**The Regulation of the Cabinet of Ministers No. 746**

Adopted in Riga on 26 November 2024 (Prot. 50 § 41).

**Implementing Regulation for Measure 6.1.1.2 “Research development for the sustainable use of natural resources related to environmental and climate goals” of the Specific Objective 6.1.1 “Mitigation of the economic, social and environmental impacts of the transition to climate neutrality in the most affected regions” of the European Union’s Cohesion Policy Programme for 2021-2027**

*Issued pursuant to Section 19, Clauses 6 and 13 of the Law on Management of the European Union Funds for the 2021-2027 Programming Period*

**I.** **General Provisions**

* 1. The Regulation prescribes:
  + 1.1. the procedures for the implementation of Measure 6.1.1.2 “Research development for the sustainable use of natural resources related to environmental and climate goals” of the Specific Objective 6.1.1 “Mitigation of the economic, social and environmental impacts of the transition to climate neutrality in the most affected regions” of the European Union’s Cohesion Policy Programme for 2021-2027 (hereinafter - the Measure);
  + 1.2. the purpose of the Measure;
  + 1.3. the funding planned and available for the Measure;
  + 1.4. requirements for the submitter of the Just transition Fund project (hereinafter - project), the final beneficiary and the co-operation partner of the project;
  + 1.5. the conditions for eligibility of activities and costs to be supported;
  + 1.6. the conditions and procedures for the application of simplified costs.
* 2. The following terms are used in this Regulation:
  + 2.1. non-economic project - a project which conforms to the following criteria:
    - 2.1.1. the project is implemented by a scientific institution which conforms to the definition of a research organisation referred to in Sub-paragraph 2.9 of this Regulation;
    - 2.1.2. the activities to be implemented in the project comply with the conditions referred to in Sub-paragraph 2.2 of this Regulation;
  + 2.2. non-economic activity - principal activity of a research organisation which does not fall within the scope of activity specified in Article 107(1) of the Treaty on the Functioning of the European Union and the forms of expression of which are as follows:
    - 2.2.1. independent R & D is being implemented in order to gain more knowledge and better understanding, including joint R & D, when the research organisation or research infrastructure engages in effective cooperation. The provision of R & D services and R & D carried out on behalf of undertakings shall not be considered independent R & D;
    - 2.2.2. research results are disseminated without exclusivity and discrimination, including through teaching, free access databases, open publications or open source software;
    - 2.2.3. know-how and technology transfer activities if:
      * 2.2.3.1. know-how and technology transfer activities are performed by a division of a research organisation or a subsidiary company of a research organisation (such commercial company in which the participation share of the parent company exceeds 50 per cent or in which the parent company has a majority of votes and which conforms to the definition of a research organisation referred to in Sub-paragraph 2.9 of this Regulation), a research organisation jointly with other research organisations or a research organisation with third parties, entering into contracts for certain services in open competition;
      * 2.2.3.2. all profit from such activity is reinvested in the principal activity of the research organisation or research body;
    - 2.2.4. public education in order to increase and improve human resources skills, which are provided within the framework of the State education system and are mainly or fully financed and supervised by the State;
  + 2.3. effective cooperation - cooperation which conforms to the definition laid down in Article 2 (90) of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (hereinafter - Commission Regulation No 651/2014);
  + 2.4. experimental development - development which conforms to the definition laid down in Article 2 (86) of Commission Regulation No 651/2014;
  + 2.5. basic research - research which conforms to the definition laid down in Article 2 (84) of Commission Regulation No 651/2014;
  + 2.6. intellectual property - the right to individual performance of the human mind, which has the value of intangible nature. Such rights consist in prohibiting the use of the intellectual property of a person without his prior authorisation;
  + 2.7. intellectual property rights - rights which conform to the definition laid down in Article 1, Sub-paragraph “h” of Regulation No 316/2014 of the European Commission of 21 March 2014 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of technology transfer agreements (hereinafter - Commission Regulation No 316/2014);
  + 2.8. life cycle of the project - a period covering the time period from the commencement of project activities to at least five years after the performance of the final payment of the project or the end of the useful life period of the equipment acquired in the project, if it is longer than five years after the performance of the final payment of the project;
  + 2.9. research organisation - an entity which conforms to the definition laid down in Article 2 (83) of Commission Regulation No 651/2014;
  + 2.10. industrial research - research which conforms to the definition laid down in Article 2 (85) of Commission Regulation No 651/2014;
  + 2.11. technology rights - rights which conform to the definition laid down in Article 1, Sub-paragraph “b” of Commission Regulation No 316/2014;
  + 2.12. undertakings - performers of economic activity registered in the commercial Register of the Republic of Latvia;
  + 2.13. a project evaluated above the quality threshold - a research application for which the quality assessment of the project has overcome the specified quality threshold in the evaluation of project applications of the relevant foreign programme. The abovementioned assessment shall be confirmed by a seal of Excellence certificate (*seal of Excellence*) issued by the European Commission, if the European Commission grants a seal of Excellence certificate for the specific sub-programme, or a printout from the *Research Participant Portal* information system containing information regarding the project assessment and the specified quality threshold (*evaluation Summary Report*), or a document certifying the quality assessment of the project issued by another institution;
  + 2.14. University of Science - a scientific, educational and cultural institution of a national level which, in accordance with the standards of higher education, implements three study programmes of higher education levels - Bachelor's, Master's and doctoral studies programmes;
  + 2.15. scientific employee - scientific staff, scientific service personnel and scientific technical staff employed in person or remotely in the project;
  + 2.16. scientific staff - leading researchers, researchers and scientific assistants elected in accordance with the regulatory enactments regulating scientific activity, as well as persons working in the institution of performer of economic activity who perform the duties of leading researcher, researcher and scientific assistant.
* 3. The Measure shall be implemented in the form of open selection of project applications in one round of selection of project applications for all financing available for the Measure.
* 4. The aid for the Measure takes the form of grants.
* 5. Within the scope of the Measure it is planned to support the implementation of one project, which envisages the implementation of research in all the supported activities referred to in Sub-paragraph 30.1 of this Regulation, for all the financing available for the Measure.
* 6. Within the scope of the Measure, the functions of the responsible institution shall be performed by the Ministry of Education and Science.
* 7. In implementing the project, the activities and solutions to be supported are targeted to the statistical regions of Kurzeme, Latgale, Vidzeme and Zemgale in accordance with the classification of level 3 (NUTS level 3) of the nomenclature of territorial units for statistics in force on 25 November 2022.

**II.** **Objective of the Measure and indicators to be achieved**

* 8. The objective of the Measure is the establishment of a research platform and a centre of excellence, which will support the implementation of research and innovation projects for the development of research capacity and competences capable of contributing to assisted regions by accelerating the implementation of knowledge and technology transfer, pilot projects and demonstration projects, the introduction of new research-based ideas, as well as promoting international cooperation and excellence in research and the dissemination of knowledge on the sustainable use of natural resources in order to ensure progress towards a climate neutral economy and mitigate risks related to climate change in the most affected regions, contributing to the mitigation of socio-economic consequences.
* 9. The target group of the Measure shall be institutions of the peat sector and related sectors of the regions referred to in Paragraph 7 of these Regulations, undertakings affected by economic transformation, scientific institutions and scientific employees, as well as specialists employed in the regions in peat and related sectors.
* 10. The Measure must reach the following indicators by 31 December 2029:
  + 10.1. indicator of the programme outcome - undertakings co-operating with research organisations - at least five;
  + 10.2. indicators of the programme result:
    - 10.2.1. the number of scientific articles for the development and publication of which support has been provided - at least 50;
    - 10.2.2. preparation and submission of research applications in research tenders - at least three research applications.
* 11. The outcome indicator referred to in Sub-paragraph 10.1 of this Regulation has been achieved when a co-operation agreement has been entered into with the undertakings referred to in Paragraph 9 of this Regulation, which represent each of the four regions to be supported and operate in the peat sector, within the framework of which such undertakings have co-operated with the scientific institutions involved in the implementation of the Measure in defining the topics and needs of research project applications and other effective co-operation measures during the implementation of the project. The working group established by the undertakings referred to in Paragraph 9 of this Regulation shall organise working meetings at least once every six months throughout the implementation of the project.
* 12. The indicators of the programme result referred to in Sub-paragraph 10.2 of this Regulation have been achieved if:
  + 12.1. the scientific articles referred to in Sub-paragraph 10.2.1 of this Regulation have been developed and published or accepted for publication in *the journals or conference Article collections included in the Web of Science* or SCOPUS*, ERIHS (A or B)* databases, and at least five of them have been published or accepted for publication in the first quartile (Q1) journals included in these databases;
  + 12.2. research applications referred to in Sub-paragraph 10.2.2 of this Regulation have been prepared, submitted in an international competition for research and development projects (for example, Horizon Europe, Horizon Europe in Partnership, European Commission *LIFE* Programme, *Nordforsk* Programme and others) and assessed above the quality threshold.
* 13. In implementing the Measure, the following joint (horizontal) tasks have been determined for the beneficiary:
  + 13.1. to create and develop interdisciplinary and inclusive internationally competitive groups of scientists who use and develop research methods and technologies recognised by the scientists of the world in scientific activities;
  + 13.2. to develop co-operation between scientific groups and specialists of the relevant economic sectors;
  + 13.3. to develop international co-operation in research, including by engaging in international co-operation networks and consortia, in particular in co-operation with European Research infrastructures Strategy Forum (ESFRI) European Research infrastructures consortia, including eLTER (*Integrated European Longus-term ecosystem, critical zone and socio-ecological system Research infrastructure*), and developing project applications for European Union funds and other international research programmes;
  + 13.4. to develop innovative solutions aimed at reducing greenhouse gas (GHG) emissions and to promote wider use thereof;
  + 13.5. to ensure public accessibility of research results, including publishing results in random access journals and depositing newly acquired research data in research data repositories, promoting the re-usability of data in accordance with the principles of “FAIR” (findable, accessible, interoperable re-usable);
  + 13.6. to ensure publicity and communication activities, including organising a seminar at least once a year during project implementation in order to inform the public and ensure the visibility of the programme and dissemination of results, as well as to involve the relevant target groups and promote knowledge transfer, understanding of the role of research and contribution to solving issues relevant to society;
  + 13.7. to promote the involvement of students, in particular doctoral students, and young scientists in the performance of project tasks in order to ensure the needs of the peat sector by rearranging to climate neutrality, as well as the needs of agriculture and forestry sectors for higher qualification specialists, including by implementing the link with doctoral programmes relevant to the field;
  + 13.8. to ensure the inclusion of the knowledge created in the project in the development of training modules in basic study and further education programmes;
  + 13.9. to establish a common database on the Open Science Platform of Latvia and ensure access to the knowledge created in the project.

**III.** **Funding available for the Measure**

* 14. The total financing planned within *the* scope of the Measure is EUR 5 981 103 (of which the flexibility financing – *EUR* 392 838), including the financing of the Just transition Fund – *EUR* 5 083 937 (of which the flexibility financing – *EUR* 333 912) and the co-financing of the State budget – EUR 897 166 (of which the flexibility financing – *EUR* 58 926). In project applications, the total funding available for implementation of the Measure shall be planned in the amount of *not* more than EUR 5 588 265, including the financing of the Just transition Fund - in the amount of EUR 4 750 025 and the co-financing of the State budget - in the amount of EUR 838 240. The maximum amount of financing from the Just transition Fund shall not exceed 85 per cent of the total eligible financing of the project.
* 15. The responsible authority may, after a decision of the European Commission regarding the mid-term review, propose to increase the total financing available for the Measure from 1 January 2026 to the total amount of financing referred to in Paragraph 14 of these Regulations.

**IV.** **Requirements for a Project applicant, a final beneficiary and a Co-operation Partner**

* 16. The project applicant within the scope of the Measure is a scientific institution which has obtained an assessment of at least four balls in the international evaluation of the activities of scientific institutions in 2019, or a scientific university, and they may submit the project not related to economic activity referred to in Sub-paragraph 2.1 of this Regulation, if the project applicant as a scientific institution conforms to the definition of a research organisation. If the Co-operation institution approves the project application, the project applicant shall be the beneficiary of financing.
* 17. In the implementation of the activities to be supported referred to in Paragraph 30 of this Regulation, the beneficiary of financing shall attract at least two co-operation partners, together forming a consortium from at least three scientific institutions, among which there are at least two scientific universities and at least one scientific institution, which has obtained an assessment of at least four points in the international evaluation of the activities of scientific institutions in 2019 and conforms to the definition of a research organisation, including the beneficiary of financing.
* 18. Other universities, institutions of higher education and scientific institutions registered in the Republic of Latvia, which conform to the definition of a research organisation, shall also be involved in the project as co-operation partners, if necessary.
* 19. Within the framework of a consortium project, the following conditions shall be ensured:
  + 19.1. the project application shall be submitted by a project applicant who complies with the requirements referred to in Paragraph 16 of these Regulations and is responsible for the implementation of the project and achievement of the results planned in the project;
  + 19.2. the co-operation partner is registered in the relevant register in Latvia and complies with the requirements referred to in Paragraph 17 of these Regulations;
  + 19.3. all co-operation partners participate in the development of the project, contribute to the implementation thereof and share the risks and results of the project;
  + 19.4. within the scope of the project, each co-operation partner shall acquire intellectual property rights and economic advantages, which arise from the research results obtained within the scope of the research project application of the particular co-operation partner.
* 20. The project applicant shall append to the project application the confirmation of the co-operation partners referred to in paragraphs 17 and 18 of this Regulation regarding the readiness to participate in the implementation of the project, as well as enter into co-operation agreements within three months after entering into a contract or agreement regarding the implementation of the project.
* 21. The co-operation agreement shall include information in accordance with the laws and regulations regarding the procedures by which the institutions involved in the management of European Union funds ensure the implementation of such funds during the planning period 2021-2027, providing for the rights, duties and liability of the parties and at least the following conditions of content and financial co-operation:
  + 21.1. the objectives and principles of co-operation;
  + 21.2. the planned total financing of the project of the consortium, the financing of each part of the project of the co-operation partner and the contribution of each co-operation partner;
  + 21.3. the procedures for ensuring the financial flow of the project;
  + 21.4. allocation of the rights to the results of the project (including intellectual property rights) in proportion to the contribution of each co-operation partner to the implementation of the project;
  + 21.5. sanctions if the obligations referred to in the co-operation agreement are not fulfilled.
* 22. The project applicant shall prepare a project application in accordance with the requirements specified in the regulations for selection of project applications and submit it to the Co-operation institution, using the information system for management of the Cohesion Policy Funds.
* 23. The project applicant shall submit one project application within the scope of the Measure.
* 24. The project applicant shall develop a work plan for the implementation of the project, providing therein for measures for the achievement, implementation and dissemination of the results and indicators of the project, a time schedule and division of responsibility among co-operation partners regarding the implementation of the activities to be supported referred to in Paragraph 30 of these Regulations, including by providing additional indicators to be achieved in the project, if the conditions of Paragraph 15 of these Regulations are fulfilled.
* 25. The beneficiary of financing and co-operation partners shall implement the activities to be supported referred to in Sub-paragraph 30.1 of this Regulation and ensure achievement of the results of the project and the outcome indicator referred to in Sub-paragraph 10.1 of this Regulation by 30 September 2029, but the achievement of the indicators referred to in Sub-paragraph 10.2 of this Regulation - by 31 December 2029.
* 26. The beneficiary of financing shall justify in the project application the sustainability of the expected research results during the life cycle of the project.
* 27. The following shall be appended to the Annex to the project application:
  + 27.1. a translation of the project application and its annexes into English in accordance with the requirements of the selection regulations;
  + 27.2. the attestation regarding co-operation referred to in Paragraph 20 of these Regulations;
  + 27.3. the certification referred to in Paragraph 28 of these Regulations (if applicable).
* 28. In order to justify the positive impact of the project on the socio-economic situation in the regions most affected by the transition process, a positive opinion regarding the significance of studies for the transition of peat and related economic sectors to climate neutrality, which has been provided by the following institutions, may be appended to the project application:
  + 28.1. An association registered in the Register of associations and foundations of the Enterprise Register for at least five years whose members work in the peat sector and whose members have a total turnover of at least *EUR* 150 000 000 per year;
  + 28.2. the Ministry of industry, which has competence in the field of climate or natural resource management policy.
* 29. The following requirements have been specified for the project applicant and co-operation partner:
  + 29.1. it has not provided false information to the Co-operation institution, the responsible institution or another competent institution in relation to the implementation of projects co-financed by European Union funds;
  + 29.2. it has not received and does not intend to receive financing from State or European Union funds or other financial resources for the same eligible costs or research results;
  + 29.3. the scientific institution has submitted public reports regarding the scientific activity for the last three closed accounting years to the responsible institution (Register of Scientific institutions) in accordance with the regulatory enactments regulating scientific activity. If a scientific institution has been established less than three years ago, public accounts regarding the closed accounting years have been submitted in conformity with the registration thereof in the Register;
  + 29.4. if the beneficiary of financing and the co-operation partner perform both economic activities and non-economic activities, it shall separate the types of activities and the costs, financing and revenues thereof in such a way as to effectively prevent cross-subsidisation of economic activities;
  + 29.5. ensure the absence of a conflict of interest during the project implementation in accordance with the requirements of Article 61 of Regulation (EU, Euratom) No 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (hereinafter - Regulation No 2024/2509) of the European Parliament and of the Council.

**v.** **Eligible activities and eligible costs**

* 30. The following actions shall be supported within the scope of the Measure:
  + 30.1. implementation of such studies, which are aimed at the sustainable utilisation of natural resources in the peat sector and the promotion of climate neutrality of Latvia, in the following thematic research directions:
    - 30.1.1. Improvement of the methodology for the calculation of greenhouse gas (GHG) emissions and carbon dioxide (CO 2) removals in the peat sector in accordance with Commission Delegated Regulation (EU) 2020/1044 of 8 May 2020 supplementing Regulation (EU) 2018/1999 of the European Parliament and of the Council with regard to global warming potential values and inventory guidelines and with regard to the Union inventory system and repealing Commission Delegated Regulation (EU) No 666/2014, Article 3, Sub-paragraph “a”, including the development and improvement of national emission factors for various recultivation activities and the development of proposals for data acquisition;
    - 30.1.2. new and innovative solutions for the activities of reclamation of degraded bogs, unreclaimed historic peat extraction sites and affected areas adjacent territories including pilot projects and demonstration projects, development of methodology for forecasting, monitoring the effect of projects for reclamation of peat extraction fields, as well as development of mechanisms for the audit of instrumental measurements of GHG emissions;
    - 30.1.3. socio-economic assessment of the extraction, processing and local consumption and export of peat resources, impact and forecasts of GHG emissions from peat extraction until 2030 and 2050, solutions for compensating for negative effects;
    - 30.1.4. new technologies and products for the promotion of climate neutrality of the peat sector, which are aimed at reducing greenhouse gas (GHG) emissions and creating innovative and alternative solutions oriented towards the attraction of carbon dioxide and promoting the wider use thereof, including research into new peat and other types of substrate;
    - 30.1.5. development of future scenarios regarding the possibilities for further utilisation of historic and converted peat extraction sites, including preservation of biological diversity therein, assessment of the potential of newly created workplaces, study of the possibilities for cultivation of different crops, assessment of export potential of the created products, assessment of socio-economic impact and development of sustainability guidelines;
  + 30.2. development of a policy for sustainable use of natural resources in the peat sector and promotion of climate neutrality of Latvia;
  + 30.3. acquisition, approval and defence of technology rights (intangible assets) arising from the research activity to be supported referred to in Sub-paragraph 30.1 of this Regulation and corresponding to the research category referred to in Paragraph 31 of this Regulation (hereinafter - protection of technology rights);
  + 30.4. development of research equipment and infrastructure:
    - 30.4.1. acquisition or creation, supply, installation, testing and instruction of the service personnel of scientific apparatus, equipment, tool sets, information and communication technologies and other tangible assets in order to ensure the development of the directions specified in the development strategies of scientific institutions;
    - 30.4.2. services related to the installation of research infrastructure;
    - 30.4.3. acquisition or creation of intangible assets;
  + 30.5. the dissemination of knowledge created within the scope of the project in the form of training, publications or transfer of know-how and technologies, including the involvement of the public in the course of the project and informing regarding the results of the project, which are not protected by intellectual property rights;
  + 30.6. measures for the involvement and informing of the target group and society regarding the objectives, progress and results of the project (including implementation of training, working groups, seminars, conferences, exchange of experience, contest of ideas and other national and international events);
  + 30.7. distribution of research results to affected merchants for achieving the objectives of the project in the direction of the peat sector towards climate neutrality;
  + 30.8. support for specialisation in order to ensure the needs of peat and related sectors in existing doctoral studies programmes in the direction of the peat sector towards climate neutrality;
  + 30.9. development or development of databases and platforms for the storage, management and sharing of research data related to the aided activity referred to in Sub-paragraph 30.1 of this Regulation;
  + 30.10. the development and publication of the scientific articles referred to in Sub-paragraph 10.2.1 of this Regulation;
  + 30.11. ensuring the management and implementation of the project;
  + 30.12. measures for ensuring the mandatory requirements for communication and visual identity for the implementation of the project.
* 31. In implementing the activities to be supported referred to in Sub-paragraph 30.1 of this Regulation, research involving one or more of the following categories of research shall be supported:
  + 31.1. fundamental research;
  + 31.2. applied research, which includes:
    - 31.2.1. industrial research. Within the scope of one assisted sub-activity referred to in Sub-paragraph 30.1 of this Regulation, industrial research may be combined with basic research;
    - 31.2.2. experimental development, if industrial research is implemented within the scope of the project.
* 32. Activities not aimed at achieving the objective referred to in Paragraph 8 of these Regulations shall not be included in the project.
* 33. The following types of costs shall be planned within the scope of the Measure:
  + 33.1. direct eligible costs, which are directly related to the implementation of the project and are necessary for achieving the results of the project, and such connection shall be clearly understandable and demonstrable;
  + 33.2. indirect eligible costs, which are not directly related to the achievement of the project results, but support and ensure appropriate conditions for implementation of the supported activities and achievement of the project results.
* 34. Within the framework of the project, the following costs shall be eligible:
  + 34.1. costs directly related to research:
    - 34.1.1. remuneration (except overtime) for scientific employees (including the scientific manager of the project), insofar as they are employed in the project, if the following conditions are fulfilled:
      * 34.1.1.1. the scientific employee is employed in person or remotely, if the specific nature of the work permits this and it is possible to perform the duties of work fully, with an employer registered in the relevant register in Latvia and remuneration within the scope of the project shall be received in accordance with the employment contract;
      * 34.1.1.2. the part time load per month of project management personnel and scientific employees employed in the project shall be at least 30 per cent of the normal working time;
      * 34.1.1.3. if the scientific employee involved in the implementation of the project also performs other tasks, which are not related to the implementation of the project, but for the performance of which he or she receives remuneration in accordance with the framework employment contract, other employment contract or company contract, the scientific employee shall, upon request of the final beneficiary, perform the accounting of the total working time and the work performed in accordance with Paragraph 53 of these Regulations. The beneficiary of financing and the co-operation partner shall ensure that the total working time of the scientific employee involved in the implementation of the project conforms to the regulatory enactments regulating the employment legal relationship and the work in the project is not performed during the time when the person performs tasks not related to the project in accordance with the entered into contract;
      * 34.1.1.4. the tasks specified within the scope of the employment contract or the undertaking contract do not duplicate with the duties to be performed in the project;
      * 34.1.1.5. the scientific employee involved in the implementation of the project may co-engage in other activities of the European Union Cohesion Policy Programme 2021-2027, if the tasks to be performed within the framework of several measures do not overlap and at the same time remuneration for the same tasks within the scope of several measures is not received, as well as the provisions of the Labour Law regarding restrictions on employment are observed;
      * 34.1.1.6. the remuneration of the scientific employee involved in the project shall be calculated in accordance with the remuneration policy and remuneration rates of the final beneficiary and each co-operation partner;
    - 34.1.2. foreign and domestic business and work trip expenses of the project manager, the scientific supervisor of the project and the implementation staff, which are related to the research to be carried out within the framework of the project, including the publication of the results achieved, in accordance with the laws and regulations regarding the procedures by which expenses related to official trips shall be reimbursed, if the scientific employee is employed in the Republic of Latvia. The expenses of domestic business and work trip shall be covered in accordance with the methodology of the Ministry of Finance “methodology for calculation and application of the standard rate of unit costs for the domestic business and work trip expensec for implementation of the operational programme “Growth and Employment” and the European Union Cohesion Policy Programme 2021-2027”;
    - 34.1.3. costs for the acquisition and maintenance of research infrastructure for the implementation of research activities referred to in Sub-paragraphs 30.1 and 30.4 of this Regulation, including:
      * 34.1.3.1. tangible assets:
        + 34.1.3.1.1. the costs of purchase or creation of new technological equipment (including installation, assembly and other capitalizable costs), if the period of use of fixed assets in accordance with the laws and regulations governing accounting within the scope of the project covers the whole useful life of such fixed assets;
        + 34.1.3.1.2. depreciation costs of fixed assets purchased and used for research within the scope of the project. If the period of use of fixed assets within the scope of the project does not cover the whole useful life or intensity of these fixed assets, only those depreciation costs corresponding to the term of implementation of the project shall be eligible. Such costs shall be calculated in proportion to the time and intensity of use of fixed assets in accordance with the laws and regulations governing accounting, but not exceeding 20 per cent per year of the acquisition value of the fixed asset;
        + 34.1.3.1.3. the costs of the creation or purchase of fixed assets used for research in conformity with the information indicated in the project application regarding the fixed assets acquired or created within the framework of the project, which are intended to be used only for activities which are not of an economic nature;
        + 34.1.3.1.4. the rental fee, if the if the rent contract is based on such an agreement, by which the lessor transfers to the lessee the right to use the asset for a specified period of time for one or more lease payments, without exceeding the time period for implementation of the project and without transferring all the risks and remuneration inherent in ownership rights of the asset. Within the scope of the Measure, a rental agreement between the co-operation partners of the project is not permissible;
        + 34.1.3.1.5. purchase and delivery costs of the inventory, laboratory equipment, instruments and materials necessary for the implementation of the project (including physical, biological, chemical and other materials, experimental animals and plants, reagents, reagents, chemicals, laboratory vessels, medicinal products, cold agents, heat carriers, electronic components and modules, carrier gases, oils, energy materials and electricity insofar as it is used for research) in accordance with the regulatory enactments regulating the procurement procedure. The acquisition of goods and services shall be carried out in an open, transparent, non-discriminatory and competitive procedure in accordance with the laws and regulations in the field of public procurement, evaluating the possibilities to apply socially responsible public procurement or innovative public procurement to acquisitions;
      * 34.1.3.2. intangibles - the costs of acquiring technical knowledge, patents, technology rights or other intellectual property rights acquired from external sources, if the transaction has been performed under conditions of competition and there has been no collusion. If the time taken for the use of intangibles in a research project exceeds the life of the intangibles, only those amortisation costs calculated in accordance with the laws and regulations regarding depreciation norms and conditions of use and in accordance with good accounting practice shall be considered eligible costs;
    - 34.1.4. outsourcing costs, if outsourcing procurement is planned and performed in accordance with the regulatory enactments regulating procurement procedures, implementing an open, transparent, non-discriminatory and competitive procedure, evaluating the possibilities to apply socially responsible public procurement and/or innovative public procurement to acquisitions:
      * 34.1.4.1. the costs of the research outsourcing service;
      * 34.1.4.2. costs of provision of research (inspection, testing, certification and other costs in order to ensure such research data which are comparable to studies performed in other countries);
    - 34.1.5. the costs of goods and services necessary for achieving the objectives and results of the Measure;
    - 34.1.6. the costs of publishing the scientific articles referred to in Sub-paragraph 10.2.1 of this Regulation;
    - 34.1.7. translation costs, which are justified and related to the implementation of the project;
    - 34.1.8. the costs of organising and implementing training, working groups, seminars, conferences, including the final conference of the project, exchange of experience, contest of ideas and other measures intended for informing the target group and the public, as well as the costs of providing information and handouts;
    - 34.1.9. the costs of protection of technology rights;
  + 34.2. the project administrative staff costs, not exceeding seven per cent of the total eligible costs of the project;
  + 34.3. other direct costs of the project, which are related to the implementation of the project and are necessary for achievement of results and ensure the relevant conditions for implementation of the supported activities and achievement of results, including:
    - 34.3.1. domestic business and work trips expenses of the project adminostrative staff in accordance with the laws and regulations regarding the procedures by which expenses related to the official travel shall be reimbursed, if they are justified and related to the implementation of the project. The expenses of the domestic business and work trips shall be covered in accordance with the methodology of the Ministry of Finance “methodology for calculation and application of the standard rate of unit costs for the domestic business and work trip expensess for implementation of the operational programme “Growth and Employment” and the European Union Cohesion Policy Programme 2021-2027”;
    - 34.3.2. costs of purchasing or renting equipment for newly created workplaces of project administrative and implementation staff (including office furniture and equipment, computer programs and licences), equipment maintenance and repair costs or renewal costs of existing work places, if the equipment of existing work places has deteriorated and is being written off, not more than EUR 3000 for one work place throughout the project implementation period, if the project management and implementation personnel are employed in the project on the basis of an employment contract. If the project administrative and implementation staff are employed part-time or part-time, the acquisition or rental costs of the workplace equipment shall be eligible in proportion to the percentage division of the workload, but in case of part-time load - taking into account the period of involvement of the employee in the project against the total duration of the project implementation;
    - 34.3.3. the costs of transport services (fuel charges, vehicle rental, purchase of transport services, public transport charges), which are part of the costs of domestic business or work trips. Fuel costs for passenger vehicles and regional public and local public transport costs shall be covered in accordance with the methodology of the Ministry of Finance “methodology for calculation and application of the standard unit cost rate for 1 km costs for implementation of the operational programme “Growth and Employment” and the European Union Cohesion Policy Programme 2021-2027”;
    - 34.3.4. the costs of the activities of the horizontal principle “equality, inclusion, non-discrimination and respect for fundamental rights” for the implementation of the activities referred to in Sub-paragraphs 30.5, 30.6, 30.11 and 30.12 of this Regulation, including the costs of expert consultations, rental of pandas and lifts, lease of induction loops, Braila language interpreter, Braille printing, real-time transcription, subtitle provision services;
    - 34.3.5. the costs of ensuring mandatory communication and visual identity requirements directly related to project activities.
* 35. Indirect eligible costs referred to in Sub-paragraph 33.2 of this Regulation shall be planned as one cost item, applying the flat rate of indirect costs in the amount of 15 per cent of the direct eligible personnel costs referred to in Sub-paragraphs 34.1.1 and 34.2 of this Regulation.
* 36. Value added tax directly related to the project shall be considered eligible costs in accordance with Regulation No 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just transition Fund and the European Maritime, Fisheries and aquaculture Fund and financial provisions in respect thereof and in respect of the Asylum, Migration and integration Fund, the Internal Security Fund and the Financial support Instrument for border Management and Visa Policy (hereinafter - Regulation No 2021/1060of the Parliament and of the Council), the conditions laid down in Article 64(1)(c) if it cannot be recovered under the legislation of the Republic of Latvia on value added tax.
* 37. The activities referred to in Paragraph 30 of these Regulations shall be supported and the costs shall be eligible if they have been performed after submitting a project application to the Co-operation institution in a specific open selection of project applications.
* 38. As a result of the cooperation of the consortium, an information centre should be established to ensure the sustainability of project results, which includes publication of the research competence of the peat sector and the mapping of research infrastructure on the website of the beneficiary. The beneficiary shall maintain the information Centre at least during the life cycle of the project and update information on the available mapping of research infrastructures and competences, contact information of researchers of the appropriate qualification, sustainability of the results achieved in the project and cooperation networks with undertakings representing the sector at least once a year on the website.

**VI.** **Funding conditions for research**

* 39. Under the Measure, a non-economic project may finance the development of a prototype of a new product or technology or other experimental object that will be used in future studies but will not be directly used to generate income through sale or use in production or service provision. If revenue is obtained from the commercial exploitation of prototypes or other experimental objects or when implementing a project not related to economic activity it is concluded that it is a project related to economic activity and the aid to it qualifies as commercial activity aid, the project applicant or co-operation partner has a duty to reimburse the unlawful commercial activity aid received to the co-operation institution within the scope of the project together with interest from funds free from commercial activity aid, in accordance with the provisions of Chapter IV or V of the Law on Control of commercial activity support.
* 40. In order that the aid specified in Sub-paragraphs 34.1.3.1.1 and 34.1.3.1.3 of this Regulation for research equipment and infrastructure, which is intended to be used only for activities of a non-economic nature, is not qualified as commercial aid, it is permissible to perform additional economic activity in the amount of not more than 20 per cent of the annual capacity, time or financial value of the infrastructure in the infrastructure, which is used for the needs of the beneficiary and co-operation partners, during the amortisation period of fixed assets and long-term investments. Ancillary economic activity means activities directly related to the operation of the infrastructure and which require or inextricably relate to its main non-economic use, consuming the same amount of resources (e.g. materials, equipment, labour, fixed capital) as non-economic activities.
* 41. The Co-operation institution shall ensure the supervision of conformity of investments performed throughout the life cycle of the project in accordance with the methodology developed by the responsible institution for supervision of complementary economic activity in accordance with the conditions of Paragraph 40 of these Regulations. The beneficiary of financing and co-operation partners shall prepare each year a report regarding the amount of additional economic activity throughout the life cycle of the project and ensure the availability of the reports and documents justifying calculations referred to in this Paragraph for supervision of additional economic activity. If the beneficiary of financing or the co-operation partner determines that the limit of 20 per cent from the annual capacity area of the infrastructure referred to in Paragraph 40 of this Regulation has been exceeded, in terms of time or financial terms, or that the investments made are used for another economic activity which is not considered to be an ancillary economic activity, it shall submit a report to the Co-operation institution regarding the determined violation of the conditions referred to in paragraphs 39 and 40 of this Regulation in accordance with the contract or agreement regarding the implementation of the project within the specified time period.
* 42. The experimental production or testing of products, processes or services developed in a non-economic project under production conditions shall be financed only if this is necessary for the validation and verification of research results and they will not be used directly or by conversion for generating income, selling or using in production or the provision of services.
* 43. The Measure shall finance new product or technology development activities in the peat sector if they fulfil at least one of the following conditions:
  + 43.1. a new product or technology shall be developed in co-operation with the research organisation;
  + 43.2. doctoral students or young scientists are employed as staff;
  + 43.3. the results of research shall be published in scientific journals or distributed at scientific conferences.
* 44. The costs referred to in Sub-paragraph 34.1.3 of this Regulation shall be planned for infrastructure in the amount of not more than 25 per cent, the costs referred to in Sub-paragraph 34.1.1 of this Regulation shall be planned for the implementation personnel employed in the project in the amount of not less than 20 per cent and the costs referred to in Sub-paragraph 34.1.4.1 of this Regulation for research outsourcing shall be planned in the amount of not more than 10 per cent of the total financing of the Measure referred to in Paragraph 14 of this Regulation.
* 45. For the implementation of the research infrastructure development activity referred to in Sub-paragraph 30.4 of this Regulation, the necessity for the acquisition of a new research infrastructure and its complementarity with the research material and technical base at the disposal of the final beneficiary and co-operation partners shall be justified in the project application, including indicating whether the costs for the creation or acquisition of such infrastructure or the amortisation costs will be applied to the project in order to ensure the performance of studies and ensuring of the horizontal tasks referred to in Paragraph 13 of this Regulation.

**VII.** **General conditions for the selection and implementation of a Project**

* 46. The Co-operation institution shall ensure international scientific expert-examination in the selection of project applications in co-operation with the Latvian Council of Science.
* 47. In order to ensure independent implementation of the project and prevent possible conflict of interest, the Latvian Council of Science shall involve not less than two foreign experts in the evaluation of each project application, evaluation of the scientific quality of the mid-term and final results. When involving foreign experts, the following conditions shall be observed:
  + 47.1. the foreign expert has a doctoral degree in science;
  + 47.2. the scientific qualification of the foreign expert conforms to the science sector and subject matter of the specific project application;
  + 47.3. the previous evaluation competence and work experience of the foreign expert conforms to the science sector and subject matter of the specific project application;
  + 47.4. the foreign expert shall perform the assessment independently and does not represent the institution of the submitter of the project application or co-operation partner, there are no such circumstances in his or her activities that cause a conflict of interest, including does not create and will not cause personal or financial interest to the foreign expert.
* 48. In implementing the international expert-examination of the project application, the Latvian Council of Science shall ensure that, when evaluating the project applications, the mid-term and final results thereof, the procedures by which compliance with the requirements of confidentiality and conflict of interest will be ensured during the process of evaluation of project applications, in accordance with Article 61 of Regulation No 2024/2509 of the European Parliament and of the Council, circumstances have been identified which cause or may cause a conflict of interest, which causes threats or harm to the implementation of the project, the measures to be taken and the operational plans drawn up for the prevention of conflict of interest and cases where a conflict of interest has been detected, as well as the signing of a certification regarding the absence of a conflict of interest in the implementation of the project, shall be specified. The Latvian Council of Science shall ascertain that the employees of the Latvian Council of Science and the foreign expert involved in the selection of foreign experts have become acquainted with the relevant procedures and have signed a certification regarding the absence of conflict of interest.
* 49. The beneficiary shall receive financing if fulfilment of the following conditions is ensured:
  + 49.1. for receipt of payments (including advance payments) and for making payments, the beneficiary of financing shall open a separate account at the Treasury or credit institution in which all payments related to the implementation of the project are made and received;
  + 49.2. ensure clear separation of the financial flow of project implementation from other activities and financial flows of the final beneficiary and co-operation partner during the project implementation period and during the amortisation period of the project infrastructure, if the final beneficiary and co-operation partner conform to the definition of a research organisation;
  + 49.3. when implementing the project, accounting for the revenue and expenditure of certain economic transactions related to the implementation of the project, as well as separation of activities and financial flows related to the implementation thereof shall be ensured in accordance with the laws and regulations regarding the procedures by which financial support (financial assistance), donations and gifts in cash or in kind shall be reflected in the financial statements of the State, local governments, foreign, European Union, other international organisations and institutions.
* 50. The place of implementation of the project shall be the territory of the Republic of Latvia.
* 51. Only eligible costs directly related to activities carried out within the framework of the project shall be financed within the scope of the Measure, shall be proportionate, justified and comply with Regulation No 2024/2509 of the European Parliament and of the Council.
* 52. If an advance is paid to the beneficiary during the implementation of the project, it may be disbursed in instalments. The advance payment shall not exceed 30 per cent of the total amount of public funding granted to the project. After entering into a contract or an agreement regarding the implementation of a project, the Co-operation institution, on the basis of an advance request submitted in the management system of the final beneficiary, shall ensure an advance payment to the final beneficiary in accordance with the laws and regulations regarding the planning of State budget funds for the implementation of European Union funds and the performance of payments in the planning period 2021-2027.
* 53. In order to ensure fulfilment of the conditions referred to in Sub-paragraph 34.1.1.6 of this Regulation and to prevent the risk of double financing, the beneficiary of financing and co-operation partners shall ensure the accounting of the total working time and work performed by the scientific employees involved in the project in conformity with the resource management system for accounting of financial, personnel and basic activity processes in the institution, observing the following working time accounting conditions:
  + 53.1. the accounting of working time shall be performed for each scientific employee employed on the basis of an employment contract or an enterprise contract within the scope of the project in conformity with the actual working time of the employed scientific employee;
  + 53.2. the accounting of working time shall include information regarding all the tasks to be performed by the scientific employee involved in the project, including the tasks at the institution of the final beneficiary and co-operation partner;
  + 53.3. for each activity related to research the directly related research category shall be indicated.
* 54. The beneficiary of financing and co-operation partners shall perform the acquisition of goods and services necessary for the implementation of the project in accordance with the laws and regulations in the field of public procurement, implementing an open, transparent, non-discriminatory and competitive tender procedure. Integration of environmental requirements in the procurement of goods and services, as well as ensuring accessibility and usability of the environment – green public procurement – shall be supported and, where it is relevant and appropriate to the specificities of investments, socially responsible procurement shall be implemented.
* 55. The beneficiary of financing and co-operation partners shall ensure that the implementation of the activities to be supported and the performance of procurements shall be commenced in the first quarter after entering into a contract or agreement regarding the implementation of the project. The performance of payments within the scope of the activities to be supported and eligible expenditure shall be commenced in the first half year after entering into a contract or agreement regarding the implementation of the project.
* 56. In implementing the project, the beneficiary of financing and the co-operation partner shall ensure compliance with the conditions of communication and visual identity in accordance with Articles 47 and 50 of Regulation No 2021/1060 of the Parliament and of the Council and the laws and regulations, which determine the procedures by which the institutions involved in the management of European Union funds shall ensure implementation of these funds during the planning period 2021-2027.
* 57. The beneficiary of financing shall place up-to-date information regarding the implementation of the project on his or her website not less than once every three months.
* 58. In implementing the project, the beneficiary shall:
  + 58.1. accumulate data regarding the indicators planned and achieved in the project referred to in Paragraph 10 of these Regulations;
  + 58.2. comply with the horizontal principle “equality, inclusion, non-discrimination and respect for fundamental rights” and accumulate data regarding the impact of the project on the horizontal principle indicator - the number of media campaigns, seminars, conferences and communication events in which formats accessible to persons with different types of functional disorders were provided for informing the public (for example, translation into sign language, subtitling, real-time transcription, recordings of broadcasts and events) (if applicable);
  + 58.3. eliminate the risk of double financing and ensure non-overlapping of the activities to be supported and the results planned in the project with the projects implemented within the scope of Measure 6.1.1.1. “Phasing out energy peat usage” of the Specific Objective 6.1.1. “Mitigation of the economic, social and environmental impacts of the transition to climate neutrality in the most affected regions”.
* 59. If ineligible expenditure arises during the implementation of the project, costs will be increased or the amount of public financing initially granted is exceeded, the beneficiary shall cover it from the funds at his or her disposal.
* 60. For the supervision of project implementation, the Ministry of Education and Science or an institution delegated by it together with the Co-operation institution shall ensure an evaluation of the scientific quality of the mid-term and final results of the project. The evaluation of the scientific quality of the mid-term and final results of the project shall be performed in compliance with the following conditions:
  + 60.1. evaluations shall be performed by experts included in the database of scientific experts, which in accordance with Paragraph 46 of these Regulations the Co-operation institution shall ensure jointly with the Latvian Council of Science;
  + 60.2. the co-operation institution shall develop the standard form of the mid-term and final report in accordance with the evaluation criteria developed by the Ministry of Education and Science. The mid-term evaluation of the project shall be provided for not later than two thirds of the total time period for the implementation of the project. Experts shall evaluate how the progress of the project implementation is consistent with the planned and, if necessary, provide suggestions for the adjustment of the work plan, but in the evaluation of the final results - evaluate and justify the extent to which the results planned in the research thematic activities referred to in Sub-paragraph 30.1 of this Regulation have been achieved (the evaluation shall also be expressed as a percentage);
  + 60.3. the co-operation institution and the beneficiary shall become acquainted with the conclusions and recommendations of the mid-term results evaluation and, if necessary, agree on amendments to the project work plan. If the mid-term evaluation of results is negative, the Co-operation institution shall convene an inter-institutional meeting with the Ministry of Education and Science, the responsible institution and the beneficiary of financing. Participants of the inter-institutional meeting shall become acquainted with the opinions of the scientific experts referred to in Sub-paragraph 60.1 of this Regulation and agree on amendments to the work plan of the project or the necessity to terminate the contract or agreement regarding the implementation of the project;
  + 60.4. the co-operation institution shall use the evaluation of the scientific quality of the final results in taking a decision regarding achievement of the objective of the project and the planned results. On the basis of a final assessment of the level of achievement of the results planned in the project, the Co-operation institution shall take a decision on the application of the financial correction. The Co-operation Authority shall inform the responsible Authority of that decision.
* 61. The beneficiary shall implement the project in accordance with the contract or agreement regarding the implementation of the project, but not later than until 30 September 2029.

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| Prime Minister | (signature \*) | E. Siliņa |
| Minister for Education and Science | (signature \*) | A. Čakša |

\* Document signed with secure electronic signature