF investment calculation:

Step 1 – Calculation of the funding deficit rate (R)

|  |  |
| --- | --- |
| Discounted investment cost of project (DIC) = |  |
| Discounted revenue = |  |
| Discounted operating costs = |  |
| Discounted residual value = |  |
| Discounted net revenue (DNR) = |  |
| a) maximum eligible costs Max EE = DIC – DNR = |  |
| b) funding deficit rate (R) = Max EE / DIC = |  |

Step 2 – Calculation of the decision amount (DA)

|  |  |
| --- | --- |
| Total eligible costs of the project (EC) = |  |
| Decision amount (DA) = EC \* R = |  |
|  |  |

Step 3 – Calculation of the maximum ERDF funding

|  |  |
| --- | --- |
| Maximum co-financing rate (CRpa) = | 92.5 % |
| ERDF funding = DA \* CRpa = |  |

Step 4 – Calculation of the ERDF funding rate

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| EC, EUR | R, % | CRpa | DA, EUR | Maximum public funding |
| R=EE/DIC | % | EUR |
| 1 | 2 | 3 | 4=1 \* 2 | 5=6/1 | 6=4 \* 3 |
|  |  | 92.5 % |  |  |  |

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Annex 6

to the Cabinet of Ministers

Regulations No 34
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# Curriculum vitae (CV)

|  |  |
| --- | --- |
| Personal informationName, surnameBirth data |  |
|  |
|  |
| Education |
|  |
| Current employment |
|  |
| Previous employment |
|  |
| Research work experience |
|  |

|  |
| --- |
| Awards and scholarships |
|  |
| Advised doctoral theses |
|  |
| Academic work |
|  |
| Participation in scientific organisations |
|  |
| Institutional positions |
|  |

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Annex 8

to the Cabinet of Ministers

Regulations No 34
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# Sheet for Recording of Total Work Time and Work Performed by the Research Workers Involved in the Implementation of the Project

|  |  |
| --- | --- |
| Name of scientific institution |  |
| Name and surname of employee |  |
| Contract type in the project |  |
| Position according to the employment contract on principal job |  |
| Reporting period |  |
| Employment contract No. |  |
| Working time defined in the employment contract expressed as FTE |  |
| FTE equivalent of the reporting period |  |
| Comparison of the FTE equivalent of the reporting period andthe working time defined in the\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ agreement |  |
| **Research projects funded by the state budget, European Union funds and foreign financial instruments** | Hours worked1 (h) |  |  |
|  | Week 1 | **…** | Hours worked per month (h) | FTE |
| overview of the project | activity | directly related research category | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Week 1 |
| Project No 1 |  | research |  |  |  |  |  |  |  |  |  |  |  |  |
| Project type |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Project nature |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Position in the project |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Contract No. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Project No 2 |  | research |  |  |  |  |  |  |  |  |  |  |  |  |
| Project type | - |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Project nature |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Position in the project |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Contract No. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Project No 3 |  | research |  |  |  |  |  |  |  |  |  |  |  |  |
| Project type | - |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Project nature |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Position in the project |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Contract No. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Project No…. |  | research |  |  |  |  |  |  |  |  |  |  |  |  |
| Project type | - |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Project nature |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Position in the project |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Contract No. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Summary |  |  |  |  |
| **Research projects, contract research funded by the scientific institution** | directly related research category | Hours worked1 (h) | Hours worked per month (M h) | FTE |
| Week 1 | … |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | Week 1 |
| Project No 1 |  | research |  |  |  |  |  |  |  |  |  |  |  |  |
| Project type |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Project nature |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Position in the project |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Contract No. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Summary |  |  |  |  |
| **Work absence hours (non-productive time)** | Non-productive hours1 (h) | Non-productive hours per month | FTE |
| Week 1 | … |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | Week 1. |
| **Incapacity for work** |  |  |  |  |  |  |  |  |  |  |  |
| **Annual leave** |  |  |  |  |  |  |  |  |  |  |  |
| **Other non-productive time** (incl. creative leave, child-care leave, absence, holidays, etc.) |  |  |  |  |  |  |  |  |  |  |  |
| Summary |  |  |  |  |
| **Hours worked** |  |  |  |  |  |  |  |  |  |  |  |
| **Total (productive and non-productive) hours** |  |  |  |  |  |  |  |  |  |  |  |

Note. 1Hours are indicated with one decimal place.

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