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If a whole or part of a paragraph has been amended, the date of the amending regulation appears in square brackets at the end of the paragraph. If a whole paragraph or sub-paragraph has been deleted, the date of the deletion appears in square brackets beside the deleted paragraph or sub-paragraph.

Republic of Latvia

Cabinet

Regulation No. 259

Adopted 26 May 2015

**Procedures for Granting Aid for Participation in International Cooperation Programmes in the Fields of Research and Technology**

*Issued pursuant to*

*Section 13, Paragraph three, Clause 4 of the Law on Scientific Activity*

**I. General Provisions**

1. The Regulation prescribes:

1.1. the procedures for granting aid for Latvian participants (hereinafter – the applicant for aid) for participation in projects of the research, innovation, technological development, and demonstration programmes of the European Union (hereinafter – the programmes);

1.2. the programme projects (hereinafter – the projects) that are eligible for receiving the aid within the scope of this Regulation;

1.3. the requirements for the applicant for aid.

[*4 October 2016; 13 June 2017*]

2. The objective of the aid is to ensure the project implementation in accordance with:

2.1. [25 January 2022];

2.2. Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC (Official Journal of the European Union, L 347, 20 December 2013) (hereinafter – the Framework Programme “Horizon 2020”);

2.3. Council Regulation (Euratom) 2021/765 of 10 May 2021 establishing the Research and Training Programme of the European Atomic Energy Community for the period 2021-2025 complementing Horizon Europe – the Framework Programme for Research and Innovation and repealing Regulation (Euratom) 2018/1563 (Official Journal of the European Union, L 167I, 12.5.2021) (hereinafter – the Euratom Programme);

2.4. [25 January 2022];

2.5. [25 January 2022];

2.6. [25 January 2022];

2.7. [25 January 2022];

2.8. [25 January 2022];

2.9. Decision No 553/2014/EU of the European Parliament and the Council of 15 May 2014 on the participation of the Union in a Research and Development Programme (EUROSTARS 2) jointly undertaken by several Member States aimed at supporting research and development performing small and medium-sized enterprises (Official Journal of the European Union, L 169, 7.6.2014);

2.10. Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking (Official Journal of the European Union, L 169, 76.2014);

2.11. [25 January 2022];

2.12. [25 January 2022];

2.13. [25 January 2022];

2.14. [25 January 2022];

2.15. [25 January 2022];

2.16. [25 January 2022];

2.17. Document No 133/14 of COST (Cooperation Europeenne dans le Domaine de la Recherche Scientifique et Technique) “COST Action Proposal Submission, Evaluation, Selection and Approval” approved on 9 December 2014 at the COST Committee of Senior Officials;

2.18. Council Regulation (EC) No 723/2009 of 25 June 2009 on the Community legal framework for a European Research Infrastructure Consortium (hereinafter – ERIC Regulation) (Official Journal of the European Union, L 206, 8.8.2009);

2.19. Council Decision (Euratom) 2007/198 of 27 March 2007 establishing the European Joint Undertaking for ITER (International Thermonuclear Experimental Reactor) and the Development of Fusion Energy (hereinafter – the F4E Joint Undertaking) and conferring advantages upon it (Official Journal of the European Union, L 90, 30.3.2007) and Council Decision (Euratom) 2013/791 of 13 December 2013 amending Council Decision (Euratom) 2007/198 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy (F4E) and conferring advantages upon it (Official Journal of the European Union, L 349, 21.12.2013);

2.20. Decision No 1312/2013/EU of the European Parliament and of the Council of 11 December 2013 on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT): the contribution of the EIT to a more innovative Europe (Official Journal of the European Union, L 347, 20.12.2013);

2.21. Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020) and repealing Regulation (EC) No 1906/2006 (Official Journal of the European Union, L 347/81, 20.12.2013) (hereinafter – Regulation No 1290/2013);

2.22. Council Regulation (EU) 2018/1488 of 28 September 2018 establishing the European High Performance Computing Joint Undertaking (Official Journal of the European Union, L 252/1, 8.10.2018);

2.23. Document “EUREKA REGULATORY CORPUS” signed by the EUREKA full members on 30 June 2017 establishing programme’s operating and governance principles;

2.24. Regulation (EU) 2021/819 of the European Parliament and of the Council of 20 May 2021 on the European Institute of Innovation and Technology (Official Journal of the European Union, L 189, 28.5.2021) and Decision (EU) 2021/820 of the European Parliament and of the Council of 20 May 2021 on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT) 2021-2027: Boosting the Innovation Talent and Capacity of Europe and repealing Decision No 1312/2013/EU (Official Journal of the European Union, L 189, 28.5.2021);

2.25. Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 (Official Journal of the European Union, L 427, 30.11.2021);

2.26. Decision (EU) 2021/2084 of the European Parliament and of the Council of 24 November 2021 on the participation of the Union in the European Partnership on Metrology jointly undertaken by several Member States;

2.27. Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (hereinafter – Regulation No 2021/695) (Official Journal of the European Union, L 170, 12.5.2021) (hereinafter – the Framework Programme “Horizon 2020”);

2.28. Council Decision (EU) 2021/764 of 10 May 2021 establishing the Specific Programme implementing Horizon Europe – the Framework Programme for Research and Innovation, and repealing Decision 2013/743/EU (Official Journal of the European Union, L 167I, 12.5.2021).

[*4 October 2016; 13 June 2017; 22 June 2021; 25 January 2022*]

3. The following terms are used in the Regulation:

3.1. research organisation – a scientific institution (hereinafter – the scientific institution) registered in the Register of Scientific Institutions of the Republic of Latvia (hereinafter – the Register of Scientific Institutions) conforming to the definition laid down in Article 2(83) of Commission Regulation (EU) No 651/2014 of 17 June 2014 (Official Journal of the European Union, L 187, 26.6.2014) declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (hereinafter – Regulation No 651/2014);

3.2. enterprise – a subject of economic activity which conforms to the definition laid down in Article 1 of Annex I to Regulation No 651/2014 and performs its principal activity and implements the project in the territory of the Republic of Latvia. When receiving State aid, an enterprise shall also mean a research organisation regardless of its legal status if its public financing conforms to all the conditions referred to in Article 107(1) of the Treaty on the Functioning of the European Union (Official Journal of the European Union, C 83/47, 303.2010);

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

3.4. project of non-economic nature – a project within the scope of which a research organisation implements activities of non-economic nature or activities of limited scope;

3.5. project of economic nature – a project conforming to one or more of the following criteria:

3.5.1. a project is implemented by a scientific institution not conforming to the definition of a research organisation;

3.5.2. activities of economic nature are implemented within the scope of the project;

3.6. activity of non-economic nature – the principal activity of a research organisation which does not fall within the scope of the activity specified in Article 107(1) of the Treaty on the Functioning of the European Union and which manifests as follows:

3.6.1. education activities in order to achieve an increase in the number and qualification of the staff;

3.6.2. 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 cooperation;

3.6.3. dissemination of research results, for example, through teaching, free access data bases, open publications, or open source software;

3.6.4. knowledge transfer activities if all profit from such activity is reinvested in principal activities of the research organisation;

3.7. applicant for aid – an enterprise or a research organisation;

3.8. aid – the financing from the State budget for a project in the form of State co-financing and State aid;

3.9. State co-financing – aid for a project of non-economic nature;

3.10. activity limited in scope – principal economic activity or research infrastructure of research organisations which conforms to the following criteria:

3.10.1. it is directly related to the operation of the research organisation or research infrastructure and its use in the field of non-economic nature;

3.10.2. the same resources (for example, materials, equipment, labour force, and equity capital) are consumed as for principal activities of non-economic nature;

3.10.3. the financing granted to it each year does not exceed 20 per cent of the total annual financing for the research infrastructure;

3.11. State aid – an aid for a project of economic nature which conforms to that specified in Article 107(1) of the Treaty on the Functioning of the European Union;

3.12. project research categories (hereinafter – research categories) if State aid is intended – fundamental research, industrial research, experimental development in accordance with the definition laid down in Article 2(84), (85), (86), and (87) of Regulation No 651/2014. Research categories if State co-financing is intended – fundamental research, industrial research, experimental development, and feasibility study in accordance with the definition provided in the methodology collection of science statistics “Frascati Manual” published by the Organisation for Economic Co-operation and Development (OECD);

3.13. effective cooperation – collaboration which conforms to the definition laid down in Article 2(90) of Commission Regulation No 651/2014;

3.14. micro, small and medium-sized enterprise – an enterprise which conforms to the definition laid down in Annex I to Regulation No 651/2014;

3.15. large enterprise – an enterprise which conforms to the definition laid down in Article 2(24) of Regulation No 651/2014;

3.16. fair competition – competition which conforms to the definition laid down in Article 2(89) of Regulation No 651/2014;

3.17. knowledge transfer – a process with the objective to obtain, aggregate, and disseminate clear knowledge and knowledge not expressed in words, including skills and competence both in economic activities and non-economic activities unrelated to them, for example, research cooperation, consultations, licensing, establishment of new enterprises, publications, and mobility of researchers and other employees who are involved in these activities. In addition to scientific and technological knowledge, it includes other kinds of knowledge (such as knowledge of the use of standards and regulations in which they are included and of the circumstances of the operating environment), methods for organisational innovation, and also management of knowledge related to identifying, acquiring, protecting, defending, and exploiting intangible assets;

3.18. research infrastructure – facilities, resources, and related services that are used by the scientists to conduct research in the respective fields, and it covers scientific equipment or sets of instruments, knowledge-based resources such as collections, archives, or structured scientific information, information and communication technology-based infrastructures such as GRID-type network, hardware, software, and communication equipment, or any other entity of a unique nature which is of the essence for the performance of research. Such infrastructure may either be located in one place or be dispersed (an organised network of resources);

3.19. project implementer – an enterprise or a research organisation for which the aid is granted in accordance with this Regulation.

[*4 October 2016; 11 September 2018*]

**II. Projects to be Aided and Requirements for the Applicants for Aid**

4. The following shall be ensured in accordance with this Regulation:

4.1. the State aid in accordance with Article 25 of Regulation No 651/2014 or State co-financing:

4.1.1. for the projects of the Framework Programme “Horizon 2020” and the Framework Programme “Horizon”;

4.1.2. for projects of the joint research or innovation programmes (hereinafter – the joint programmes) developed by several Member States within the scope of Article 185 of the Treaty on the Functioning of the European Union and for projects of public-private partnerships for joint undertakings (hereinafter – joint undertakings) developed within the scope of Article 187 of the Treaty on the Functioning of the European Union;

4.1.3. for projects of the F4E Joint Undertaking;

4.1.4. for projects of the Euratom Programme;

4.1.5. for COST activities;

4.1.6. for projects aided within the scope of ERA-NET COFUND activities (hereinafter – the ERA-NET activities) of the Framework Programme “Horizon 2020”;

4.1.7. for projects aided within the scope of clusters of the EUREKA programme;

4.1.8. for projects of the Framework Programme “Horizon 2020” aided within the scope of the European Partnerships;

4.2. covering of the fee for participation of the State of Latvia:

4.2.1. in the fund of the COST Association;

4.2.2. in projects of the joint programmes, joint undertakings, including of the F4E Joint Undertaking;

4.2.3. in the EES ERIC – European Research Infrastructure Consortium of the European Social Survey and covering of the costs of phases of projects to be implemented within the scope thereof;

4.2.4. in the Association of the European Academic Network GEANT (Gigabit European Academic Network) (hereinafter – GEANT), in the projects of the GEANT Consortium, including the covering of the annual connection fee of Latvia to the GEANT channel and the GEANT internet (World Service Commodity);

4.2.5. in the European Research Infrastructure Consortium (ERIC) included in the European Roadmap for Researchers Infrastructures 2016 of the European Strategy Forum on Research Infrastructure (ESFR) which has been developed in accordance with the ERIC Regulation;

4.2.6. in the following Joint Programming Initiatives within the scope of the Activity 1.1.1.5 “Support for International Cooperation Projects in Research and Innovation” of the Specific Objective 1.1.1 “To Increase the Research and Innovative Capacity of Scientific Institutions of Latvia and the Ability to Attract External Financing, Investing in Human Resources and Infrastructure” of the Operational Programme “Growth and Employment”:

4.2.6.1. “Agriculture, Food Security and Climate Change” (FACCE);

4.2.6.2. “Healthy Diet for a Healthy Life” (HDHL);

4.2.6.3. “Cultural Heritage and Global Change:A new Challenge for Europe” (CH);

4.2.6.4. “Urban Europe” (UE);

4.2.6.5. “Water challenges for a changing world” (WATER);

4.2.7. in the SHARE-ERIC – European Research Infrastructure Consortium of the Survey of Health, Ageing and Retirement in Europe and covering of the costs of phases of projects to be implemented within the scope thereof.

[*4 October 2016; 11 September 2018; 22 June 2021; 25 January 2022*]

5. Aid shall be granted:

5.1. in the form of grants from the State budget sub-programme 70.06.00 “Participation in Research and Technology Development Programmes of the European Union” of the State budget programme of the Ministry of Education and Science 70.00.00 “Implementation of Projects and Measures of Other European Union Policy Instruments” for the current year within the scope of the resources available in the State budget for this objective. If the aid necessary for the project and the covering of the participation fee of the State of Latvia exceeds the financing planned in the above-mentioned budget sub-programme for the current year, the aid shall be ensured in accordance with the procedures for the redivision of the funds planned in the Programme 80.00.00 “Non-divided Financing for the Implementation of the European Union Policy Instruments and the Projects and Measures Co-financed by Other Foreign Financial Assistance” of the regulatory framework regarding the Unit No. 74 “Financing to Be Redivided During the Implementation Process of the Annual State Budget”;

5.2. taking into account that the maximum amount of aid which may be permitted for one project does not exceed one million euros per year, except for the amount of aid referred to in Paragraph 17 of this Regulation for ensuring the participation in COST activity within the scope of a year.

[*13 June 2017*]

6. The applicant for aid:

6.1. has the right to apply for the receipt of aid in accordance with this Regulation if the application of the applicant for aid for granting the aid for the project implementation (hereinafter – the application) has been submitted to the Latvian Council of Science (hereinafter – the Council) and, in conformity with Paragraph 14 of this Regulation, the applicant for aid has entered into a contract on the project implementation with the European Commission or the Council;

6.2. shall not be granted the State aid if the project implementation has been commenced in accordance with Article 6(2) of Regulation No 651/2014 before the application has been submitted to the Council;

6.3. if the State aid is granted, has an obligation, in accordance with Article 12(1) of Regulation No 651/2014, to store the information on the received State aid and all the originals of the documents related to the project implementation for 10 years from the date on which the State aid was granted.

[*4 October 2016; 13 June 2017;11 September 2018; 25 January 2022*]

7. The following requirements shall be laid down for the applicant for aid:

7.1. it shall be directly responsible for the preparation and execution of the project;

7.2. [11 September 2018];

7.3. the recovery order shall not apply to the applicant for aid in accordance with Article 1(4)(a) of Regulation No 651/2014 if the applicant for aid applies for State aid;

7.4. it has no tax or fee debts according to the information available in the database of tax (fee) debtors administered by the State Revenue Service or it can submit to the Council a copy of a decision issued by the State Revenue Service or the competent authority of the local government on extending or deferring the time period for the payment of taxes or other objective proof regarding non-existence of tax debts;

7.5. insolvency proceedings have not been declared in relation to it by a court ruling, legal or extrajudicial protection proceedings are not being implemented by the court ruling, bankruptcy procedure has not been commenced, and also its economic activity has not been terminated;

7.6. it has not been punished for the administrative offence referred to in Section 684, Paragraph three of the Immigration Law or coercive measures for committing the criminal offence referred to in Section 280, Paragraph two of the Criminal Law have not been applied to it;

7.7. if the State aid is being received, it is not an undertaking in difficulty in accordance with Article 2(18) of Regulation No 651/2014;

7.8. it has not received or does not plan to receive financing for the same eligible costs of the project from other financial sources of the European Union or other financial resources that are not under direct or indirect control of the authorities of Latvia;

7.9. the activities planned for it within the scope of the project do not overlap with the activities that are financed within the scope of other activities of the European Union funds and other foreign financial instruments;

7.10. it does not add the aid granted within the scope of this Regulation in relation to the same activities and the eligible costs of the project to the *de minimis* aid;

7.11. the same costs and actions within the scope of the project are not financed from the national financing;

7.12. if the applicant for aid is an enterprise, it has submitted financial statements for the past two closed financial years;

7.13. if the applicant for aid is a research organisation, it has submitted public statements of the past two closed reporting years to the Ministry of Education and Science in accordance with the laws and regulations governing the scientific activity. If the research organisation has been founded less than two years ago, it shall submit a public statement of the closed reporting year in conformity with the registration date of the scientific institution in the Register of Scientific Institutions;

7.14. if it is applying for the State aid, it shall submit information on the incentive effect of the aid in accordance with Article 6(2) of Regulation No 651/2014, where applicable;

7.15. if the applicant for aid is a research organisation, it shall, when receiving the State aid, separate an economic activity from an activity of non-economic nature and the costs, financing of and revenues from these activities (where applicable) in such a way that a cross-subsidisation of an economic activity is prevented, in conformity with the regulatory framework regarding the procedures for reflecting the financial support (financial assistance) received from the State, local governments, foreign countries, the European Union, other international organisations and institutions, donations and gifts in cash or in kind in financial statements;

7.16. if the applicant for aid is an enterprise, it shall, when receiving the State aid, separate the project actions to be aided and the relevant financial flows from the economic activity and financial flows of the enterprise.

[*11 September 2018; 25 January 2022*]

8. The aid intensity shall be applied to the applicant for aid in the following way:

8.1. by granting State co-financing in the amount of 100 per cent from eligible costs of the project;

8.2. if the State aid is granted, in conformity with Article 25(5) of Regulation No 651/2014:

8.2.1. for fundamental studies, not exceeding 100 per cent from eligible costs of the project;

8.2.2. for industrial studies, not exceeding 50 per cent from eligible costs of the project;

8.2.3. for experimental development (including for making prototypes), not exceeding 25 per cent from eligible costs of the project;

8.2.4. for technical economic feasibility studies, not exceeding 50 per cent from eligible costs of the project;

8.3. [11 September 2018];

8.4. if the project includes various research categories that conform to Article 2(84), (85), (86), and (87) of Regulation No 651/2014, the aid intensity which may be permitted for the project shall be determined as an amount expressed as a percentage where each complement is the relative amount of the relevant research category from the total eligible costs of the project, multiplied by the intensity which may be permitted for this research category.

[*4 October 2016*]

9. The State aid intensity specified according to Article 25(6) of Regulation No 651/2014 for industrial studies and experimental development referred to in Sub-paragraphs 8.2.2 and 8.2.3 of this Regulation may be increased, taking into account the condition that the maximum aid intensity for one applicant for aid does not exceed 80 per cent of eligible costs of the project:

9.1. in the amount of 10 per cent of eligible costs of the project if the aid is granted to the applicant for aid that is a medium-sized enterprise;

9.2. in the amount of 20 per cent of eligible costs of the project if the aid is granted to the applicant for aid that is a micro enterprise;

9.3. in the amount of 15 per cent of eligible costs of the project in addition to the amount indicated in Sub-paragraphs 9.1 or 9.2 of this Regulation if:

9.3.1. the project provides for effective cooperation in any of the following cases:

9.3.1.1. between enterprises at least one of which is a micro, small, or medium-sized enterprise or the project is implemented in at least two countries and there is no individual enterprise that would cover more than 70 per cent from eligible costs of the project;

9.3.1.2. between an enterprise and one or several research organisations that cover at least 10 per cent from eligible costs of the project and that have the right to publish the results of the studies performed under the project;

9.3.2. the results of the project are disseminated in technical and scientific conferences or are published in scientific or technical publications, publicly available databases or in the form of open source software.

9.1The date of granting the State aid shall be considered the date of signing the aid contract between the Council and the applicant for aid.

[*25 January 2022*]

10. The State aid shall not be granted within the scope of this Regulation if any of the cases specified in Article 1(5) of Regulation No 651/2014 or any of the conditions referred to in Article 1(2)(c) and (d) of Regulation No 651/2014 is sets in.

10.1 If it is found that the State aid or State co-financing has been granted as unlawful aid for commercial activity, the project implementer has an obligation to repay unlawful aid for commercial activity received within the scope of the project to the Council in accordance with the conditions of Chapters IV and V of the Law on Control of Aid for Commercial Activity.

[*25 January 2022*]

11. The applicant for aid shall submit an application to the Council for concluding the aid contract in conformity with Sub-paragraph 12.1.1 of this Regulation.

[*25 January 2022*]

12. The Council shall:

12.1. within 15 working days from the day of coming into force of this Regulation, develop and publish the following on its website after coordination with the Ministry of Education and Science and approval at the project evaluation commission (hereinafter – the commission), except for the activities referred to in Sub-paragraphs 4.1.5 and 4.2 of this Regulation:

12.1.1. the sample form of the application and the documentation to be added;

12.1.2. the procedures for the evaluation of the application;

12.1.3. the sample form of the contract regarding granting of the State co-financing for the project implementation and the sample form of the contract regarding granting of the State aid for the project implementation (hereinafter – the aid contract) which includes items of eligible costs and their percentage allocations, and also the procedures and time period for the entering into the aid contract;

12.2. register the applications;

12.3. enter into the aid contract with the applicant for aid;

12.4. prepare and submit to the Ministry of Education and Science:

12.4.1. information on planning the State budget funds for the project implementation;

12.4.2. a request forecast of the State budget funds for the next year;

12.4.3. information on the course of acquiring the aid on the basis of a written request;

12.5. consider and, after coordination with the commission, make amendments to the aid contract in accordance with Sub-paragraphs 19.11 and 19.12 of this Regulation;

12.6. recover irregular expenditures on the basis of the decision referred to in Sub-paragraph 19.10 of this Regulation;

12.7. provide information and consultations to the project implementer on matters of the aid acquisition;

12.8. provide information to the public and ensure publicity in matters which are related to the project implementation in accordance with this Regulation;

12.9. ensure the recording of the State aid and storage of information for 10 years in accordance with Article 12 of Regulation No 651/2014, thus performing the monitoring of the State aid;

12.10. examine the incentive effect of the State aid in accordance with Article 6(2) of Regulation No 651/2014;

12.11. ensure publishing of information in accordance with Article 9(1) and (4) of Commission Regulation No 651/2014;

12.12. ensure that the fulfilment of the conditions for notification thresholds referred to in Article 4(1)(i) of Regulation No 651/2014 is respected within the scope of each project for which the aid contract was entered into;

12.13. request information from the project implementer on the course of the project implementation and on the conformity of the achieved results with the planned results, except for the case if State co-financing is granted for introducing the project and the contract with the European Commission or joint undertaking provides for the external audit of the project. In such case, the project implementer shall submit only copy of the abovementioned audit report or project or of a description of the course of implementing a phase of the project (Final Report or Periodic Report);

12.14. perform the functions of the secretariat of the commission;

12.15. obtain information electronically on conformity of the applicant for aid with the requirements referred to in Sub-paragraph 7.6 of this Regulation from the Information Centre of the Ministry of the Interior (the Punishment Register);

12.16. enter into the aid contract regarding granting of the State aid if the applicant for aid conforms to all the conditions of Regulation No 651/2014 included in this Regulation on the date of entering into the contract.

[*25 January 2022*]

13. Eligible costs of the project referred to in Sub-paragraphs 4.1.1, 4.1.2, 4.1.3, 4.1.4, 4.1.5, 4.1.6, 4.1.7 and 4.1.8 of this Regulation shall be as follows:

13.1. if State co-financing is granted:

13.1.1. direct costs of the project:

13.1.1.1. the costs for the staff employed in the execution of the project – the remuneration, and also other mandatory payments to be made for the benefit of the employee laid down in laws and regulations, including mandatory State social insurance payments of the employer. The following remuneration rates of the staff employed in execution of the project, excluding the mandatory State social insurance contributions of the employer, shall be determined:

13.1.1.1.1. to the scientific manager of the project (an employee who plans and manages the project or sub-project, ensures its implementation, and is responsible for the execution thereof as a whole), up to EUR 30 per hour;

13.1.1.1.2. to the lead performer of the project (an employee who is involved in the project implementation and is responsible for the execution of a significant parts thereof), up to EUR 24 per hour;

13.1.1.1.3. to the performer of the project (an employee who carries out specific tasks in the project execution), up to EUR 19 per hour;

13.1.1.2. the costs of official trips and work trips of the staff in accordance with the laws and regulations regarding the procedures for the reimbursement of expenditures related to official trips;

13.1.1.3. the costs for the scientific equipment and facilities (fixed assets) to the extent and for the time period they are used for the project implementation. If the time period of the use of equipment and facilities in the project does not cover the entire depreciation period, only such depreciation costs shall be considered eligible costs which cover the time period when equipment and facilities have been used in the project and which have been calculated according to good accounting practice;

13.1.1.4. the costs of the external service, including for contractual research, knowledge, consultancy services, and other services that are necessary for carrying out the work task of the project if the external service is provided in accordance with the laws and regulations governing procurement procedure. These costs may not exceed 25 per cent of the total direct costs of the project;

13.1.1.5. fee for the equipment, instruments, and materials (for example, chemicals, laboratory containers, medicaments) to the extent and for the time period as they are used in the project, and also their acquisition and delivery costs that have been recorded in accordance with the laws and regulations governing the accounting records and are directly applicable to the project implementation;

13.1.1.6. other direct costs that are not indicated in Sub-paragraphs 13.1.1.1, 13.1.1.2, 13.1.1.3, 13.1.1.4, and 13.1.1.5 of this Regulation, including the costs of obtaining, validating, and defending patents and other intangible assets that are necessary for achieving the direct objectives of the project;

13.1.2. indirect costs of the project which have been incurred for the project participant in implementation of the project referred to in Sub-paragraphs 4.1.1, 4.1.2, 4.1.3, 4.1.4, 4.1.6, 4.1.7, and 4.1.8 of this Regulation in accordance with Article 29(1) and Article 57(2) of Regulation No 1290/2013 or in accordance with Article 35(1) of Regulation No 2021/695, and also of the phases of studies referred to in Sub-paragraph 4.2.3 or 4.2.7 of this Regulation shall not exceed 25 per cent of the amount of direct costs of the project which does not include the costs for external services indicated in Sub-paragraph 13.1.1.4 of this Regulation;

13.2. the if State aid is granted:

13.2.1. the costs for the staff employed in execution of the project – the remuneration, and also other mandatory payments laid down in laws and regulations and to be made for the benefit of the employee, including mandatory State social insurance payments of the employer. The remuneration rates indicated in Sub-paragraph 13.1.1.1 of this Regulation are specified for the staff employed in the execution of the project;

13.2.2. the costs for instruments and equipment to the extent and for the time period as they are used in the project. If the period of use of equipment and facilities in the project does not cover the whole depreciation period, only such depreciation costs shall be considered eligible costs which correspond to the duration of the project and have been calculated according to good accounting practice;

13.2.3. the costs for buildings and land to the extent and for the time period as they are used in the project. Only such depreciation costs which correspond to the duration of the project and have been calculated according to good accounting practice shall be considered as eligible costs in relation to buildings. Commercial transfer costs or costs of actually performed capital investments shall be considered as eligible costs in relation to land;

13.2.4. costs of contractual research, knowledge, and patents which have been bought or the licenses of which have been received from outside sources under conditions of fair competition, and also costs of consultancy and equivalent services used exclusively for the purposes of the project in conformity with Article 25(3)(d) of Regulation No 651/2014;

13.2.5. [11 September 2018];

13.2.5. additional indirect costs and other expenditures, including costs of materials, supplies, and similar products which have incurred in the course of implementation of the project in conformity with Article 25(3)(e) of Regulation No 651/2014.

[*25 January 2022*]

**III. Aid for Participation in Projects of Joint Programmes, Joint Undertakings, European Partnerships, and Clusters of EUREKA Programmes**

[*25 January 2022*]

14. The Council shall, in conformity with the decision of the commission, grant the State aid in accordance with Article 25 of Regulation No 651/2014 or State co-financing for the projects and project implementers referred to in Sub-paragraphs 4.1.1, 4.1.2, 4.1.3, 4.1.4, 4.1.7,. and 4.1.8 of this Regulation:

14.1. if the project, within the scope of the relevant competition of the projects, has achieved an evaluation necessary for receiving the aid, demonstrated by one of the following documents:

14.1.1. a notification or financing recommendation (decision) of the decision-making body of the joint programme, joint undertaking, European Partnership, or cluster the EUREKA Programme or the decision of the management committee for projects competition of the European Partnership;

14.1.2. a contract entered into by the applicant for aid and the European Commission or the applicant for aid and the administering bodies of joint programmes, European Partnerships, or joint undertakings if national financing is determined in accordance with Sub-paragraph 19.2 of this Regulation, ensuring public financing for the project implementation;

14.1.3. a contract entered into by the institution that performs the functions of the national financing authority and the applicant for aid regarding granting of public financing for the project implementation;

14.2. if the applicants for aid to which granting of the State aid is intended in accordance with this Paragraph are evaluated in accordance with the requirements in Chapter II of this Regulation, in conformity with Sub-paragraph 12.1.2 of this Regulation.

[*25 January 2022*]

**IV. Aid for Participation in Projects of COST Activity and ERA-NET Activity**

15. The Council shall grant State co-financing to ensure participation in such COST activity regarding implementation of which a memorandum of understanding has been entered into and representatives of Latvia have been nominated in the management committee of COST activity.

[*25 January 2022*]

16. For the receipt of State co-financing, the representative of the management committee of COST activity shall submit the following to the Council personally or send by mail or to the official e-mail address of the Council if this representative has an activated electronic mail address account:

16.1. a submission for the receipt of the aid for participation in COST action (Annex 1);

16.2. calculation of the financing necessary for COST activity for a year (Annex 2).

[*25 January 2022*]

17. In order to ensure participation in COST activity, the Council shall grant State co-financing in accordance with Annexes 1 and 2 to this Regulation but not more than EUR 5000 a year (except for costs related to organising international events in Latvia planned within the scope of COST activity and to the course thereof) for covering the following costs:

17.1. for participation in the management committee meetings of COST activity to such specialists who have not been approved as representatives of Latvia in the management committee of COST activity;

17.2. for participation in working group meetings of COST activity;

17.3. for participation in events organised within the scope of COST activity (conferences, seminars and training events);

17.4. for performing the functions of a coordinator of COST activity, co-financing expenditures for administering such activity and covering the expenditures from value added tax;

17.5. for organising international events (conferences, seminars, training events, and summer schools) planned within the scope of COST activity and their course in Latvia.

[*25 January 2022*]

18. The Council shall grant State co-financing for a project aided within the scope of ERA-NET activity if:

18.1. it has been submitted in the projects competition opened within the scope of ERA-NET activity, evaluated and received a recommendation from a consortium of the relevant ERA-NET activity for introduction;

18.2. all project participants of the relevant ERA-NET activity have signed a consortium (cooperation) agreement on its implementation.

[*25 January 2022*]

**V. Evaluation of Applications and Decision-making**

19. The Commission shall take a decision on:

19.1. [25 January 2022];

19.2. the amount of the State budget financing for participation in project competitions (appeals) opened within the scope of the European Partnership, joint programme, joint undertaking, or ERA-NET activity;

19.3. participation of Latvia in COST actions and approve the representatives of Latvia for work in the management committees of COST actions (within the scope of COST activity);

19.4. aid for the participants of Latvia in projects submitted in project competitions which have been opened within the scope of ERA-NET activity and have received evaluation for scientific quality of above-threshold and notify the consortium of the relevant project of ERA-NET activity thereof;

19.5. costs for organising and course of international events in Latvia planned within the scope of COST activity;

19.6. granting the aid for participation in COST activity in conformity with the written opinion provided to the commission by the COST national coordinator;

19.7. refusing to grant the aid for participation in COST activity in conformity with the written opinion provided to the commission by the COST national coordinator;

19.8. granting the aid for project and the aid amount on the basis of the application of the applicant for aid;

19.9. refusing to grant the aid for the project;

19.10. recovering irregular expenditures when implementing the project within the scope of the aid contract;

19.11. amendments to the aid contract providing for amending of the amount of State co-financing granted for the implementation of the research and development project or the costs of participation in COST activity;

19.12. such changes to the aid contract of the research and development project, including in the estimate of the costs of the project implementation and work tasks, which may affect the project implementation according to the approved project application. Changes in the aid contract may be made insofar as they are not in contradiction with the conditions of the aid for commercial activity;

19.13. participation in development of a European Partnership project or joining the project consortium of the European Partnership.

[*4 October 2016; 13 June 2017; 11 September 2018; 25 January 2022*]

20. The Council shall develop the by-law of the commission. Prior to approving the by-law, the Council shall coordinate it with the Ministry of Education and Science. The Minister for Education and Science shall establish a commission consisting of the representatives delegated by the Ministry of Education and Science, the Ministry of Economics, the Latvian Academy of Sciences, and the Council. The representatives delegated by other ministries, and also scientific institutions and organisations representing enterprises may also be invited to the meetings of the commission in an advisory and expertise capacity.

[*25 January 2022*]

21. The Commission shall take the decision referred to in Sub-paragraphs 19.3, 19.4, 19.5, 19.6, 19.7, 19.8, 19.9, 19.10, 19.11, and 19.12 of this Regulation within a month from the day of receipt of the application at the Council. The Council shall notify the applicant for aid of the relevant decision of the commission within 10 working days from the date of taking the decision, sending it to the official electronic mail address indicated by the applicant for aid if the applicant for aid has an activated official electronic mail address account or by mail.

[*25 January 2022*]

22. The applicant for aid may contest the decision of the commission referred to in Sub-paragraphs 19.3, 19.4, 19.5, 19.6, 19.7, 19.8, 19.9, and 19.10 of this Regulation within a month from the day of receipt of the decision by submitting a submission to the Ministry of Education and Science in accordance with the procedures laid down in the Administrative Procedure Law.

22.1 In accordance with Article 2(5) of Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments, the decision on granting the State aid within the scope of this Regulation shall be taken by 31 December 2023.

[*22 June 2021*]

**VI. Closing Provisions**

[*13 June 2017*]

23. Cabinet Regulation of 19 June 2012 No. 414, Procedures for Providing State Aid for Participation in International Co-operation Programmes in the Fields of Research and Technology (*Latvijas Vēstnesis*, 2012, No. 99; 2013, No. 199), is repealed.

24. Amendments to Paragraph 16 of this Regulation providing that the representative of the management committee of COST activity sends a filled-in submission to the agency for receiving the aid for action of COST programme for State co-financing and the calculation of the financing necessary for a year to the official electronic mail address of the agency, if this representative has an activated official electronic mail address account, and amendments to Paragraph 21 providing that the applicant for aid is notified of the relevant decision of the commission by sending a written notification to the official electronic mail address indicated by the applicant for aid shall come into force on 1 June 2018.

[*13 June 2017*]

25. Amendments in Sub-paragraphs 13.1.1.1.1, 13.1.1.1.2, and 13.1.1.1.3 of this Regulation shall be applied to the aid contracts that are concluded starting from 1 August 2021.

[*22 June 2021*]

Prime Minister Laimdota Straujuma

Minister for Education and Science Mārīte Seile

**Annex 1**

Cabinet Regulation No. 259

26 May 2015

[*25 January 2022*]

**Application for the Receipt of the Aid for Participation in COST Action**

to the Latvian Council of Science

I request to grant the aid for participation in COST action No. \_\_\_\_\_\_\_\_\_\_\_

 (name of action)

Operation of action has been approved from \_\_\_\_\_\_\_\_\_\_\_\_\_ until \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Representative of Latvia in the management committee of COST action is

(given name, surname, position, science degree, authority in which he or she works)

Aid is necessary in order to

(indicate the type of expenditures for covering of which aid is requested and referred to in Paragraph 17 of Cabinet Regulation No. 259 of 26 May 2015, Procedures for Granting Aid for Participation in International Cooperation Programmes in the Fields of Research and Technology)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| (date\*) |  | (given name, surname) |  | (signature\*) |

Note. \* The details of the document “date” and “signature” shall not be completed if the electronic document has been prepared in accordance with the laws and regulations regarding the drawing up of electronic documents.

**Annex 2**

Cabinet Regulation No. 259

26 May 2015

**Calculation of the Necessary Financing for a Year**

|  |  |  |
| --- | --- | --- |
| No. | Item | Necessary financing |
| 1. | Official trips (indicate the purpose and place of the official trip, the number of participants, planned expenditures) |  |
| 1.1. | travel expenditures |  |
| 1.2. | daily allowance |  |
| 1.3. | hotel costs |  |
| 2. | Material and technical provision (indicate the name, quantity, unit price, purpose of use) |  |
| 2.1. | .. |  |
| 2.2. | .. |  |
| 3. | Other expenditures (indicate the purpose of use) |  |
| 3.1. | .. |  |
| 3.2. | .. |  |
| IN TOTAL |  |

Calculation of expenditures was prepared by

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| (given name, surname) |  | (signature\*) |  | (date\*) |

Note. \* The details of the document “date” and “signature” shall not be completed if the electronic document has been prepared in accordance with the laws and regulations regarding the drawing up of electronic documents.

Minister for Education and Science Mārīte Seile