



The translation of this document is outdated.

Translation validity: 07.09.2018.–20.05.2020.

Amendments not included: 19.05.2020.

Republic of Latvia

Cabinet

Regulation No. 560

Adopted 4 September 2018

Procedures for the Implementation of State Research Programme Projects

*Issued pursuant to
Section 35, Paragraph three
of the Law on Scientific Activity*

I. General Provisions

1. The Regulation prescribes the procedures for the application, expert-examination, implementation, funding of State research programme (hereinafter - the programme) projects (hereinafter - the project) and for the control of use of the financial resources allocated to the implementation of projects.

2. The following terms are used in this Regulation:

2.1. project of non-economic nature - a project conforming to the following criteria:

2.1.1. the project is implemented by a research organisation;

2.1.2. the activities to be supported in Paragraph 11 of this Regulation are implemented in the project, and they are of non-economic nature;

2.2. activity of non-economic nature - operating activity of a research organisation which does not fall within the scope of the activity laid down in Article 107(1) of the Treaty on the Functioning of the European Union and which can manifest as follows:

2.2.1. independent research and development to acquire more knowledge and a better understanding, including joint research and development by involvement of the research organisation in efficient co-operation;

2.2.2. dissemination of research results without exclusivity and discrimination, including through the use of teaching, free access databases, open publications or open source software;

2.2.3. activities related to knowledge and technology transfer if:

2.2.3.1. the activities related to knowledge and technology transfer 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 the majority of votes and which conforms to the definition of the research organisation referred to in Sub-paragraph 2.12 of this Regulation), the research organisation together with other research organisations or the research organisation with third parties, entering into contracts regarding certain services in an open procedure;

2.2.3.2. any profit from such activity is reinvested in operating activities of non-economic nature of the research

organisation;

2.2.3.3. the project includes research and transfer of the research results in the form of knowledge and technology transfer and, if the research organisations enter into intellectual property alienation contracts with the licensee, at least one of the following conditions must be conformed to:

2.2.3.3.1. the intellectual property licence contract is entered into with the licensee and the sum of remuneration is specified in an open, transparent, and non-discriminating competition-based tender procedure, thus excluding the possibility of entering into an exclusive licence contract with the co-operation partner;

2.2.3.3.2. the beneficiary receives a remuneration for all economic advantages transferred to the licensee which is equivalent to the market price for intellectual property rights arising from the activity performed within the scope of the project of the research organisation. If it is not possible to determine a market price, a proof of the market price is a public auction of the intellectual property in accordance with the laws and regulations regarding organisation of auctions or documented negotiated procedure between the research organisation-licensor and the licensee as a result of which the licensor has acquired the maximum price for his or her intellectual property rights;

2.3. efficient co-operation - co-operation conforming to the definition provided in Article 2(90) of the Commission Regulation (EU) No 651/2014 of 17 June 2014 (Official Journal of the European Union, 26.06.2014, L 187/1) declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (hereinafter - Commission Regulation No 651/2014);

2.4. experimental development - a research category conforming to Article 2(86) of Commission Regulation No 651/2014;

2.5. fundamental research - a research category conforming to Article 2(84) of Commission Regulation No 651/2014;

2.6. intellectual property - a systematised aggregate of specific information (knowledge) which can be concurrently used for the creation of unlimited number of material objects at different places of the world;

2.7. new technology - a technology conforming to the definition provided in Article 2(114) of Commission Regulation No 651/2014;

2.8. new product - goods or services which are completely new or for which the functional properties have been improved or the foreseeable type of use has been changed (including changed or improved technical parameters, components, materials, software added, user-friendly properties). The following shall not be considered a new product:

2.8.1. discontinuation of the use of any part of the process;

2.8.2. replacement or extensive increasing of the capital (purchase of modules that are identical to the modules used, insignificant extensions, hardware and software updates). New equipment or extensions must have significant improvements of the specification;

2.8.3. changes arisen due to the change in the prices of components (changes in the price of the product or productivity of the production process (for example, manufacturing of computers upon reduction in the price of a micro-chip, reduction in the sales price of the same computer model) are not considered a product innovation);

2.8.4. adjustments of products for specific needs (for example, adjustment of a product for the needs of a client which does not cause such changes in the functional or technical properties of the new product which ensure higher competitiveness of the new product in comparison with the existing products);

2.8.5. everyday, seasonal, and cyclic changes and improvements of the product (for example, a collection of a new season in manufacturing of clothing is not considered an innovation);

2.8.6. design changes (including taste and smell) which do not change the functions, use, or technical properties of the product;

2.8.7. resale of goods or processes of other manufacturers;

2.8.8. improvements for the promotion of a product marketing (including aesthetic changes);

2.8.9. improvement of organisational processes in the activity of a merchant;

2.9. quality threshold - the minimum number of points required for each scientific quality criterion referred to in Paragraph 26 of this Regulation individually or together which is indicated in the consolidated evaluation of the project application;

2.10. applied research - original research for the acquisition of new knowledge to achieve any practical objective or to solve a specific task by implementing industrial research, experimental development or their combinations, as well as research of social, humanitarian, and art sciences with applicability;

2.11. research - activities which cover one or multiple research categories and are intended for completing a precise undivided task of economic, scientific or technical nature with pre-defined, clear objectives;

2.12. research organisation - a scientific institution registered in the Register of Scientific Institutions of the Republic of Latvia (an entity governed by public law or an entity governed by private law) or an institution of higher education (hereinafter - the scientific institution) which regardless of the legal status or type of funding, in accordance with the acts governing its activity (articles of association, by-laws or Constitution), performs activities of non-economic nature and conforms to the definition provided in Article 2(83) of Commission Regulation No 651/2014;

2.13. project manager - a scientist who manages the project and ensures its implementation. The project manager shall plan and supervise the fulfilment of the project tasks, shall be responsible for his or her activity and the activity of other persons involved in the project in conformity with the tasks defined for the project and rules of scientific ethics, and for timely preparation and submission of the documentation characterising the progress of the project implementation in accordance with the procedures laid down in this Regulation;

2.14. main participants of the project - scientists who implement the project or sub-project and are responsible for the implementation of the parts thereof;

2.15. project participants - members of a scientific group who perform individual scientific tasks in the project implementation and are responsible for the fulfilment of the relevant parts thereof;

2.16. action policy - the principles, objectives, and action stipulated by the government in specific policy areas for the development of the State and the improvement of the quality of life of the inhabitants;

2.17. industrial research - a research category conforming to the definition laid down in Article 2(85) of Commission Regulation No 651/2014;

2.18. co-operation partner - a scientific institution which conforms to the definition of the research organisation of this Regulation or a State institution for which the performance of scientific activity has been specified by external legal acts, by-laws, or articles of association;

2.19. technology rights - know-how and other rights or their combination, including applications for or applications for registration of those rights which conform to the definition provided in Article 1(b) of Commission Regulation (EU) No 316/2014 of 21 March 2014 (Official Journal of the European Union, 28.03.2014, L 93/17) on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of technology transfer agreements;

2.20. knowledge and technology transfer - any process the objective of which is to obtain, aggregate, and distribute clear knowledge not expressed in words, including in research co-operation, consultations, licensing, publications, and mobility of researchers and other employees who are involved in these activities. In addition to scientific and technical knowledge it includes knowledge of other types, for example, knowledge regarding the use of such standards and rules in which such knowledge is included, regarding circumstances of the actual operational environment, regarding organisational innovation methods, as well as management of such knowledge which is related to determination, acquisition, protection, defence, and use of intangible assets;

2.21. scientific staff - leading researchers, researchers, scientific assistants, academic staff of an institution of higher education, and students;

2.22. scientific group - scientific staff and research technical staff which participates in the project implementation. A scientific group shall consist of a project manager, main participants of the project (if such are necessary), and project participants.

3. The programme is a State order of the sectoral ministry which is implemented within the scope of research in order to create new knowledge, skills, and innovations, to develop new products, processes, and services for solving sectoral problems and achieving strategical development objectives, as well as to support the implementation of State policy priorities by actively using the research results for the policy development, and to ensure the visibility of research in the society, as well as to strengthen the bond between research and priority fields of the State policy.

4. The programme shall be developed by the sectoral ministry in co-operation with the strategical management council of the programme, defining the name, overarching objective (if necessary), objective, period of implementation, amount of funding, tasks of the programme, and the results to be achieved. During the course of the development of the programme the sectoral ministry shall consult with the Latvian Academy of Sciences and the Latvian Council of Science (hereinafter - the Council). The Programme shall be approved by the Cabinet with an order (hereinafter - the Cabinet order).

5. The programme shall be implemented in the form of projects. Projects shall be selected in an open procedure of project applications (hereinafter - the project procedure), evaluating them according to the administrative evaluation criteria (hereinafter - the administrative criteria), the scientific quality criteria (hereinafter - the scientific criteria), and the specific sectoral evaluation criteria (hereinafter - the sectoral criteria). The project selection may be carried out in several rounds of project application selection. A project may have sub-projects which include clear objectives,

activities to be performed to achieve the relevant objectives (including their estimated costs), as well as specific results to determine the outcome of these activities and to compare it with the relevant objectives.

6. The strategical management council of the programme is a consultative collegial institution which is operating according to the by-laws issued by the sectoral ministry. The composition of the strategical management council of the programme shall be approved by the sectoral ministry, including therein also a representative of the Ministry of Education and Science, as well as, if necessary, experts, specialists, representatives of State or local government institutions, non-governmental organisations (sectoral professional organisations and public organisations), State capital companies, organisations representing science. The functions of the strategical management council of the programme referred to in this Paragraph may be carried out by an institution already previously established by the relevant sectoral ministry the competence of which includes solving of the sectoral strategical issues. In such case the sectoral ministry shall co-ordinate with the Ministry of Education and Science, as the institution responsible for the field of science, the issues related to the development and implementation of the programme, in conformity with the functions of the strategical management council of the programme specified in this Paragraph. The functions of the strategical management council of the programme shall be as follows:

6.1. to provide an opinion and advisory support to the sectoral ministry during the course of development and implementation of the programme;

6.2. to provide proposals to the sectoral ministry regarding improvement of the programme;

6.3. to provide an opinion on the results of the programme after completion of the programme;

6.4. to carry out other functions provided for in the by-laws of the strategical management council of the programme.

7. For ensuring the execution of the programme:

7.1. the council shall:

7.1.1. under assignment of the sectoral ministry in co-operation with the Study and Science Administration (hereinafter - the Administration), draw up the dossier of a project application tender referred to in Paragraph 15 of this Regulation (hereinafter - the tender dossier) or participate in the drawing up of the tender dossier if the tender dossier is drawn up by the sectoral ministry;

7.1.2. organise and implement the project procedure;

7.1.3. evaluate the conformity of project applications with the administrative criteria;

7.1.4. organise and ensure the scientific expert-examination of project applications, mid-term scientific review of the project, and the final scientific review of the project (hereinafter - the expert-examination), applying the evaluation approach and principles of the European Union Framework Programme for Research and Innovation *Horizon 2020* or *Horizon Europe*;

7.1.5. select scientific experts included in the database of the European Commission or equivalent database of foreign experts for the expert-examination (hereinafter - the expert);

7.1.6. prepare and publish a mid-term report and a final report on implementation of the programme;

7.2. the Administration shall:

7.2.1. participate in the drawing up of the tender dossier;

7.2.2. in co-operation with the council, evaluate the project applications according to the administrative criteria;

7.2.3. enter into expert-examination contracts with the experts selected by the council in conformity with Paragraph 23 of this Regulation;

7.2.4. prepare a sample contract regarding implementation of the project (hereinafter - the project contract) in conformity with Sub-paragraph 16.14 of this Regulation;

7.2.5. enter into the project contract with the scientific institution;

7.2.6. supervise the conditions and time periods for execution of the tasks of and results to be achieved by the project according to the project contract and the tender dossier;

7.2.7. administer the funds from the State budget allocated for implementation of the project;

7.2.8. ensure risk (including the potential double funding risk) management measures during implementation of the project and after completion of the project;

7.2.9. control the use of the financial resources allocated for the project and ensure recovery of the unjustly used funding, including recovery of the financial resources allocated for the project in full amount if a project of non-economic nature does not conform to the conditions referred to in Sub-paragraph 2.1 of this Regulation anymore;

7.2.10. fulfil the liabilities specified thereto in the project contract in relation to the sectoral ministry and control fulfilment of the liabilities specified for the scientific institution in the project contract in relation to the sectoral ministry;

7.2.11. prepare the final statement of the project (hereinafter - the statement of the Administration) in conformity with Paragraph 68 of this Regulation;

7.2.12. in co-operation with the council, provide information to the society and ensure publicity in issues which are related to implementation of the programme;

7.2.13. carry out the functions of the secretariat of the programme implementation and supervision commission (hereinafter - the commission) if they are not carried out by the sectoral ministry.

8. The sectoral ministry shall establish the commission including therein a representative delegated by the Ministry of Education and Science. Representatives delegated by the Administration and the council shall be included in the composition of the commission as experts without the right to vote, as well as other experts shall be included, if necessary. The operation of the commission shall be determined by the by-laws of the commission issued by the sectoral ministry. The functions of the secretariat of the commission (hereinafter - the secretariat) shall be carried out by the sectoral ministry or the Administration. The commission shall:

8.1. approve the dossier of the project procedure;

8.2. evaluate the conformity of the project application with the sectoral criteria;

8.3. take a decision to:

8.3.1. allocate the funding for implementation of the project;

8.3.2. reject the project application;

8.3.3. extend the term of implementation of the project;

8.3.4. terminate the project;

8.3.5. recover the unjustly used funding allocated for implementation of the project;

8.3.6. recover the funding allocated for implementation of the project in full amount;

8.3.7. suspend the funding of the project;

8.4. examine other issues related to implementation and supervision of the programme in the by-laws of the commission and take relevant decisions;

8.5. according to the tender dossier and the project contract, examine and evaluate the result achieved by the project and the conformity of the content reviews with the project contract and the time periods specified;

8.6. as necessary, attract sectoral experts for evaluation of the project application according to the sectoral criteria in conformity with Sub-paragraph 33.2 of this Regulation, as well as for evaluation of the results achieved within the scope of the project implementation in conformity with the conditions of the tender dossier.

9. The project applicant is the scientific institution which:

9.1. is a research organisation and is implementing a project of non-economic nature, ensuring achievement of the project results according to the conditions of the project contract and the specified time periods. The project applicant shall clearly separate activities of non-economic nature (and financial flows related thereto) from the activities which may be qualified as economic activities. Activities performed upon assignment of a merchant, lease of research infrastructure, and consultancy services shall be considered as economic activities. If the scientific institution also performs other activities of non-economic nature, it shall separate such activities and the financial flows related thereto from other activities of the scientific institution and the financial flows related thereto;

9.2. is responsible for implementation of the project and achievement of the project results at large;

9.3. may attract co-operation partners for implementation of the project, entering into a contract regarding carrying out of specific tasks or activities in the project. A written certification of a co-operation partner regarding participation in the project shall be appended to the project application. The co-operation partner shall comply with the definition provided in Sub-paragraph 2.18 of this Regulation and shall engage in the project implementation with the property in its possession or ownership, intellectual property, financing or human resources thereof. When making the investments referred to in this Paragraph, there may not be any legal relationships between the submitter of the project

application and the co-operation partner which conform to the characteristics of a public procurement contract in accordance with the laws and regulations regarding public procurement.

10. The project may be implemented in rounds where the length of one round is at least six months.

11. In accordance with Sub-paragraph 2.2 of this Regulation the following activities shall be supported in a project:

11.1. research which includes one or several of the following research categories:

11.1.1. fundamental research;

11.1.2. applied research which includes:

11.1.2.1. industrial research. Industrial research may be joined with fundamental research within the scope of one project;

11.1.2.2. experimental development if industrial research is implemented;

11.2. the research referred to in Sub-paragraph 11.1 of this Regulation with solutions of sustainable action policy;

11.3. acquisition, approval, and defending of the technology rights (intangible assets) arising from the activity performed in Sub-paragraph 11.1 of this Regulation;

11.4. dissemination of the results created within the scope of the project in the form of training, publications or knowledge and technology transfer;

11.5. measures for involvement and informing of the society regarding objectives, course, and results of the project.

12. During implementation of the project one or several of the following project results are expected:

12.1. ensuring of public access to the research results, including:

12.1.1. original scientific papers published in magazines or conference symposia the quoting index whereof reaches at least 50 per cent of the average quoting index of the sector;

12.1.2. original scientific papers published in the magazines or conference symposia included in Web of Science or SCOPUS (A or B) databases;

12.2. technology rights;

12.3. intellectual property licence contracts;

12.4. a prototype of a new product or new technology;

12.5. new treatment and diagnostic techniques (including a non-commercial technique) supplementing the results referred to in Sub-paragraph 12.1, 12.2, 12.3 or 12.4 of this Regulation;

12.6. reports on action policy recommendations and on the impact of action policy;

12.7. a master's State (final) examination successfully passed and a doctoral thesis defended according to specific procedures, in conformity with the objective and tasks of the programme;

12.8. other project results (including data) according to the specific nature of research supplementing the results referred to in Sub-paragraph 12.1, 12.2, 12.3, 12.4 or 12.6 of this Regulation.

13. If profit has been earned as a result of the activities to be supported in the project referred to in Paragraph 11 of this Regulation, it shall be invested, in full amount, in the non-economic operating activity of the scientific institution in conformity with Sub-paragraph 2.2.3.3 of this Regulation. The abovementioned condition shall be applicable both during implementation of the project and after completion of the project throughout existence of the scientific institution.

14. The following types of costs shall be planned within the scope of the project:

14.1. direct eligible costs which are directly related to the project implementation and are necessary for achievement of results:

14.1.1. remuneration of the staff involved in the project implementation and the costs related thereto which do not exceed the remuneration rates of the submitter of the project application according to the work remuneration policy specified by the institution;

14.1.2. mandatory social insurance contributions of the employer for the staff of the project implementation;

14.1.3. expenditure of local and foreign official travels and work (service) trips for the staff referred to in Sub-

paragraph 14.1.1 of this Regulation in accordance with the legal framework regarding the procedures by which expenditure related to official travel shall be reimbursed. Prices of flight tickets may not exceed the prices of economy class tickets of the relevant flight;

14.1.4. acquisition costs (applicable to the fixed assets purchased within the scope of the project and at the disposal of the submitter of the project application and the co-operation partner which are used for research, and purchase costs of technical knowledge, patents, and other intellectual property right licences (hereinafter - the intangible assets) purchased from external sources) if the transaction is carried out under circumstances of competition and there have been no secret agreements. If the period of use of the fixed assets or intangible assets within the scope of the project does not cover the whole period of their useful life, only such depreciation costs shall be considered eligible costs which conform to the time period of project implementation. The abovementioned costs shall be calculated in proportion to the period and intensity of use of the fixed assets or intangible assets according to the accounting procedures and good accounting practice;

14.1.5. purchase costs and supply costs of the inventory, instruments, and materials necessary for the project implementation (for example, physical, biological, chemical, and other materials, test animals, reagents, chemicals, laboratory vessels, medicinal products, cooling agents, heat carriers, carrier gases, oils, energy materials, and electricity, insofar as it is used for research) which have been accounted in accordance with the laws and regulations governing accounting;

14.1.6. other costs necessary for the project implementation:

14.1.6.1. costs of external services (including work according to contracts for work performance), costs of ensuring research services (for example, inspection, testing, certification, and other costs in order to ensure such research data which are comparable to the research carried out in other states), costs of technology right protection, translation;

14.1.6.2. costs of information and publicity measures (including costs of publishing scientific studies);

14.1.6.3. costs of financial services which include costs of bank services for payments carried out within the scope of the project and one-time payment for allocating a credit guarantee - in the amount of not more than two per cent from the sum to be guaranteed (if applicable);

14.2. indirect eligible costs which are not directly related to achievement of the project results, but support and ensure corresponding circumstances for implementation of the activities to be supported and achievement of results. The indirect eligible costs shall be planned as one item of costs, applying the single rate of indirect costs in the amount of 25 per cent from the sum total of the direct eligible costs referred to in Sub-paragraph 14.1 of this Regulation.

15. The tender dossier shall be drawn up by the sectoral ministry in co-operation with the council and the Administration or the council under assignment of the sectoral ministry in co-operation with the Administration. The tender dossier, prior to its approval in the commission, shall be co-ordinated with the Ministry of Education and Science.

16. The following shall be determined in the tender dossier:

16.1. the tasks of and results to be achieved by the project procedure, including the project results referred to in Paragraph 12 of this Regulation in conformity with a Cabinet order;

16.2. the funding available for implementation of the project;

16.3. the conditions for implementation of the project procedure;

16.4. the time period for implementation of one project, the maximum and minimum funding;

16.5. the conditions for participation of a scientific group, project applicant, and co-operation partner in the project, also that the co-operation partner shall provide the scientific institution with access to its research infrastructure (if the use of such is provided for in the project), including in conformity with Sub-paragraph 9.3 of this Regulation;

16.6. the methodology or guidelines, procedures, and time period for submitting the project application;

16.7. sample forms of the project application, the mid-term scientific review of the project (if the duration of the project is not less than 24 months), the final scientific review of the project (including sections of such sample forms to be submitted in English);

16.8. the procedures for the administrative evaluation of the project application, indicating also additional administrative criteria (if such are necessary) and indicating which administrative criteria should or should not be supplemented, as well as the sample form of such evaluation;

16.9. the procedures and time periods for updating of the project application if the project application should be updated according to the administrative criterion to be supplemented;

16.10. the sectoral criteria and the sample form of their evaluation, as well as the methodology, procedures, and time periods for such evaluation;

16.11. the conditions for attracting experts, including organisation and implementation of expert panel discussions may be provided for (if necessary);

16.12. the conditions of the expert-examination (evaluating the case when experts will have a significant difference in opinions) and the methodology for the performance thereof, providing for the conformity of evaluation points of the project application with quantitative and qualitative indicators, a sample form of the individual expert-examination of the project application, and a sample form of the consolidated expert-examination by experts of the project application;

16.13. the methodology of the consolidated evaluation of the expert-examination (hereinafter - the evaluation of the expert-examination) of the project application carried out by the council, in conformity with Paragraph 31 of this Regulation and providing for the quality threshold referred to in Sub-paragraph 2.9 of this Regulation;

16.14. a sample project contract (also its annex), the procedures and time period for entering into the project contract, the conditions regarding the results to be achieved during the course of project implementation in conformity with that indicated in the project application, and the rounds of achieving them, risk management measures during implementation of the project and after completion of the project, sample forms of content reviews and financial reviews and the procedures and time periods for submitting them;

16.15. the content of the mid-term report and final report of the council on implementation of the programme (hereinafter - the council report);

16.16. the procedures for taking a decision to allocate funding for implementation of a project or a decision to reject a project application, and the time periods for taking them;

16.17. other conditions and sample forms of the necessary documents (if necessary) for implementation of the project procedure and project (for example, contract regarding performance of an expert-examination, certification of an expert).

II. Applying of Project Applications

17. The council shall announce a project procedure by publishing a notification in the official gazette *Latvijas Vēstnesis* and the National Research Information System (hereinafter - the Information System) in conformity with the legal framework regarding the National Research Information System. The sectoral ministry shall publish the notification regarding announcing of a project procedure on its website.

18. A project applicant shall submit a project application according to the procedures and within the time period specified in the tender dossier, using the Information System.

19. A project application shall be evaluated according to the following administrative criteria:

19.1. the project application has been duly completed, drawn up, and submitted using the Information System;

19.2. the translation of the relevant sections of the project application into English has been submitted in conformity with the requirements of the tender dossier;

19.3. the requirements of the tender dossier regarding the conditions for the participation of a scientific group have been met;

19.4. the project is implemented at the scientific institution which conforms to the requirements of this Regulation;

19.5. if a co-operation partner is participating in implementation of the project, it shall comply with the requirements of this Regulation and the tender dossier;

19.6. the eligible costs indicated in the project application conform to the requirements specified in the tender dossier;

19.7. the project conforms to Sub-paragraph 2.1 of this Regulation;

19.8. non-existence of the double funding risk with other public funding sources, including funding of the European Union funds certified by a certification appended by the project applicant to the project application;

19.9. other additional administrative criteria if such have been specified in the tender dossier.

20. The council in co-operation with the Administration shall, within two weeks from the final day of the project procedure specified in the tender dossier, evaluate the conformity of the project application with the administrative criteria, in conformity with the procedures for the administrative evaluation of project applications specified in the tender

dossier, completing the form of the administrative evaluation of the project application in which the administrative criteria to be supplemented and not to be supplemented have been distinguished. The conformity of the project application with the administrative criteria shall be evaluated with a "yes" or a "no" ("yes" - conforms to the administrative criteria, "no" - does not conform to the administrative criteria). Such project application shall be considered evaluated according to the administrative criteria which has obtained the evaluation "yes" in all administrative criteria.

21. If the administrative criteria to be supplemented have been specified in the tender dossier and the project application does not conform to any of the administrative criteria to be supplemented, then the council shall request that the project applicant update the project application and submit it to the council according to the procedures and within the time period specified in the tender dossier. If the project application does not conform to any of the administrative criteria not to be supplemented or if the project application does not conform to any of the administrative criteria to be supplemented which has not been executed after submission of an updated project application, the council shall, after completion of the administrative evaluation, send a list of those project applications to the commission which do not conform to the administrative criteria specified in the tender dossier for taking of the decision referred to in Sub-paragraph 8.3.2 of this Regulation.

III. Expert-examination of Project Applications

22. The council shall, within three months after completion of the evaluation referred to in Paragraph 20 of this Regulation, organise an expert-examination for project applications which have been recognised as conforming to the administrative criteria in accordance with Paragraphs 20 and 21 of this Regulation. The expert-examination in accordance with Paragraph 23 of this Regulation shall be carried out by experts selected by the council with which contracts shall be entered into by the Administration.

23. The council shall select not less than two experts for the expert-examination of a project application, in conformity with the following conditions:

23.1. the expert has a doctoral degree in science;

23.2. the scientific qualification of the expert conforms to the field of the science and topic indicated in the particular project application;

23.3. the previous competence of scientific evaluation of projects and work experience of the expert conforms to the field of the science and topic indicated in the particular project application;

23.4. the expert carries out the scientific evaluation of the project application independently and does not represent the institution of the submitter of the project application, there are no circumstances in his or her activity that would give rise to a conflict of interests, including that do not cause and will not cause personal or material interest for the expert.

24. In evaluating the project application, the expert must not be exposed to a conflict of interests and must not disclose the information contained in the project application to persons not involved in the evaluation. The absence of a conflict of interests and the commitment to confidentiality shall be certified by the expert prior to entering into a contract regarding performance of an expert-examination and commencing the evaluation of the project application by signing the expert certification to be prepared by the council. The Administration shall enter into a contract regarding expert-examination with the expert, providing for liability therein for a non-conformity with the certification signed by the expert.

25. Each expert shall evaluate the project application, completing the form of the individual expert-examination of the project application. One of the experts shall complete the form of the consolidated expert-examination of experts of the project application, other experts involved in the expert-examination of the project application shall certify it. Experts shall complete both abovementioned forms in conformity with the methodology for the performance of the expert-examination specified in the tender dossier.

26. The expert shall evaluate the project application, allocating from one to five points and in conformity with the following scientific criteria:

26.1. the scientific quality of the project in accordance with Paragraph 27 of this Regulation;

26.2. the impact of the project results in accordance with Paragraph 28 of this Regulation;

26.3. the project implementation possibilities and security in accordance with Paragraph 29 of this Regulation.

27. The scientific quality of the project shall be evaluated, taking into account the information indicated in the project application and the following considerations:

27.1. the scientific quality, credibility, and novelty of the research;

27.2. the scientific quality of the selected research strategy and methodological solutions, as well as the suitability for the achievement of the specified objectives and tasks;

27.3. the ability to create new knowledge or technological findings;

27.4. the contribution of co-operation partners (if any), their scientific capacity, planned co-operation quality.

28. The impact of the project results shall be evaluated, taking into account the information indicated in the project application and the following considerations:

28.1. expected transfer of the acquired knowledge and skills in further activity and the development of scientific capacity;

28.2. research development possibilities, including contribution to the preparation of new projects for submission in tenders of the European Union framework programmes for research and innovation and other research and innovation aid programmes and technology initiatives;

28.3. programmes for achievement of objectives, knowledge of significance to the relevant field and development of national economy and society, or recommendations and solutions of the action policy will be created as a result of the research;

28.4. sustainability of the acquired knowledge and a qualitative plan for the dissemination thereof, including the planned scientific publications and public information;

28.5. research implementation promotes strengthening of the scientific capacities of the scientific staff of the research, including students.

29. The project implementation possibilities and security shall be evaluated, taking into account the information indicated in the project application and the following considerations:

29.1. quality of the research work plan and its conformity with the objective brought forward. The intended resources are adequate and sufficient for the achievement of the objective. It is intended to ensure efficient use of resources in the research. The planned work stages and tasks are clearly defined, suitable, and credible;

29.2. scientific qualification of the project manager and main participants of the project on the basis of the submitted curriculum vitae (CV);

29.3. quality management of the project is intended. Management organisation enables following the progress of carrying out the research. Potential risks have been evaluated and a plan for the prevention thereof or minimisation of the negative impact thereof has been developed;

29.4. there is the research infrastructure necessary for carrying out the research and access to another research infrastructure of co-operation partners (if applicable);

29.5. the institution which is implementing the research and its co-operation partners (if applicable) have the knowledge necessary for implementation of the project.

30. The council shall calculate the evaluation of the expert-examination for the project application in points, in conformity with the proportion of the scientific criterion indicated in Paragraph 31 of this Regulation.

31. The council shall calculate the evaluation of the expert-examination for the project application in points, taking into account:

31.1. the proportion of the scientific criterion referred to in Sub-paragraph 26.1 of this Regulation in the amount of 30 per cent from the total evaluation of the expert-examination of the project application;

31.2. the proportion of the scientific criterion referred to in Sub-paragraph 26.2 of this Regulation in the amount of 50 per cent from the total evaluation of the expert-examination of the project application;

31.3. the proportion of the scientific criterion referred to in Sub-paragraph 26.3 of this Regulation in the amount of 20 per cent from the total evaluation of the expert-examination of the project application.

32. Taking into account the points calculated for the project application in the evaluation of the expert-examination in accordance with Paragraph 31 of this Regulation, the council shall prepare a list of project applications of the evaluation of the expert-examination (hereinafter - the list of expert-examination of project applications). Project applications shall be arranged in the list of expert-examination of project applications in priority order according to the number of points obtained, starting from the project application that has obtained the highest number of points, and the project applications evaluated above the quality threshold shall be indicated. The list of expert-examination of project applications shall be submitted to the commission.

33. If in the tender dossier the sectoral criteria:

33.1. have not been specified, the commission shall approve the list of expert-examination of project applications and take the decision referred to in Sub-paragraph 8.3.1 of this Regulation on the projects evaluated above the quality threshold in this list, in conformity with the funding available for the project procedure specified in the tender dossier;

33.2. have been specified, the commission shall evaluate the conformity of the project applications evaluated above the quality threshold in the list of expert-examination of project applications with the objectives and tasks of the programme, in conformity with the sectoral criteria, and allocate a specific number of points for each sectoral criteria. The total sum of points allocated to the project application in sectoral criteria shall be not more than 30 per cent from the total maximum sum of points allocated in the scientific criteria.

34. If the project applications have been evaluated according to the sectoral criteria, the commission shall create a joint list of project applications of a project procedure (hereinafter - the joint list of project applications) in which project applications, starting from the project application that obtained the highest number of points, shall be arranged in priority order according to the sum of the points obtained in the project procedure in total or under assignment of the programme (if it is provided for in the tender dossier) which shall consist of the points obtained in the scientific evaluation and evaluation of sectoral criteria.

35. The commission shall approve the joint list of project applications and take the decision referred to in Sub-paragraph 8.3.1 of this Regulation, in conformity with the funding available to the project procedure. The commission shall draw up the decision referred to in Sub-paragraph 33.1 of this Regulation and in this Paragraph as an administrative act and send it to the submitter of the project application, the council, and the Administration.

IV. Funding of Projects

36. A project shall be funded from State budget resources allocated to the sectoral ministry for the current year for ensuring the implementation of the programme. The measures referred to in Paragraph 37 of this Regulation shall be funded from the State budget resources allocated to the sectoral ministry for ensuring the implementation of the programme. The State budget resources allocated for ensuring the implementation of the programme shall be administered:

36.1. by the Administration - the resources allocated for implementation of the project and the measures referred to in Sub-paragraphs 37.1, 37.2, 37.3, 37.6, 37.7, and 37.8 of this Regulation;

36.2. by the sectoral ministry - the resources allocated for the measures referred to in Sub-paragraphs 37.4, 37.5, and 37.9 of this Regulation;

36.3. the Administration or the sectoral ministry - the resources allocated for the measure referred to in Sub-paragraph 37.10 of this Regulation (taking into account who is fulfilling the duties of the secretariat).

37. The sectoral ministry shall plan the financial resources in the amount of not more than seven per cent from the total State budget funding allocated to the sectoral ministry for implementation of the programme for the following measures:

37.1. organisation and implementation of the project procedure;

37.2. organisation of the expert-examination of the project application, the mid-term scientific review of the project (if it has been specified in the tender dossier), and the final scientific review of the project;

37.3. remuneration of experts and covering of transport and accommodation expenditure of experts (if a panel discussion of experts is organised) in accordance with the legal framework regarding the procedures for the reimbursement of expenditure related to official travels;

37.4. remuneration of sectoral experts, as well as internal and external auditors;

37.5. covering of the transport and accommodation expenditure of foreign members (if any) of the strategic management council of the programme in accordance with the legal framework regarding the procedures for the reimbursement of expenditure related to official travels;

37.6. administration of the State budget resources allocated for implementation of projects;

37.7. control of use of the financial resources allocated for implementation of the project;

37.8. public information measures which are related to implementation of the programme;

37.9. ensuring of the operation of the commission;

37.10. ensuring of the operation of the secretariat.

38. The Administration shall:

38.1. transfer the advance payment to the scientific institution to the account in the Treasury, without exceeding 30 per cent from the total funding allocated to the project, in conformity with the time periods and payment procedures specified in the project contract;

38.2. subsequent payments to the scientific institution shall be made according to the conditions of the project contract, taking into account that the final payment which does not exceed 10 per cent from the total funding allocated to the project and has been specified according to the total sum of eligible costs actually used within the scope of the project and the planned results to be achieved in the project shall be disbursed to the scientific institution after the final scientific review of the project and the final financial review of the project has been submitted to the Administration and approved;

38.3. control how the scientific institution ensures clear separation of the financial flow of the project implementation and types of activities from other financial flows of the activities and types of activities of the scientific institution.

39. The time period of project implementation without allocating an additional funding and repeat performance of the expert-examination of the final scientific review of the project may be extended for a time period up to one year, on the basis of a written submission by the project implementer to the Administration if it is necessary for the corroboration and publishing of the project results.

40. The council shall, within two working days after receipt of the decision referred to in Paragraph 35 of this Regulation, enter information in the Information System regarding the project to be funded in accordance with the laws and regulations regarding the database of scientific activity projects and shall notify the Administration and the scientific institution thereof.

41. The sectoral ministry and the council shall publish the list of projects to be funded on the website of the sectoral ministry and the council, indicating the name and number of each project, the scientific institution implementing the project, the given name and surname of the project manager, and the amount of the funding allocated to the project.

42. The scientific institution shall, within three working days after receipt of the notification referred to in Paragraph 40 of this Regulation, check the information entered, if necessary, update it, and confirm the performed activities in the Information System.

V. Project Implementation

43. The Administration shall, after receipt of the information referred to in Paragraphs 35, 40, and 42 of this Regulation, in conformity with the procedures and time periods for entering into the project contracts specified in the tender dossier, enter into the project contract with the scientific institution.

44. The scientific institution shall, within the time period and according to the procedures specified in the project contract according to the tender dossier, using the Information System, submit the following to the Administration:

44.1. a review on the project round which is not shorter than six months, as well as the mid-term financial review and final financial review of the project on the use of the funding allocated to the project;

44.2. the mid-term scientific review of the project (if the duration of the project is not less than 24 months) and the final scientific review of the project;

44.3. the content review of executing the tasks of the project and other reviews provided for in the project contract.

45. The sectoral ministry shall provide comments to the Administration regarding the documentation referred to in Sub-paragraph 44.3 of this Regulation, and the Administration shall ensure their execution.

46. The council shall ensure that each expert evaluates the mid-term scientific review of the project or the final scientific review of the project and completes the form of the individual expert-examination of the mid-term scientific review of the project or the final scientific review of the project. One of the experts shall complete the form of the consolidated expert-examination by experts of the mid-term scientific review of the project or the final scientific review of the project, and other experts involved in the expert-examination of the project shall approve it. Experts shall complete both abovementioned forms (individual and consolidated) in conformity with the methodology for expert-examination specified in the tender dossier and send them to the council and the Administration. The Administration shall ensure the submission of the abovementioned expert-examinations and the reviews referred to in Sub-paragraph 44.2 of this Regulation to the sectoral ministry using the Information System within three working days after receipt of the expert-examinations.

47. If the consolidated evaluation of the expert-examination of the mid-term scientific review of the project is "Do not continue the project" or the consolidated evaluation of the expert-examination of the final scientific review of the project

is "The objective of the project has not been achieved", or the project results and content reviews on the project results do not conform to the provisions of the project contract, the commission shall take the decision referred to in Sub-paragraphs 8.3.4 and 8.3.5 of this Regulation. The secretariat shall send the decision to the scientific institution, the council, and the Administration.

48. After receipt of the decision referred to in Paragraph 47 of this Regulation, the Administration, in conformity with Paragraph 57 of this Regulation, shall unilaterally terminate the project contract and update the information on the project in the Information System. The Administration shall ensure the execution of the decision referred to in Sub-paragraph 8.3.5 of this Regulation.

49. If the consolidated evaluation of the expert-examination of the final scientific review of the project is "The objective of the project has been achieved", the council shall inform the Administration thereof. If the project results and content reviews on the project results conform to the provisions of the project contract and the final financial review of the project referred to in Paragraph 57 of this Regulation has been approved, the Administration shall act in accordance with Sub-paragraph 59.1.2 of this Regulation.

50. The council shall, on the basis of the mid-term scientific reviews of projects and final scientific reviews of projects received in accordance with the procedures referred to in Paragraph 45 of this Regulation, as well as in conformity with that indicated in the consolidated expert-examination of the mid-term scientific review of the project and final scientific review of the project of the experts referred to in Paragraph 46 of this Regulation, prepare a council report according to the content of the council report indicated in the tender dossier. The council shall publish the council report on its website and send it to the sectoral ministry.

51. The scientific institution shall prepare the final financial review of the project according to the requirements specified in the project contract and submit to the Administration within two months from the final day of implementation of the project indicated in the project contract. The scientific institution shall submit the mid-term financial review of the project to the Administration within the time period and according to the procedures specified in the project contract.

52. If the scientific institution fails to submit the documents referred to in Paragraph 44 of this Regulation within 10 working days after the specified period of time, as well as if the scientific institution fails to fulfil any other liabilities specified in the project contract, the Administration has the right to suspend further funding of the project by immediately sending a written warning to the scientific institution thereon and requesting the fulfilment of liabilities, as well as informing of the consequences of the non-fulfilment of liabilities.

53. If within 10 working days after sending of the warning referred to in Paragraph 52 of this Regulation the scientific institution does not fulfil the relevant liabilities, the Administration shall request that the scientific institution submit an explanation regarding non-fulfilment of the liabilities specified in the warning within 10 working days after receipt of the request. If, having evaluated the abovementioned explanation, the Administration establishes that the scientific institution:

53.1. has fulfilled the liabilities specified in the project contract, the Administration shall recommence the funding of the relevant project;

53.2. does not fulfil the liabilities specified in the project contract, the Administration shall inform the commission which shall examine the issue and take a decision to terminate the relevant project, and shall send it to the scientific institution. The Administration shall execute the abovementioned decision of the commission and, if necessary, update information regarding the project in the Information System.

54. If the project manager and main participants change during the course of the project implementation, the scientific institution, in conformity with the tender dossier, shall submit a submission to the Administration which has been co-ordinated with the council regarding the abovementioned changes and append the information thereto which justifies the necessity of the changes referred to in this Paragraph, as well as a signed draft agreement on amendments to the project contract. The council shall co-ordinate the abovementioned changes if the project manager or main participants have equivalent scientific qualification and experience in scientific activity. The Administration shall inform the commission regarding the abovementioned changes, and the commission shall take a decision to permit or reject them. If changes are permitted, after making of amendments to the project contract the scientific institution shall update the abovementioned information in the Information System.

55. If the number of the project participants has changed during the course of the project implementation by more than 20 per cent, the scientific institution shall, in conformity with the tender dossier, co-ordinate the changes with the council and inform the Administration.

56. If the number of the project participants has changed during the course of the project implementation by less than 20 per cent, the scientific institution shall, in conformity with the tender dossier, change the project participants and inform the Administration.

57. The Administration shall review the final financial review of the project within a month after receipt thereof. If the Administration establishes that the final financial review of the project has been prepared in accordance with the laws

and regulations, the tender dossier, and the project contract, it shall act in accordance with Sub-paragraph 59.1.2 of this Regulation, approve the final financial review of the project received, and inform the scientific institution thereof.

58. If the Administration establishes that the funding allocated for implementation of the project has been used not in conformity with the conditions or tasks of use of the project funding, also if a project of non-economic nature does not conform to the conditions referred to in Sub-paragraph 2.1 of this Regulation anymore, as well as non-conformities of the mid-term financial review and final financial review with the conditions of laws and regulations, the tender dossier, or the project contract are established, then a justified explanation regarding the abovementioned non-conformities of the scientific institution shall be requested according to the procedures and within the time period specified in the project contract.

59. The Administration shall, within 20 working days after receipt of the explanation referred to in Paragraph 58 of this Regulation, examine it and if:

59.1. non-conformities are not established in the documents submitted by the scientific institution, carry out the following activities accordingly:

59.1.1. if it is a mid-term financial review, approve it, inform the scientific institution thereof, and continue funding of the project according to the project contract;

59.1.2. if it is a final financial review within the scope of the project and the evaluation referred to in Paragraph 49 of this Regulation and a co-ordination with the sectoral ministry have been received, then sign a deed of acceptance and transfer of execution of the project with the scientific institution according to the procedures and within the time period specified in the project contract and update the information regarding the project in the Information System;

59.2. non-conformities are established in the documents submitted by the scientific institution, inform the commission thereof.

59.2.1. if they are not non-conformities of unlawful nature, the commission shall take the decision referred to in Sub-paragraph 8.3.5 of this Regulation and send it to the scientific institution. The Administration shall ensure execution of the abovementioned decision of the commission and continue funding of the project according to the project contract;

59.2.2. if they are non-conformities of unlawful nature, the commission shall, upon evaluating the materiality of the unlawful nature of the non-conformity established, take the decision referred to in Sub-paragraphs 8.3.4 and 8.3.5 of this Regulation and send it to the scientific institution. The Administration shall ensure execution of the abovementioned decision of the commission;

59.3. it is established that a project of non-economic nature does not conform to the conditions referred to in Sub-paragraph 2.1 of this Regulation anymore, inform the commission which shall take the decision referred to in Sub-paragraph 8.3.6 of this Regulation and send it to the scientific institution. The Administration shall ensure recovery of the allocated funding in full amount.

60. On the basis of the decision referred to in Sub-paragraph 59.2.2 of this Regulation and in conformity with Paragraph 61 of this Regulation, the Administration shall unilaterally terminate the project contract and update the information regarding the project in the Information System.

61. The Administration shall, according to the project contract and the decision of the commission, request that the scientific institution repay the financial resources received within the scope of the project in the cases referred to in Paragraph 47, Sub-paragraphs 53.2, 59.2, and 59.3 of this Regulation, as well as in the case if the project is terminated prior to completing its implementation on the basis of a decision of the scientific institution.

62. The scientific institution together with co-operation partners (if applicable) shall organise public examination and discussion of the results achieved within the scope of the project according to the procedures and within the time period specified in the project contract prior to submitting the final scientific review of the project.

VI. Control of Use of the Financial Resources Allocated for Project Implementation

63. The Administration shall be responsible for the control of use of the financial resources allocated for implementation of the project and cost-efficiency.

64. The Administration shall inspect the lawfulness of use of the financial resources allocated for implementation of the project at project implementation sites, supervise the execution of the project contract, as well as control cost-efficiency of the project, in conformity with the time periods for the performance of an inspection specified in the project contract.

65. On the basis of a reasoned proposal of the commission, the Administration shall perform an additional

inspection during the course of implementation of the project. The procedures for the course of an additional inspection shall be drawn up and, after co-ordination with the commission, approved by the Administration.

66. The head of the scientific institution shall ensure unhindered access for the representatives of the Administration to all documentation related to the project implementation, the results (deliverables) obtained during the course of carrying out the project, and documents certifying the achievement of results (including documentation certifying the public procurements carried out by the scientific institution as the commissioning party or beneficiary).

67. If necessary, the sectoral ministry may attract internal or external auditors within the scope of the financial resources indicated in Paragraph 37 of this Regulation in order to evaluate the control procedures introduced by the scientific institution and the activities actually carried out which have been implemented, ensuring the conformity of use of the financial resources with the objective, tasks of the programme, and the indicators to be achieved.

68. The Administration shall prepare and, within three months after conclusion of the project, submit the statement of the Administration to the commission. The following information shall be included in the statement:

68.1. the conformity of use of the financial resources allocated for implementation of the project with the objective, tasks, and time periods of implementation specified in the project contract;

68.2. the results planned and achieved;

68.3. the risk management measures taken during implementation of the project and, according to the project contract, information regarding risk management measures after completion of the project.

69. The secretariat shall, within a month after submitting the statement of the Administration to the commission, prepare and submit a report on the conformity of the results planned and achieved during the course of implementation of the funded project with the objective and tasks of the programme to the commission for co-ordination and to the sectoral ministry for approval. The sectoral ministry and the Administration shall publish the abovementioned report on their websites within three working days after approval thereof.

Prime Minister Māris Kučinskis

Minister for Education
and Science Kārlis Šadurskis

Translation © 2019 Valsts valodas centrs (State Language Centre)