

**Regulations Regarding Implementation of Activity 1.1.1.2 “Post-doctoral Research Aid” of the Specific Aid Objective 1.1.1 “To increase the research and innovative capacity of scientific institutions of Latvia and the ability to attract external financing, investing in human resources and infrastructure” of the Operational Programme “Growth and Employment”**

*Issued pursuant to  
Section 20, Clauses 6 and 13 of  
the Law On Management of the Programming Period 2014-2020  
of the European Union Structural Funds and the Cohesion Fund*

**I. General Provisions**

1. This Regulation prescribes:

1.1. the procedures, by which Activity 1.1.1.2 “Post-doctoral Research Aid” of the Specific Aid Objective 1.1.1 “To increase the research and innovative capacity of scientific institutions of Latvia and the ability to attract external financing, investing in human resources and infrastructure” of the Operational Programme “Growth and Employment” (hereinafter – Activity) shall be implemented;

1.2. the objective of the Activity;

1.3. the financing available to the Activity;

1.4. the requirements for the project applicant of the European Regional Development Fund;

1.5. the eligibility conditions of aided activities and costs;

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

1.7. the conditions for a unilateral notice of termination of a project implementation agreement.

2. The following terms are used in this Regulation:

2.1. research application not related to economic activity – a research application that conforms to the following criteria:

2.1.1. the research application is implemented by a scientific institution that conforms to the definition of the research organisation referred to in Sub-paragraph 2.11 of this Regulation;

2.1.2. activities of restricted field or activities of non-economic nature are implemented in the research application;

2.2. research application related to economic activity – a research application that conforms to one or all of the following criteria:

2.2.1. the research application is implemented by a scientific institution that does not conform to the definition of the research organisation, or by a small (micro), medium-sized or large enterprise registered in the Enterprise Register of the Republic of Latvia;

- 2.2.2. economic activities are implemented in the research application;
- 2.3. activity of non-economic nature – activity of a research organisation, which does not fall within the scope of activity specified in Article 107(1) of the Treaty on the Functioning of the European Union (Official Journal of the European Union, 30.03.2010, C 83/47), including:
- 2.3.1. educational measures in order to achieve increase in the number and qualification of the personnel;
  - 2.3.2. independent research and development in order to obtain more knowledge and better understanding, including joint research and development by involvement of the research organisation in efficient co-operation;
  - 2.3.3. distribution of research results without exclusivity and discrimination, including using teaching, free access data bases, open publications or open source software;
  - 2.3.4. activities related to transfer of knowledge and technologies, if:
    - 2.3.4.1. the activities related to transfer of knowledge and technologies are performed by a division of the research organisation or a subsidiary undertaking of the research organisation (such commercial company, in which the participation share of the parent undertaking exceeds 50 per cent or in which the parent undertaking has majority of votes and which conforms to the definition of the research organisation referred to in Sub-paragraph 2.11 of this Regulation), the research organisation together with other research organisations or the research organisation with third parties, concluding contracts regarding certain services in an open competition;
    - 2.3.4.2. any profit from such activity is reinvested in operating activities of the research organisation;
- 2.4. efficient co-operation – co-operation conforming to the conditions of Article 2(90) of Commission Regulation (EU) No<sup>o</sup>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 (Official Journal of the European Union, 26.06.2014, L 187) (hereinafter – Commission Regulation No 651/2014);
- 2.5. fundamental research – activities, which conform to the definition laid down in Article 2(84) of Commission Regulation No 651/2014;
- 2.6. undertaking in difficulty – an enterprise, which conforms to the definition laid down in Article 2(18) of Commission Regulation No 651/2014;
- 2.7. activity of restricted field – an economic activity of a research organisation, which conforms to the following criteria:
- 2.7.1. it is closely related to the operation of the research organisation and use in the field not related to the economic activity;
  - 2.7.2. the same resources (for example, materials, equipment, labour force, and equity capital) are consumed for it as for activities not related to the economic activity;
  - 2.7.3. the financial capacity assigned thereto each year does not exceed 20 per cent from the total annual financial capacity of the relevant structure;
- 2.8. transparent aid category – type of aid, which conforms to Article 5(2) of Commission Regulation No 651/2014 and which is issued in the form of a grant;
- 2.9. postdoctoral researcher – a Latvian or foreign researcher who has acquired doctorate not more than five years before the deadline for submitting the research application. This time period may be extended for a period of two years, if the person has a justified reason:
- 2.9.1. parental leave;
  - 2.9.2. temporary work disability;
- 2.10. large enterprise – an enterprise which conforms to the definition laid down in Article 2(24) of Commission Regulation No 651/2014;

2.11. research organisation – an institution which conforms to the definition laid down in Article 2(83) of Commission Regulation No 651/2014;

2.12. research application – an individual aid project for research, training and networking, which is submitted and, by employing a postdoctoral researcher, implemented by a scientific institution or a micro, small, medium-sized or large enterprise (hereinafter – enterprise);

2.13. intensity of public funding – total amount of the funding from the European Regional Development Fund and of the funding from the State budget in per cent from the total eligible costs of the project;

2.14. industrial research – activities, which conform to the definition laid down in Article 2(85) of Commission Regulation No 651/2014;

2.15. economic activity – any activity, which includes offering of goods or services on the market, including lease of research infrastructure, services implemented upon assignment of enterprises or contractual research;

2.16. micro, small and medium-sized enterprise – an enterprise which conforms to the definitions laid down in Annex 1 to Commission Regulation No 651/2014;

2.17. technology rights – the know-how and other rights or their combination, including applications of the abovementioned rights or registration applications conforming to the definition laid down in Article 1(b) of Commission Regulation (EU) 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 (Official Journal of the European Union, 28.03.2014, L 93) (hereinafter – Commission Regulation No 316/2014);

2.18. scientific personnel – a senior research scientist, a researcher, and a scientific assistant;

2.19. scientific institution – a scientific institute registered in the Register of Scientific Institutions of the Republic of Latvia (public agency, derived public person or legal person governed by private law) or an institution of higher education.

3. The purpose of the Activity is to develop the skills of new scientists and to increase the scientific capacity, ensuring the possibilities for new scientists to start a career in scientific institutions and with enterprises, as well as improvement of research competences, renewal of human resources and increase in the number of qualified specialists.

4. Within the scope of the Activity such research applications are aided, which contribute to achievement of the objectives of the smart specialisation strategy of Latvia, implementation of growth priorities or development of specialisation fields.

5. The target group of the Activity is scientific institutions, scientists, institutions of higher education, enterprises registered with the Enterprise Register of the Republic of Latvia.

6. The following supervision indicators should be achieved within the scope of the Activity:

6.1. outcome indicators:

6.1.1. by 31 December 2018:

6.1.1.1. the number of new positions of researchers created in the aided units expressed as full time equivalent – 96;

6.1.1.2. the number of scientific publications, for the development and publishing of which aid within the scope of research applications was provided – 192;

6.1.1.3. the number of new products and technologies, which may be marketed and for the development of which aid within the scope of a research application was provided – 41;

- 6.1.1.4. the private investments attracted for implementation of a research application – 640,000 euros;
      - 6.1.1.5. the number of enterprises, which co-operate with research institutions – 25;
    - 6.1.2. by 31 December 2023:
      - 6.1.2.1. the number of new positions of researchers created in the aided units expressed as full time equivalent – 384;
      - 6.1.2.2. the number of scientific publications, for the development and publishing of which aid within the scope of research applications was provided – 1,280;
      - 6.1.2.3. the number of new products and technologies, which may be marketed and for the development of which aid within the scope of a research application was provided – 416;
      - 6.1.2.4. the private investments attracted for implementation of a research application – 3,200 euros;
      - 6.1.2.5. the number of enterprises, which co-operate with research institutions – 100;
  - 6.2. the financial indicator – by 31 December 2018 certified expenditures in the amount of 9,721,734 euros;
  - 6.3. specific outcome indicators:
    - 6.3.1. by 31 December 2018 a project application has been developed and submitted in the Marie Skłodowska-Curie action “Co-funding of Regional, National and International Programmes (COFUND)” of the EU Framework Programme for Research and Innovation “Horizon 2020”, and it has received an evaluation above the quality threshold;
    - 6.3.2. by 31 December 2023 at least 70 per cent of the aided new researchers are involved in activities of scientific communication;
  - 6.4. contribute to achieving the following joint indicators of the specific aid objective:
    - 6.4.1. the average number of scientific publications per one full time equivalent of scientific personnel – 0.48;
    - 6.4.2. external financing attracted by the State and higher education sector for scientific research work – 160 160 000 euros.
7. The Activity shall be implemented in the form of a limited selection of project applications.
8. The functions of the responsible institution within the scope of the Activity shall be carried out by the Ministry of Education and Science (hereinafter – responsible institution).
9. The total eligible funding available for the Activity is 64,029,231 euros, including funding from the European Regional Development Fund – 54 424 846 euros, funding from the State budget – 6,404,385 euros, and private funding – 3 200 000 euros. The total eligible funding planned for implementation of project applications is 60,913,758 euros, including funding from the European Regional Development Fund – 51,776,694 euros, funding from the State budget – 5,937,064 euros, and private funding – 3,200,000 euros.
10. The Activity shall be implemented in one round of selecting project applications for the whole funding planned for the Activity.
11. The co-operation authority shall take a decision to approve, conditionally approve or reject a project application within two months from the final date for submission of a project application, which has been specified in the by-laws of the selection of project applications.

## II. Requirements for a Project Applicant

12. A project applicant within the scope of the Activity is the State Education Development Agency, which after a project implementing agreement has been entered into is also the beneficiary of the financing from the European Regional Development Fund (hereinafter – beneficiary).

13. The project applicant shall prepare a project application according to the requirements laid down in the by-laws of the selection of project applications and submit it to the co-operation authority. The following documents developed by the Latvian Rector's Council, Latvian Chamber of Commerce and Industry, Latvian Council of Science, and the Association of State Scientific Institutes and co-ordinated with the Ministry of Education and Science shall be appended to the project application:

13.1. the procedures and order for selecting research applications;

13.2. the documents of the first selection round of research applications:

13.2.1. the by-laws of the selection of project applications;

13.2.2. the criteria for evaluation of research applications and methodology for application thereof;

13.2.3. the sample form of the research application and methodology for completion thereof.

14. The beneficiary:

14.1. within two months after a project implementation agreement has been entered into shall announce the first competition for selecting research applications;

14.2. shall develop and after co-ordination with the Ministry of Education and Science approve the rules of procedures of the commission for evaluation of research applications;

14.3. shall organise a scientific quality assessment of research applications to be performed by experts included in the database of experts of the European Commission, applying the evaluation approach and principles of the Marie Skłodowska-Curie action “Individual Fellowships” of the EU Framework Programme for Research and Innovation “Horizon 2020”;

14.4. shall assess research applications and take a decision to approve a research application, including providing for that if several research applications have received equal numbers of points, preference according to the procedures laid down in the by-laws of the selection of project applications shall be given to research applications, which attract a larger amount of private funding for implementation of the research application, or to research applications, within the scope of which international mobility of postdoctoral researchers is intended;

14.5. accumulate data regarding project applications in accordance with the laws and regulations regarding establishment and use of the information system for the management of European Union Structural Funds and the Cohesion Fund.

15. The beneficiary shall enter into contracts with research applicants regarding implementation of project applications. In addition to the information specified in the laws and regulations regarding the procedures by which the institutions involved in the management of European Union Structural Funds and the Cohesion Fund shall ensure preparation of planning documents and introduction of such funds in the planning period 2014-2020, the following information shall be included in the contract:

15.1. the type of the research application (research application related to economic activity or not related to economic activity), aided activities, and the values to be achieved of the indicators referred to in Sub-paragraphs 6.1.2, 6.2, and 6.4 of this Regulation;

15.2. the planned amount of the total and public funding, the total eligible costs and their distribution according to the types of investments;

15.3. the procedures, by which the quality of aided activities to be implemented by the research applicant shall be controlled and the scientific quality shall be assessed;

15.4. the procedures, by which checks shall be performed at the location where the research application is implemented, including providing for a possibility for the co-operation authority to perform checks at the location where the research application is implemented;

15.5. the rights, obligations, responsibility of the research applicant and the procedures for providing reports, including involvement in activities of scientific communication;

15.6. the procedures, by which an advance payment shall be granted to the research applicant, as well as the procedures for extinguishing and recovery of the advance payment disbursed;

15.7. the procedures, by which the parties involved shall amend or terminate a contract regarding implementation of a research application.

16. The beneficiary shall co-ordinate the draft contract referred to in Paragraph 15 of this Regulation with the Ministry of Education and Science prior to entering into contracts with research applicants.

17. The beneficiary shall plan funding for the research applicant within the scope of the project for the performance of the aided activities referred to in Paragraph 33 of this Regulation.

18. In order to assess the scientific quality of research applications, the beneficiary shall ensure corresponding selection of the experts included in the database of experts of the European Commission, using the following selection criteria:

18.1. the expert has doctoral degree in science;

18.2. the scientific qualification of the expert conforms to the sector or subsector of science of the particular research application;

18.3. the previous evaluation competence and work experience of the expert conforms to the sector or subsector of science of the particular research application;

18.4. the expert performs assessment independently, he or she does not represent the institutions of the research applicant, and his or her actions do not contain circumstances that could result in a conflict of interests.

19. The beneficiary shall ensure a mid-term and final result assessment of scientific quality of research applications for supervision of implementation of a research application, in conformity with the following conditions:

19.1. the assessment shall be performed by experts included in the database of experts of the European Commission who comply with the criteria referred to in Paragraph 18 of this Regulation;

19.2. the beneficiary shall develop and co-ordinate the standard forms of assessments with the responsible institution, including therein the requirement for the expert to assess and justify the extent to which the planned results of research applications have been achieved (also expressing the evaluation in percentage);

19.3. the conclusions and recommendations of the mid-term result assessment shall be assessed by the beneficiary, the research applicant, and the responsible institution, if necessary, agreeing upon amendments to the working plan of the research application;

19.4. the scientific quality assessment of final results shall be used for making of decisions on achievement of the objective and planned results of the research application. On the basis of the final assessment on the level of achievement of the planned results of the research application, the beneficiary shall take a decision to recover the disbursed financing according to the contract regarding implementation of research applications.

### **III. Requirements for a Research Applicant**

20. A research applicant is a scientific institution or a micro, small, medium-sized or large enterprise registered with the Enterprise Register of the Republic of Latvia, which establishes employment legal relations with a postdoctoral researcher and ensures access to infrastructure and human resources for implementation of the research necessary within the scope of the research application. The research application may be implemented individually or in partnership with a foreign or Latvian scientific institution, institution of higher education or enterprise (hereinafter – co-operation partner), which admits the postdoctoral researcher and ensures access to infrastructure or human resources (without gaining advantages or intellectual property rights arising from the activities carried out within the scope of the research application).

21. If the research application is implemented in partnership with a foreign or Latvian scientific institution, institution of higher education or enterprise, the research applicant shall append a letter of the co-operation partner to the research application regarding readiness to participate in implementation of the research application. After approval of the research application the research applicant and the co-operation partner shall enter into a co-operation contract, providing for the conditions of content, technical and financial co-operation, the rights, obligations, and liability of the parties, as well as access to the infrastructure and other resources of the co-operation partner for implementation of the research necessary within the scope of the research application.

22. The following requirements shall be brought forward for a research applicant and a co-operation partner:

22.1. the outstanding recovery order referred to in Article 1(4)(a) of Commission Regulation No 651/2014 does not apply to them;

22.2. they are not in financial difficulty in accordance with Sub-paragraph 2.6 of this Regulation;

22.3. if any of sectors, in which the research applicant or co-operation partner is operating, is not eligible for aid and the research applicant or co-operation partner applies for implementation of a research application in aided sector, the research applicant shall, within the scope of the research application, 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 research application and for three years after implementation of the research application, if the research applicant conforms to the definition of a micro, small or medium-sized enterprise, and for five years after implementation of the research application, if it conforms to the definition of a large enterprise or if the research applicant implements a research application not related to economic activity;

22.4. if the research applicant performs both economic activities and activities of non-economic nature, it shall separate the types of activities and their costs, financing and revenue in order to efficiently prevent cross-subsidisation of economic activity.

23. The research applicant shall prepare a research application and, within the time period specified in an open competition of research applications, submit separately a research application to the beneficiary regarding each research of a postdoctoral researcher according to the by-laws of the selection of research applications, including submitting a description of the scientific part, the curriculum vitae (CV) of the postdoctoral researcher and the statement referred to in Sub-paragraph 25.3 of this Regulation (if applicable) in English.

24. The research applicant may submit one or several research applications within the scope of an open competition of selection of research applications.

25. The research applicant shall:

25.1. draw up the procedures for selecting applications of postdoctoral researchers, which are clear, pre-defined and accessible to the general public, non-discriminating and corresponding to the human resource development plan and research programme of the institution;

25.2. submit a research application to the beneficiary and implement it in co-operation with the postdoctoral researcher, ensuring that both parties reach an agreement regarding the content of the research application, the conditions for technical and financial co-operation, the rights, obligations, and liability of the parties, the conditions for the use, introduction, publicity, and marketing of results of the research application;

25.3. append a statement of an enterprise or a collegial body of enterprises to the research application, which justifies the significance of the research to be conducted within the scope of the particular research application for the development of the relevant sector of science or national economy, or enterprise. If the enterprise is a research applicant and a justification is provided in the research application regarding the significance of the research for the development of the relevant sector of science or national economy, or enterprise, a statement of an enterprise or a collegial body of enterprises need not be appended to the research application. This requirement shall not apply to research applications implementing the fundamental research referred to in Sub-paragraph 33.1.1 of this Regulation;

25.4. attract a full-time postdoctoral researcher for implementation of the research application, performing accounting of working time regarding the functions carried out and the time worked by the postdoctoral researcher.

26. The research applicant may also submit, within the scope of the Activity, a project for attraction of a foreign postdoctoral researcher, which was submitted in the Marie Skłodowska-Curie action "Individual Fellowships" of the EU Framework Programme for Research and Innovation "Horizon 2020" and was evaluated above the quality threshold in the abovementioned evaluation of project applications, however, did not receive funding for project implementation. In such case conformity with the following conditions must be ensured in order to apply for funding within the scope of the Activity:

26.1. the research application contributes to achievement of the objectives of the smart specialisation strategy of Latvia referred to in Paragraph 4 of this Regulation or to implementation of growth priorities;

26.2. the total funding of the research application does not exceed the maximum total eligible amount of funding of the research application indicated in Paragraph 47 of this Regulation and the limitations of costs referred to in Paragraph 48;

26.3. the statement of an enterprise or a collegial body of enterprises referred to in Sub-paragraph 25.3 of this Regulation is appended to the research application.

27. For the scientific quality assessment of the research applications referred to in Paragraph 26 of this Regulation the experts included in the database of experts of the European Commission shall not be attracted repeatedly, but the evaluation of experts received within the scope of the Marie Skłodowska-Curie action "Individual Fellowships" of the EU Framework Programme for Research and Innovation "Horizon 2020" on the scientific quality of the project shall be used.

28. The research application referred to in Paragraph 26 of this Regulation shall be submitted according to the sample research application form referred to in Sub-paragraph 13.2.3 of this Regulation, the evaluation of the experts included in the database of experts of the European Commission referred to in Paragraph 27 of this Regulation on the scientific quality of the project, the decision of the European Commission to approve the project, and a copy of the project application submitted within the scope of the Marie Skłodowska-Curie action



“Individual Fellowships” of the EU Framework Programme for Research and Innovation “Horizon 2020” shall be appended.

29. In order to ensure that the conditions referred to in Paragraphs 58 and 62 of this Regulation are fulfilled and to prevent the risk of double financing, the research applicant shall ensure accounting of the total working time and the performed work of the employee involved in the research application according to the sample form for accounting of working time developed by the beneficiary, in conformity with the following conditions for accounting of working time:

29.1. information regarding all tasks carried out by the scientific employee involved in the research application in the institution of the research applicant and of the co-operation partner (if applicable) is included in the accounting of working time;

29.2. the directly related category of research is indicated for each activity related to the research.

30. The postdoctoral researcher involved in implementation of a research application shall provide a certification that he or she does not receive remuneration concurrently within the scope of this Activity and within the scope of Activity 1.1.1.1 “Practical Research Aid” and Activity 1.1.1.3 “Innovation Grants to Students” of the Specific Aid Objective 1.1.1 “To increase the research and innovative capacity of scientific institutions of Latvia and the ability to attract external financing, investing in human resources and infrastructure” of the Priority Action “Research, Technology Development and Innovations” of the Operational Programme “Growth and Employment”.

31. The research applicant shall enter into a contract with the beneficiary regarding implementation of the research application for a time period not exceeding 36 months.

#### **IV. Aided Activities**

32. Within the scope of the Activity the beneficiary shall ensure implementation of research aid measures for postdoctoral researchers, selection and evaluation of research applications, and monitoring of fulfilment of contractual obligations, implementing the following activities:

32.1. ensure the development and submission of a project application in the Marie Skłodowska-Curie action “Co-funding of Regional, National and International Programmes (COFUND)” of the EU Framework Programme for Research and Innovation “Horizon 2020” in order to attract funding for research and development of training and career;

32.2. ensure surveying and attraction of foreign postdoctoral researchers to Latvian scientific institutions or enterprises;

32.3. draw up and implement a strategy for involvement of aided postdoctoral researchers in activities of scientific communication;

32.4. ensure organisational aid for implementation of training measures for postdoctoral researchers;

32.5. at least once a year, while the funding is available, ensure selection and evaluation of research applications, in conformity with Sub-paragraph 14.3 of this Regulation;

32.6. ensure advisory and methodological aid to research applicants in all stages of implementation of a research application:

32.6.1. in issues related to employment and accounting of working time;

32.6.2. in issues related to finances and procurement procedures;

32.6.3. in issues related to preparation and implementation of a research application, including conformity with the smart specialisation strategy of Latvia;

32.7. ensure information and publicity measures regarding implementation of the project and research applications of the beneficiary;

- 32.8. ensure entering into contracts with research applicants regarding implementation of research applications;
- 32.9. ensure planning and granting of the funding necessary for implementation of research applications;
- 32.10. perform supervision of implementation of research applications, including:
  - 32.10.1. check the conformity of research applications not related to economic activity with the criteria referred to in Sub-paragraphs 2.1 and 2.4 of this Regulation;
  - 32.10.2. ensure mid-term and final result scientific quality assessment of research applications, to be performed by experts included in the database of experts of the European Commission;
- 32.11. ensure control of implementation of research applications at the location where research applications are implemented during the period of implementation and the period of post-monitoring;
- 32.12. establish an electronic platform for submitting research applications and reports;
- 32.13. ensure management and implementation of projects.

33. A postdoctoral researcher may implement the following aided activities within the scope of a research application:

- 33.1. research, which includes one of the following categories:
  - 33.1.1. fundamental research;
  - 33.1.2. industrial research;
- 33.2. acquisition, approval and defence of such technology rights (non-tangible assets), which arise from the activity carried out in Sub-paragraph 33.1 of this Regulation (hereinafter – protection of technology rights), if applicable;
- 33.3. knowledge and technology transfer – publishing of scientific publications and articles, presenting of research results in conferences and seminars, as well as implementation of other knowledge transfer measures;
- 33.4. the following activities in relation to the postdoctoral researcher involved in implementation of a research application:
  - 33.4.1. improvement of competences (training);
  - 33.4.2. international mobility and networking.

34. The amount of funding planned for implementation of the fundamental research referred to in Sub-paragraph 33.1.1 of this Regulation shall not exceed 20 per cent from the total amount of eligible funding provided for implementation of research applications referred to in Paragraph 9 of this Regulation. If all funding planned within the scope of the relevant round of selection of research applications is not acquired for implementation of the fundamental research referred to in Sub-paragraph 33.1.1 of this Regulation, it shall be redirected to research applications, within the scope of which the industrial research referred to in Sub-paragraph 33.1.2 of this Regulation are implemented.

35. The activities referred to in Paragraph 33 of this Regulation shall be eligible, if they are commenced:

- 35.1. within the scope of a research application not related to economic activity after submitting a research application to the beneficiary;
- 35.2. within the scope of a research application related to economic activity:
  - 35.2.1. after submitting a research application to the beneficiary, if the beneficiary conforms to the definition of a micro, small or medium-sized enterprise;
  - 35.2.2. after entering into a contract or agreement with the beneficiary regarding implementation of a research application, if the research applicant conforms to the definition of a large enterprise.

## V. Financing Conditions for the Beneficiary

36. Within the scope of the Activity the following types of costs shall be planned for implementation of the project of the beneficiary:

36.1. direct eligible costs, which are directly connected with implementation of the project of the beneficiary and are necessary for achievement of results, and this connection is clearly comprehensible and provable;

36.2. indirect eligible costs, which are not directly connected with achievement of project results of the beneficiary, however, aid and ensure corresponding circumstances for implementation of aided activities and achievement of results.

37. The direct eligible costs of the project of the beneficiary referred to in Sub-paragraph 36.1 of this Regulation shall include the following items of costs:

37.1. direct eligible costs of the personnel (remuneration costs of the project management and project implementation personnel) in accordance with the Law On Remuneration of Officials and Employees of State and Local Government Authorities, except overtime hours;

37.2. work remuneration of the experts included in the database of experts of the European Commission who will perform the initial, mid-term and final result scientific quality assessment of the research application;

37.3. costs of service (work performance) contracts for implementation of the aided activity referred to in Sub-paragraph 32.12 of this Regulation, which does not exceed five per cent of the total funding available to the beneficiary;

37.4. purchase of the equipment (office furniture and hardware, software and licences) necessary for the creation of new working places or renewal of existing working places in the amount of not more than 3000 euros per one working place throughout the period of the project implementation. If the personnel is employed at normal working hours, the purchase costs of equipment of the working place shall be eligible in the amount of 100 per cent. If the personnel is employed part-time, the purchase costs of equipment of the working place shall be eligible in proportion to the distribution of the load in percentage;

37.5. costs of translation and other services, which are justified and connected with the project implementation;

37.6. costs connected with organisation and implementation of seminars, informative events, discussions, and conferences, including rental payment of premises (if it is necessary to rent premises for implementation of project activities of the beneficiary outside the legal and actual residence address of the beneficiary) and costs for ensuring handout materials;

37.7. transport costs (payment for fuel, lease of vehicles, purchase of transport services, use of the public transport);

37.8. costs of development and publishing of informative and methodological materials;

37.9. costs of official journeys and work trips for the project management and implementation personnel in accordance with the laws and regulations laying down the procedures, by which expenses connected with official journeys shall be reimbursed;

37.10. costs of health examinations provided for in the laws and regulations regarding mandatory health examinations, compensation for means of vision correction, health insurance for project management and project implementation personnel, if health insurance is provided for in the institution of the beneficiary. If the project management and project implementation personnel is employed at normal working hours, the health insurance costs shall be eligible in the amount of 100 per cent. If the project management and project implementation personnel is employed part-time, the health insurance costs shall be determined according to the part-time load. If the principle of part-time eligibility is applied to remuneration of the project management and project implementation personnel, the health insurance costs shall be determined in proportion to the distribution of remuneration in percentage. Health insurance

costs shall be eligible only for the time period when the project management and project implementation personnel is employed in the project for implementation of the aided activities referred to in Paragraph 32 of this Regulation;

37.11. the costs of information and publicity measures of the project in accordance with the laws and regulations regarding the procedures by which the requirements for communication and visual identity shall be ensured in introduction of the European Union Structural Funds and the Cohesion Fund in the planning period 2014-2020;

37.12. the funding for implementation of research applications.

38. The indirect eligible costs referred to in Sub-paragraph 36.2 of this Regulation shall be planned as one item of costs, applying the single rate of indirect costs in the amount of 15 per cent from the direct eligible costs of the personnel referred to in Sub-paragraph 37.1 of this Regulation.

39. In planning the direct eligible costs of the personnel referred to in Sub-paragraph 36.1 of this Regulation, the beneficiary shall ensure that the project management and implementation personnel is employed full-time or part-time in the amount of not less than 30 per cent from normal working hours, accordingly carrying out accounting of the working hours of the management and implementation personnel for the functions performed and time worked.

40. The costs of the beneficiary referred to in Paragraphs 37 (except Sub-paragraph 37.12) and 38 of this Regulation shall not exceed 3,115,473 euros from the total amount of the eligible funding planned for the Activity. The maximum permissible amount of the funding from the European Regional Development Fund shall be 85 per cent from the total amount of costs of the beneficiary, the national funding in the amount of 15 per cent shall be ensured from the State budget resources.

## **VI. General Funding Conditions for Research Applicants**

41. Within the scope of the Activity the research applicant may implement:

41.1. a research application not related to economic activity;

41.2. a research application related to economic activity.

42. The maximum eligible amount of funding from the European Regional Development Fund for a research application not related to economic activity shall not exceed 85 per cent from the total eligible funding of the research application. The necessary co-funding in the amount of 15 per cent from the total eligible costs of the research application shall be ensured from one of the following resources:

42.1. from the State budget funding – in the amount of not more than 10 per cent;

42.2. from other resources at the disposal of the research organisation, including from own economic activity, credit resources, other financial resources or investments in kind, the value of which may be independently audited and evaluated in accordance with the conditions referred to in Paragraph 43 of this Regulation. The total investment in kind shall not exceed five per cent from the total eligible costs of the research application.

43. Investments in kind for a research application not related to economic activity may consist of:

43.1. tangible assets:

43.1.1. fixed assets – technological equipment (installations, measuring equipment, regulation devices, laboratory and medical devices, motor transport), the total value of use of which is calculated, taking into account the minimum value of each fixed asset used within the scope of the research application (average costs of use for

one working day throughout the period of useful life of the fixed asset) and the time period, in which it is planned to use the fixed asset for the performance of the activities intended in the research application. The total value of use of fixed assets shall be determined, using the following formula:

$$P = \sum_i^n \frac{V_i \times t_i}{t_{Ki}}, \text{ where}$$

P – the total value of use of fixed assets, in euros;

$V_i$  – the initial value of  $i$ -fixed asset (purchase costs or production cost price), in euros;

$i$  – variation of the fixed asset ( $i = 1, 2, \dots, n$ ;  $n$  – number of fixed assets);

$t_i$  – the time period, in which it is planned to use the fixed asset for the performance of the activities intended in the research application, in working days;

$t_{Ki}$  – the total period of useful life of the fixed asset, on working days;

43.1.2. the materials granted (physical, biological, chemical, and other materials, trial animals, agents, chemicals, laboratory vessels, medicinal products for research, land areas, components and modules of electronics), the value of which is calculated in proportion to the quantity of materials consumed within the scope of the research application and the market price of materials;

43.2. professional activities related to research within the scope of the research application:

43.2.1. which are performed by a scientific personnel or scientific technical personnel;

43.2.2. if they are not performed during the time period when according to the contracts entered into the person carries out tasks not related to the research application, and remuneration is not received for such tasks within the scope of the research application;

43.2.3. the value of which is determined taking into account the time spent for research and the rates of remuneration and wage according to the remuneration and wage policy of the institution of the research applicant.

44. If a research application related to economic activity is implemented, regardless of the legal status (entity governed by public or private law) or economic type (profit or non-profit scientific institution) the research applicant shall be qualified as the performer of economic activity in accordance with the definition laid down in Article 2(24) of and Annex 1 to Commission Regulation No 651/2014.

45. For a research application related to economic activity:

45.1. aid shall be provided in the form of transparent aid categories (grant);

45.2. the research applicant shall justify, for receipt of the funding, the stimulating impact of the joint public funding in the research application in accordance with the criteria of stimulating impact laid down in Article 6(2) of Commission Regulation No 651/2014.

46. If the research applicant is a scientific institution or an enterprise, which is implementing a research application related to economic activity, the amount of private co-funding shall be determined, taking into account the public funding determined in accordance with Paragraphs 49, 58, and 62 of this Regulation and Annex to this Regulation. Co-funding shall be ensured from the resources at the disposal of the research applicant or from credit resources and other financial resources, for which no public aid has been received, including no State or local

government guarantee or State or local government credit on preferential conditions has been received.

47. The maximum total eligible funding of a research application shall be 133,806 euros.

48. The following costs shall be eligible within the scope of a research application not related to economic activity:

48.1. the costs of a postdoctoral researcher (personnel) up to 2,731 euros per month, including State mandatory social insurance contributions and other social guarantees laid down in laws and regulations;

48.2. costs of one unit according the standard rate specified by Marie Skłodowska-Curie action “Individual Fellowships” of the EU Framework Programme for Research and Innovation “Horizon 2020” – 800 euros per month, which include:

48.2.1. research costs, including costs of purchase of materials, protection of technology rights and external services;

48.2.2. training costs;

48.2.3. costs of networking measures, including official journeys, conference participation fee and involvement costs in information measures;

48.3. indirect costs for administrative and infrastructure resources of the research applicant used for ensuring implementation of the research application, without exceeding five per cent from the total eligible costs of the research application. Indirect costs shall include the following items of costs:

48.3.1. office supplies, stationery, and lease or purchase of office equipment;

48.3.2. lease or rental of premises, utility payments and maintenance costs of premises (including covering in proportion of the costs for the use of common-use premises of an institution and common-use resources);

48.3.3. costs of telecommunication, Internet and postal services;

48.3.4. maintenance costs of information technologies;

48.3.5. costs for aid of the research applicant and remuneration of the management personnel;

48.3.6. costs, which are not included in the costs referred to in Sub-paragraph 48.1 and 48.2 of this Regulation, but are necessary for achieving the results of the research application.

49. The following costs specified in Commission Regulation No 651/2014 shall be eligible for a research application related to economic activity:

49.1. the research costs specified in Article 25(3)(a), (a), (d), and (e), in conformity with the permissible aid intensity of the public funding specified in Paragraph 58 of this Regulation;

49.2. the costs of protection of technology rights specified in Article 28(2)(a), in conformity with the permissible aid intensity of the public funding specified in Paragraph 62.1 of this Regulation;

49.3. the costs of training aid specified in Article 31(3)(b) and (d), in conformity with the permissible aid intensity of the public funding specified in Paragraph 62.2 of this Regulation.

50. The amount of the public funding for a research application related to economic activity and the average weighted aid intensity of the public funding shall be determined as follows:

50.1. the permissible amount of the public funding for the research category referred to in Sub-paragraph 33.1.1 of this Regulation shall be determined separately according to the intensity of the public funding referred to in Sub-paragraph 58.1 of this Regulation;

50.2. the permissible amount of the public funding for the research category referred to in Sub-paragraph 33.1.2 of this Regulation shall be determined separately according to the intensity of the public funding referred to in Sub-paragraphs 58.2 and 58.3 of this Regulation;

50.3. the permissible amount of the public funding for the improvement of competences of a postdoctoral researcher referred to in Sub-paragraph 33.4.1 of this Regulation shall be determined separately according to the intensity of the public funding referred to in Sub-paragraph 62.2 of this Regulation;

50.4. the permissible amount of the public funding for the aided activity referred to in Sub-paragraph 33.2 of this Regulation shall be determined separately according to the conditions of Sub-paragraph 62.1 of this Regulation.

51. The public funding of the research application granted within the scope of the Activity may not be joined with aid to the same eligible costs, which has been provided within the scope of another State aid or individual aid project.

52. The unjustifiably granted public funding shall be deducted from the total eligible costs of the research application and shall be refunded to the beneficiary.

53. The public funding granted to a research application not related to economic activity shall be refunded in full, if the beneficiary detects during implementation of the research application or five years after expiry of the time period for implementation of the research application that the research application does not conform to the criterion referred to in Sub-paragraphs 2.1 and 2.4 of this Regulation.

54. The following costs of the project and research application of a beneficiary shall not be eligible within the scope of the Activity:

54.1. the costs, which have arisen after expiry of the time period specified in the conditions of a project implementation agreement or in the contract regarding research application or payments of which have been made more than a month later after expiry of the time period for implementation of the project or research application of the beneficiary;

54.2. the costs, which are not directly related to the activities carried out within the scope of a project or research application of the beneficiary and are not justified by documents corroborating costs or have arisen as a result of non-conformity with the requirements of laws and regulations;

54.3. the costs, which do not conform to the principles of justified financial management, particularly monetary value and cost-effectiveness;

54.4. the costs, which exceed the restrictions specified for the items of costs referred to in Paragraphs 37, 38., 47, and 48 of this Regulation;

54.5. payment for examination, preparation, reserving, and servicing of a loan, payment for financial transactions, late payment interest, contractual fines and expenses of legal proceedings;

54.6. the costs of opening and maintaining the account necessary for implementation of the project and research application of the beneficiary.

55. Value added tax is eligible costs, if it cannot be recovered in accordance with the laws and regulations of the Republic of Latvia in the field of tax policy.

56. The beneficiary and the research applicant shall cover the increase in costs arisen during the course of implementation of the project and research application of the beneficiary from their own resources. If it is not possible to cover it, savings from other items of the funding of the beneficiary and the research application shall be reallocated. The research applicant shall ensure that the total allocated amount of the funding of the research application related to

economic activity is not exceeded and the aid intensity referred to in Paragraphs 58 and 62 of this Regulation is conformed to.

57. Within the scope of the Activity the project costs of the beneficiary shall be eligible, if they conform to the items of costs referred to in this Regulation and have arisen not earlier than from the day when a project implementation agreement was entered into, except the costs referred to in Sub-paragraph 37.1 of this Regulation, which have arisen as a result of the activities referred to in Sub-paragraphs 13.1, 13.2, and 14.2 of this Regulation and are eligible from 1 September 2015.

## **VII. Funding Conditions for Research**

58. The permissible aid intensity of the public funding for implementation of a research application related to economic activity shall be as follows:

58.1. 85 per cent for implementation of fundamental research;

58.2. for conducting industrial research:

58.2.1. 70 per cent for a research applicant, which conforms to the definition of a micro or small enterprise;

58.2.2. 60 per cent for a research applicant, which conforms to the definition of a medium-sized enterprise;

58.2.3. 50 per cent for a research applicant, which conforms to the definition of a large enterprise;

58.3. the aid intensity of the public funding referred to in Sub-paragraph 58.2 of this Regulation may be increased by 15 points by per cent from the total eligible costs of the research application, without exceeding 80 per cent of the total eligible costs of the research application, if public access to the results of industrial research is ensured in at least one of the following ways – distribution of research results in technical and scientific conferences and publicly accessible depositories (databases), free-of-charge access to software.

59. A postdoctoral researcher may not receive work remuneration in other project or working place, except the case, if employment of the postdoctoral research in academic work (except a senior research scientist, a researcher, a scientific assistant) or in conducting a contractual research of the enterprise outside implementation of the research application expressed in full working time equivalent does not exceed 0.2. In such case it is necessary to ensure corresponding accounts of working time, in conformity with the employment restrictions laid down in laws and regulations.

## **VIII. Funding Conditions for the Protection of Technology Rights and Training**

60. Funding for the protection of technology rights and training may be received by a research applicant, which conforms to:

60.1. the definition of a micro, small or medium-sized enterprise, if a research application related to economic activity is implemented;

60.2. the definition of the research organisation referred to in Sub-paragraph 2.11 of this Regulation, if a research application not related to economic activity is implemented.

61. Funding for the protection of technology rights within the scope of a research application related to economic activity may be received as defined in Article 28(2) of Commission Regulation No 651/2014.

62. The permissible aid intensity of the public funding for implementation of a research application related to economic activity shall be as follows:



- 62.1. 50 per cent for the aid of protection of technology rights;
- 62.2. aid for training;
  - 62.2.1. 50 per cent for a research applicant, which conforms to the definition of a large enterprise;
  - 62.2.2. 60 per cent, if the research applicant conforms to the definition of a medium-sized enterprise, training is ensured to working persons with disability or employees in an unfavourable situation;
  - 62.2.3. 70 per cent for a research applicant, which conforms to the definition of a micro or small enterprise.

63. Such costs shall not be eligible within the scope of the aid for protection of technology rights and training, which exceed the maximum permissible aid intensity of the public funding referred to in Paragraph 62 of this Regulation.

### **IX. Announcing of a Selection of Research Applications and Preparation and Submission of Research Applications**

64. The beneficiary shall announce an open selection of research applications, publishing a notification on submission of research applications in the official journal Latvijas Vēstnesis, in the portal of the European Commission “Euraxess” and on the website of the Ministry of Education and Science ([www.izm.gov.lv](http://www.izm.gov.lv)).

65. The notification regarding the first round of selection of project applications shall be announced within two months from the day when a project implementing agreement has been entered into.

66. The following shall be indicated in the notification regarding submission of research applications:

- 66.1. the total amount of the public funding planned for the selection round of research applications and the amount of the funding planned for implementation of the fundamental research referred to in Sub-paragraph 33.1.1 of this Regulation;
- 66.2. the deadline for submission of research applications, which is not less than 30 working days from the day of announcement;
- 66.3. the place of and procedures for submitting research applications;
- 66.4. the website, on which the documents to be used for the preparation of research applications are published.

67. A research applicant may resubmit a research application, which was not aided within the scope of the selection round of research applications, in the next selection of research applications, however, may not submit an identical research application, which was previously rejected due to low scientific quality.

### **X. Conditions for Project Implementation**

68. A beneficiary shall implement a project not longer than until 30 November 2023.

69. The Ministry of Education and Science shall perform an evaluation of introduction conditions of the Activity and a mid-term evaluation of aided activities by 31 December 2018, including assess the conformity of the Activity with the most current setting of the smart specialisation strategy of Latvia and, if necessary, prepare proposals for amendments to introduction conditions of the Activity and aided activities.

70. The territory of the Republic of Latvia is the place of project implementation.
71. The beneficiary shall ensure clear separation of the financial flow of project implementation and types of activities from financial flows and types of activities of other beneficiaries.
72. The beneficiary shall establish a supervisory council for supervision of the project implementation. Representatives from the Ministry of Education and Science, the Ministry of Economics, the Ministry of Culture, the Ministry of Health, the Ministry of Agriculture, the Ministry of Environmental Protection and Regional Development, the Employers' Confederation of Latvia, and the Latvian Chamber of Commerce and Industry shall be included in the composition of the council.
73. An implementer of a research application shall ensure sustainability of the results achieved for at least five years after termination of the research application, including sustainability of the working place created within the scope of the research application and the development of the research direction.
74. If the research applicant is disbursed an advance payment during implementation of the research application, it may be disbursed in parts. The advance payment shall not exceed 30 per cent from the total amount of the public funding granted to the research application. After a contract regarding implementation of a research application is entered into, the beneficiary shall, on the basis of a written request of the research application for an advance payment, ensure the advance payment to the research applicant in accordance with the laws and regulations regarding planning of State budget resources for implementation of projects of the European Union Structural Funds and the Cohesion Fund and making of payments in the planning period 2014-2020.
75. The co-operation authority has the right to unilaterally withdraw from the project implementation agreement in any of the following cases:
- 75.1. the beneficiary does not fulfil the project implementation agreement, including implementation of the project does not take place according to the deadlines specified in the project or other circumstances have set in, which affect or may affect achievement of the objective of the Activity referred to in Paragraph 3 of this Regulation and achievement of the supervision indicators referred to in Paragraph 6 of this Regulation;
  - 75.2. in other cases determined in the project implementation agreement.
76. In implementing the project and research applications, the beneficiary and research applicants shall ensure information and publicity measures as defined in Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006, and in the laws and regulations regarding the procedures by which the requirements for communication and visual identity shall be ensured in introduction of the European Union Structural Funds and the Cohesion Fund in the planning period 2014-2020.
77. The beneficiary and research applicants shall publish information on their website in accordance with Article 9(1) and (4) of Commission Regulation No 651/2014.

78. The beneficiary shall post current information regarding project implementation on its website not less than once in three months.

79. A decision to grant public funding for research applications related to economic activity shall be taken by 30 June 2021.

80. The beneficiary and research applicants shall ensure accessibility of information for 10 years, counting from the day when the aid was granted, in accordance with Article 12 of Commission Regulation No 651/2014.

Prime Minister Laimdota Straujuma

Minister for Education and Science Mārīte Seile

Draft

**Calculation of the Average Weighted Intensity of a Research Application  
Related to Economic Activity of the Activity 1.1.1.2 “Post-doctoral  
Research Aid” of the Specific Aid Objective 1.1.1 “To increase the research  
and innovative capacity of scientific institutions of Latvia and the ability to  
attract external financing, investing in human resources and  
infrastructure” of the Operational Programme “Growth and Employment”**

No.	Part of the project	Research applicant		Activity of the research application	Eligible costs (EUR)	Intensity of the public funding (I <sub>P</sub> %)
		category of the enterprise	name		[A]	[B]
1.	Research application related to economic activity	small enterprise	research applicant No. 1 (name)	fundamental research		85
2.				industrial research		
3.				aid for training		
4.				protection of technology rights		50
5.				project part No. 1	0	0.000

Note. Conforms to the conditions of Paragraphs 50, 58, and 62 of Cabinet Regulation No. 50 of 19 January 2016, Regulations Regarding Implementation Activity 1.1.1.2 “Post-doctoral Research Aid” of the Specific Aid Objective 1.1.1 “To increase the research and innovative capacity of scientific institutions of Latvia and the ability to attract external financing, investing in human resources and infrastructure” of the Operational Programme “Growth and Employment”.

Minister for Education and Science

Mārīte Seile