EEA Financial Mechanism 2014-2021

Norwegian Financial Mechanism 2014-2021

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee and the Norwegian Ministry of Foreign Affairs
Hereinafter referred to as the “Donors”

and

The Ministry of Finance,
hereinafter referred to as the “National Focal Point”,
representing Latvia,
hereinafter referred to as the “Beneficiary State”

together hereinafter referred to as the “Parties”

for the financing of the Programme “Research and Education”

hereinafter referred to as the “Programme”

Chapter 1
Scope, Legal Framework, and Definitions

Article 1.1
Scope

This programme agreement between the Donors and the National Focal Point lays down the rights and obligations of the Parties regarding the implementation of the Programme and the financial contribution from the EEA and the Norwegian Financial Mechanisms 2014-2021 to the Programme.

Article 1.2
Legal Framework

1. This programme agreement shall be read in conjunction with the following documents which, together with this programme agreement, constitute the legal framework of the EEA and Norwegian Financial Mechanisms 2014-2021:

(a) the Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "Agreement") and Protocol 38c to the EEA Agreement on the EEA Financial Mechanism 2014-2021 (hereinafter referred to as "Protocol 38c";

(b) the Regulation on the implementation of the EEA Financial Mechanism 2014-2021 and the Regulation on the implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "Regulations") issued by the Financial Mechanism Committee in accordance with Article 10(5) of Protocol 38c and by the Norwegian Ministry of Foreign Affairs in accordance with Article 10(5) of the Agreement;

(c) the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2014-2021 and the Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "MoUs"), entered into between the Donors and the Beneficiary State; and

(d) any guidelines adopted by the Donors in accordance with the Regulations.

2. In case of an inconsistency between this programme agreement and the Regulations, the Regulations shall prevail.

3. The legal framework is binding for the Parties. An act or omission by a Party to this programme agreement that is incompatible with the legal framework constitutes a breach of this programme agreement by that Party.

Article 1.3
Definitions

Terms used and institutions and documents referred to in this programme agreement shall be understood in accordance with the Regulations, in particular Article 1.6 thereof, and the legal framework referred to in Article 1.2 of this programme agreement.

Article 1.4
Annexes and hierarchy of documents

1. Annexes attached hereto form an integral part of this programme agreement. Any reference to this programme agreement includes a reference to its annexes unless otherwise stated or clear from the context.

2. The provisions of the annexes shall be interpreted in a manner consistent with this programme agreement. Should the meaning of any provision of the said annexes, so interpreted, remain inconsistent with this programme agreement, the provisions of the annexes shall prevail, provided that these provisions are compatible with the Regulations.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the preparation of the programme are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

Chapter 2
The Programme

Article 2.1
Co-operation

1. The Parties shall take all appropriate and necessary measures to ensure fulfilment of the obligations and objectives arising out of this programme agreement.

2. The Parties agree to provide all information necessary for the good functioning of this programme agreement and to apply the principles of implementation as set out in the Regulation.

3. The Parties shall promptly inform each other of any circumstances that interfere or threaten to interfere with the successful implementation of the Programme.

4. In executing this programme agreement the Parties declare to counteract corrupt practices. Further, they declare not to accept, either directly or indirectly, any kind of offer, gift, payments or benefits which would or could be construed as illegal or corrupt practice. The Parties shall immediately inform each other of any indication of

corruption or misuse of resources related to this programme agreement.

Article 2.2
Main responsibilities of the Parties

1. The National Focal Point is responsible and accountable for the overall management of the EEA and Norwegian Financial Mechanisms 2014-2021 in the Beneficiary State and for the full and correct implementation of this programme agreement. In particular, the National Focal Point undertakes to:

(a) comply with its obligations stipulated in the Regulations and this programme agreement;

(b) ensure that the Certifying Authority, the Audit Authority, the Irregularities Authority and the Programme Operator properly perform the tasks assigned to them in the Regulations, this programme agreement and the programme implementation agreement;

(c) take all necessary steps to ensure that the Programme Operator is fully committed and able to implement and manage the Programme;

(d) take the necessary measures to remedy irregularities in the implementation of the Programme and ensure that the Programme Operator takes appropriate measures to remedy irregularities in Projects within the Programme, including measures to recover misspent funds;

(e) make all the necessary and appropriate arrangements in order to strengthen or change the way the Programme is managed.

2. The Donors shall, subject to the rules stipulated in the legal framework referred to in Article 1.2 of this programme agreement, make available to the Beneficiary State a financial contribution (hereinafter referred to as "the programme grant") to be used exclusively to finance the eligible cost of the Programme.

Article 2.3
Objective and outcomes of the Programme

1. This programme agreement sets out the objective, outcome(s), outputs, indicators and targets for the Programme.

2. The National Focal Point shall ensure that the Programme Operator implements and completes the Programme in accordance with the objective, outcome(s), outputs, indicators and targets set for the Programme.

Article 2.4
Programme grant

1. The maximum amount of the programme grant, the programme grant rate, and the estimated eligible cost of the Programme shall be as specified in this programme agreement.

2. The Programme is supported by grants from both the EEA and the Norwegian Financial Mechanism. Nevertheless, this programme agreement may contain provisions applicable only to the support from the EEA Financial Mechanism and/or provisions applicable only to the support from the Norwegian Financial Mechanism.

3. The financial plan annexed to this programme agreement shall:

(a) contain a breakdown between the Programme's budget headings;

(b) contain a breakdown between the support from the EEA Financial Mechanism and the Norwegian Financial Mechanism;

(c) indicate the agreed advance payment, if any.

4. The management cost of the Programme Operator shall not exceed the amount specified in this programme agreement.

Article 2.5
Special conditions and programme specific rules

1. This programme agreement shall list any conditions set by the Donors with reference to paragraph 2 of Article 6.3 of the Regulations. The National Focal Point shall ensure compliance with these conditions and take the necessary steps to ensure their fulfilment.

2. The National Focal Point shall ensure compliance with any other programme specific rules laid down in this programme agreement.

Article 2.6
Programme implementation agreement

With reference to Article 6.8 of the Regulations and without prejudice to paragraph 2 thereof, the National Focal Point shall, before any payment is made to the Programme, sign a programme implementation agreement with the Programme Operator. The National Focal Point shall notify the Donors of such signing.

Article 2.7
Reporting

The National Focal Point shall ensure that the Programme Operator provides financial reports, annual programme reports and a final programme

report in accordance with Chapter 9 and Articles 6.11 and 6.12 of the Regulations as well as statistical reporting in accordance with guidelines adopted by the Donors.

Article 2.8
External monitoring

The external monitoring and audit referred to in Articles 11.1, 11.2, 11.3 and 11.4 of the Regulations shall not in any way relieve the National Focal Point or the Programme Operator of their obligations under the legal framework regarding monitoring of the Programme and/or its projects, financial control and audit.

Article 2.9
Modification of the Programme

1. Unless otherwise explicitly stipulated in this programme agreement, any modification of the Programme is subject to prior approval by the Donors.

2. Programme specific exceptions from paragraph 1, if any, are set in the annexes to this programme agreement.

3. Expenditures incurred in breach of this article are not eligible.

4. Should there be a doubt as to whether the proposed modifications require approval by the Donors, the National Focal Point shall consult the Donors before such modifications take effect.

5. Requests for modifications shall be submitted and assessed in accordance with Article 6.9 of the Regulations.

Article 2.10
Communication

1. All communication to the Donors regarding this programme agreement shall take place in English and be directed to the Financial Mechanism Office (hereinafter referred to as the FMO), which represents the Donors towards the National Focal Point and the Programme Operator in relation to the implementation of the Programme.

2. To the extent that original documents are not available in the English language, the documents shall be accompanied by full and accurate translations into English. The National Focal Point shall bear the responsibility for the accuracy of the translation that it provides and the possible consequences that might arise from any inaccurate translations.

Article 2.11
Contact information

1. The contact information of the Programme Operator is as specified in this programme agreement.

2. The contact information for the Donors and the Financial Mechanism Office are:

Financial Mechanism Office
Att: Director
EFTA Secretariat
Rue Joseph II, 12-16
1000 Brussels
Telephone: +32 (0)2 286 1701
Telefax (general): +32 (0)2 211 1889
E-mail: fmo@efta.int

3. Changes of or corrections to the contact information referred to in this article shall be given in writing without undue delay by the Parties to this programme agreement.

Article 2.12
Representations and Warranties

1. This programme agreement and the awarding of the programme grant is based on information provided by, through, or on behalf of the National Focal Point to the Donors prior to the signing of this programme agreement.

2. The National Focal Point represents and warrants that the information provided by, through, or on behalf of the National Focal Point, in connection with the implementation or conclusion of this programme agreement are authentic, accurate and complete.

Chapter 3
Projects

Article 3.1
Selection of projects and award of grants

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 7 of the Regulations and this programme agreement.

2. Eligibility of project promoters and project partners is stipulated in Article 7.2 of the Regulations and, in accordance with paragraph 4 thereof, subject only to the limitations stipulated in this programme agreement.

3. Pre-defined projects shall be outlined in this programme agreement.

4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 7.5 of the Regulations.

Article 3.2
Project contract

1. For each approved project a project contract shall be concluded between the Programme Operator and the Project Promoter.

2. In cases where a project contract cannot, due to provisions in the national legislation, be made between the Programme Operator and the Project Promoter, the Beneficiary State may instead issue a legislative or administrative act of similar effect and content.

3. The content and form or the project contract shall comply with Article 7.6 of the Regulations.

4. The National Focal Point shall ensure that the obligations of the Project Promoter under the project contract are valid and enforceable under the applicable law of the Beneficiary State.

Article 3.3
Project partners and partnership agreements

1. A project may be implemented in a partnership between the Project Promoter and project partners as defined in paragraph 1(w) of Article 1.6 of the Regulations. If a project is implemented in such a partnership, the Project Promoter shall sign a partnership agreement with the project partners with the content and in the form stipulated in Article 7.7 of the Regulations.

2. The partnership agreement shall be in English if one of the parties to the agreement is an entity from the Donor States.

3. The eligibility of expenditures incurred by a project partner is subject to the same limitations as would apply if the expenditures were incurred by the Project Promoter.

4. The creation and implementation of the relationship between the Project Promoter and the project partner shall comply with the applicable national and European Union law on public procurement as well as Article 8.15 of the Regulations.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article. A draft partnership agreement or letter of intent shall be submitted to the Programme Operator before the signing of the project contract.

Chapter 4
Finance

Article 4.1
Eligible expenditures

1. Subject to Article 8.7 of the Regulations, eligible expenditures of this Programme are:

(a) management costs of the Programme Operator in accordance with the detailed budget in the financial plan;

(b) payments to projects within this Programme in accordance with the Regulations, this programme agreement and the project contract.

2. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 8.2 of the Regulations and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 8.3 of the Regulations, the conditions regarding the use of standard scales of unit costs set in Article 8.4 of the Regulations as well as indirect costs in accordance with Article 8.5 of the Regulations.

3. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 8.13 of the Regulations. The first date of eligibility of any pre-defined projects shall be no earlier than the date on which the National Focal Point notifies the Donors of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 6.5 of the Regulations.

4. The maximum eligible costs of the categories referred to in paragraph 1 are set in this programme agreement. Programme specific rules on the eligibility of expenditure set in this programme agreement shall be complied with.

Article 4.2
Proof of expenditure

Costs incurred by Programme Operators, Project Promoters and project partners shall be supported by documentary evidence as required in Article 8.12 of the Regulations.

Article 4.3
Payments

1. Payments to the Programme shall be made when all relevant conditions for payments stipulated in this programme agreement and the Regulations have been fulfilled.

2. Payments to the Programme shall take the form of an advance payment, interim payments and payment of the final balance and shall be made in accordance with Articles 9.2, 9.3 and 9.4 of the Regulations.

3. Payments of the project grant to the Project Promoters may take the form of advance payments, interim payments and payments of the final balance. The level of advance payments and their off-set mechanism is set in this programme agreement.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 9.1 of the Regulations.

5. Chapter 9 of the Regulations shall apply to all aspects related to payments, including currency exchange rules and handling of interests on bank accounts.

Article 4.4
Transparency and availability of documents

The National Focal Point shall ensure an audit trail for financial contributions from the EEA and Norwegian Financial Mechanisms 2014-2021 to the Programme in accordance with Article 9.8 of the Regulations.

Article 4.5
Irregularities, suspension and reimbursements

The Donors have the right to make use of the remedies provided in the Regulations, in particular Chapter 13 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 12 and 13 of the Regulations regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 5
Final provisions

Article 5.1
Dispute settlement

1. The Parties waive their rights to bring any dispute related to the programme agreement before any national or international court, and agree to settle such a dispute in an amicable manner.

2. If a demand for reimbursement to the Donors is not complied with by the Beneficiary State, or a dispute related to a demand for reimbursement arises that cannot be solved in accordance with paragraph 1, the Parties may bring the dispute before Oslo Tingrett.

Article 5.2
Termination

1. The Donors may, after consultation with the National Focal Point, terminate this programme agreement if:

(a) a general suspension decision according to Article 13.6 of the Regulations or a decision to suspend payments according to paragraph 1(h) of Article 13.1 of the Regulations has not been lifted within 6 months of such a decision;

(b) a suspension of payments according to Article 13.1 of the Regulations, other than under paragraph 1(h), has not been lifted within one year of such a decision;

(c) a request for reimbursement according to Article 13.2 of the Regulations has not been complied with within one year from such a decision;

(d) the Programme Operator becomes bankrupt, is deemed to be insolvent, or declares that it does not have the financial capacity to continue with the implementation of the Programme; or

(e) the Programme Operator has, in the opinion of the Donors, been engaged in corruption, fraud or similar activities or has not taken the appropriate measures to detect or prevent such activities or, if they have occurred, nullify their effects.

2. This programme agreement can be terminated by mutual agreement between the Parties.

3. Termination does not affect the right of the Parties to make use of the dispute settlement mechanism referred to in Article 5.1 or the right of the Donors to make use of the remedies provided in Chapter 13 of the Regulations.

Article 5.3
Waiver of responsibility

1. Any appraisal of the Programme undertaken before or after its approval by the Donors, does not in any way diminish the responsibility of the National Focal Point and the Programme Operator to verify and confirm the correctness of the documents and information forming the basis of the programme agreement.

2. Nothing contained in the programme agreement shall be construed as imposing upon the Donors or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The Donors do not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Programme or its projects including, but not limited to inconsistencies in the planning of the Programme or its projects, other project(s) that might affect it or that it might affect, or public discontent. It is the full and sole responsibility of the National Focal Point and the Programme Operator to satisfactorily address such issues.

4. Neither the National Focal Point, the Programme Operator, entities involved in the implementation of projects, nor any other party shall have recourse to the Donors for further financial support or assistance to the Programme in whatsoever form over and above what has been provided for in the programme agreement.

5. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees, nor the Donors, the NMFA, the FMC, its members or alternate members, nor the EFTA States, can be held liable for any damages or injuries of whatever nature sustained by the National Focal Point or the Beneficiary State, the Programme Operator, Project Promoters or any other third person, in connection, be it direct or indirect, with this programme agreement.

6. Nothing in this programme agreement shall be construed as a waiver of diplomatic immunities and privileges awarded to the European Free Trade Association, its assets, officials or employees.

Article 5.4
Entry into force and duration

1. This programme agreement shall enter into force on the date of the last signature of the Parties.

2. This programme agreement shall remain in force until five years have elapsed after the date of the acceptance of the final programme report.

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This programme agreement is drawn up in two originals in the English language.

For the Donors	For the National Focal Point
Signed in Oslo on 06/08/2019	Signed in Riga on 27/08/2019
.....	.....
Niels Engelschiøn Chairman of the Financial Mechanism Committee Director General, Norwegian Ministry of Foreign Affairs	Armands Eberhards Deputy State Secretary on EU Structural Funds and Cohesion Fund Issues Ministry of Finance of the Republic of Latvia

Annex I to the Programme Agreement

Programme Operators and Partners	
Programme Operator:	Ministry of Education and Science of the Republic of Latvia
Donor Programme Partner:	Directorate for Higher Education and Skills (HK-DIR) National Agency for International Education Affairs (AIBA) Research Council of Norway (RCN)
IPO:	-
Other Programme Partner(s):	-

Programme Objective	Enhanced research-based knowledge development

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
PA02	Outcome 1	Enhanced performance of Baltic research internationally	Number of joint peer-reviewed scientific publications submitted[1]	Donor State, Type of scientific publication	Cumulative number	Proof of submission	Annually (APR)	0	N/A	50
			Number of joint applications for further funding	Donor State, Applicant type, Funding source (applied for)	Cumulative number	Copies of the application for funding	Annually (APR)	0	N/A	16
			Number of jointly registered applications for Intellectual Property Protection	Donor State	Cumulative number	Copies of filed application(s)/registration reference	Annually (APR)	0	N/A	3

[1] Reference to "joint" under the outcome indicators from Outcome 1 is understood to be Baltic-Donor States in a joint capacity with minimum 1 Baltic State and at least 1 Donor State. Achievements for these indicators shall be counted based on the projects implemented by Latvian project promoters.
Peer-reviewed scientific publications submitted mean: Gold Open Access, pending Open Access, other.

	Output 1.1	Knowledge of Research Shared	Number of researchers supported[2]	Beneficiary State, Gender, Type of graduate degree	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	44
PA03	Outcome 2	Improved skills and competences of students and staff in higher education and research	Number of students with received ECTS credits	N/A	Cumulative number	Project Promoter's records	Annually (APR)	0	N/A	30
	Output 2.1	Facilitated learning mobility in higher education (HE) (students and staff) between Beneficiary State and Donor States	Number of staff from Latvia in exchanges	Donor State, Gender, Type of exchange	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	35
			Number of staff from Donor States in exchanges	Donor State, Gender, Type of exchange	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	20
			Number of students from Latvia in exchanges	Donor State, Gender, Type of exchange	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	28
			Number of students from Donor States in exchanges	Donor State, Gender, Type of exchange	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	8
PA03	Outcome 3	Enhanced regional knowledge development	Number of pupils and students who benefitted from education and	Gender, Age	Cumulative number	Project Promoter's records	Annually (APR)	0	N/A	800

[2] PhD and PostDoc.

		of STEM (science, technology, engineering and mathematics)	training programmes organised in Innovation Centres							
			Share of teachers who self-reported improved competencies in teaching STEM	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	80 %[3]
			Share of pupils and students who self-reported increased interest in STEM	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	80 %[4]
	Output 3.1	Education and training programmes implemented in Innovation Centres	Number of teachers involved in educational and training programmes and workshops	Gender	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	200
			Number of education and training programmes implemented in innovation centres	N/A	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	12
PA02	Bilateral Outcome	Enhanced collaboration between beneficiary and donor state entities	Level of trust between cooperating entities in Beneficiary States and Donor States	N/A	Scale 1-7	Survey results	Annually (APR)	6.47[5]	2023[6]	4.5[7]
			Level of satisfaction with the partnership	N/A	Scale 1-7	Survey results	Annually (APR)	6.39[8]	2023[9]	4.5[10]

[3] The target value is ≥80%
[4] The target value is ≥80%
[5] Based on the survey carried out on behalf of the FMO
[6] Survey carried out on behalf of the FMO
[7] Target is ≥4.5, and an increase on the baseline value
[8] Based on the survey carried out on behalf of the FMO.
[9] Survey carried out on behalf of the FMO.
[10] Target is ≥4.5, and an increase on the baseline value.

		involved in the programme	Share of cooperating organisations who apply the knowledge acquired from bilateral partnership	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	50 %[11]
	Bilateral Output 1	Cooperation between Donors and Beneficiary state facilitated	Number of projects involving cooperation with a donor project partner	N/A	Cumulative number	Copies of contracts concluded with Project Promoters, Partnership agreements between Project Promoters and project partners	Semi-annually (APR and September IFR)	0	N/A	21

[11] Target is minimum 50 %, and an increase on the baseline value

Conditions

General

1. For the indicators related to Outcome 1, the National Focal Point shall ensure that the Programme Operator ensures that double counting of the achievements is avoided across the Baltic Research Programme implemented in Latvia, Estonia and Lithuania.

2. The maximum level of funding available from the total eligible expenditure of each pre-defined project under outcome 3 for mobile equipment shall be 60%.

3. Mobile equipment under outcome 3 is demonstration equipment, device or installation required for the education activities according to the respective Innovation Centre's thematic specialization and which will be purchased, developed and used to provide the Centre's educational activities both inside and outside the Centre. For this purpose, equipment may be assembled and inbuilt in the Innovation Centres, provided that the equipment is consistent with the objectives of the programme and project and are necessary for implementation of the planned project activities.

Pre-eligibility

Not applicable

Pre-payment

Not applicable

Pre-completion

Not applicable

Post-completion

Not applicable

Eligibility of costs - period	**First date**	**Final date**
Eligibility of costs	15/12/2017	30/04/2025
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 16,785,967
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		€ 8,370,269
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		€ 5,897,803
Maximum amount of Programme grant - Total (€)		€ 14,268,072

PA	Budget Heading	EEA Grants	Norway Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment
PA02	Programme management	€ 744,483	€ 525,517	€ 1,270,000	85.00 %	€ 224,118	€ 1,494,118	€ 0
PA03	Outcome 3 (EEA Grants)	€ 0		€ 0	85.00 %	€ 0	€ 0	€ 0
PA03	Outcome 3 (Norway Grants)		€ 5,372,286	€ 5,372,286	85.00 %	€ 948,051	€ 6,320,337	€ 0
PA03	Outcome 2 (EEA Grants)	€ 256,275		€ 256,275	85.00 %	€ 45,225	€ 301,500	€ 0
PA03	Outcome 2 (Norway Grants)		€ 0	€ 0	85.00 %	€ 0	€ 0	€ 0
PA02	Outcome 1 (EEA Grants)	€ 7,369,511		€ 7,369,511	85.00 %	€ 1,300,502	€ 8,670,013	€ 0
PA02	Outcome 1 (Norway Grants)		€ 0	€ 0	85.00 %	€ 0	€ 0	€ 0
Total		**€ 8,370,269**	**€ 5,897,803**	**€ 14,268,072**	**85.00 %**	**€ 2,517,895**	**€ 16,785,967**	**€ 0**

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 149,412

Research and Education

Operational rules (Annex II)

1. **Programme summary**

This Annex sets out the operational rules for the programme. The programme agreement is based on the MoUs, the concept note and comments made by the Donors. Commitments, statements and guarantees, explicit as well as implicit, made in the concept note, are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

The Programme Operator is the Ministry of Education and Science of the Republic of Latvia. Certain tasks of the Programme Operator may be delegated to the State Education Development Agency (SEDA) and, as of 1 January 2022, to the Latvian Council of Science, however this does not in any way reduce or restrict the responsibility of the Programme Operator. The Research Council of Norway (RCN), Norwegian Directorate for Higher Education and Skills (HK-Dir), and the National Agency for International Education Affairs, Liechtenstein (AIBA) shall act as Donor Programme Partners.

The programme objective "Enhanced research-based knowledge development" shall be attained through three outcomes:

- Outcome 1: "Enhanced performance of Baltic research internationally"

The outcome will be supported by way of one open call for proposals and one restriced call for proposals, both financed under the EEA Financial Mechanism. The calls will be a part of the "Baltic Research Programme", to be implemented also under the Research programmes in Estonia and Lithuania, aiming at enhancing the performance of research in the Baltic Region. The restricted call will be directed at the development of new joint research project applications to be submitted to Horizon Europe or an alternative source of funding. Project applicants of project proposals, which were submitted and rejected under the Call #1 due to insufficient funds (project applicants in the reserve list of the Call #1), will be invited to submit project proposals for the development of new joint research project applications. Project proposals have to be prepared in the same thematic area as under the Call #1 and with the same project partners from Estonia, Lithuania, Norway, Iceland, Liechtenstein or Latvia. Additional partners from the same countries may be added in order to enhance the application.

Moreover, ongoing projects under outcome 1 will be invited to apply for funding to add further activities that contribute to the project objectives and enhance the results. Priority will be given to applications that aim to support Ukrainian researchers, doctoral students and Master's students, who are directly affected by the Russian invasion of Ukraine and residing in Latvia, Estonia, Lithuania or the Donor states.

- Outcome 2: "Improved skills and competences of students and staff in higher education and research"

The outcome will be supported by way of two open call for proposals, financed under the EEA Financial Mechanism. Moreover, ongoing projects will be invited to apply for funding to add further mobility activities that contribute to the project objectives and enhance the results. Priority will be given to projects involving Ukrainian students and staff, who are directly affected by the Russian invasion of Ukraine and who wish to study or work in higher education institutions in Latvia.

- Outcome 3: "Enhanced regional knowledge development of STEM (science, technology, engineering and mathematics)"

The outcome will be supported by way of four pre-defined projects, financed under the Norwegian Financial Mechanism.

In accordance with the Guideline for Research Programmes, the "Baltic Research Programme" shall follow the principles and practice of European framework programmes (i.e Horizon 2020 and to Horizon Europe) for research and innovation. The "Baltic Research Programme" will pay particular attention to the implementation of principles and provisions on Open Science.

2. Eligibility

2.1 Eligible applicants:

Modality	**Eligible applicants**	**Eligible partners**
Call #1 **Outcome 1**	Research organisations, as defined in the EU Framework for State aid for research and development and innovation (2014/C 198/01), established in Latvia*.	• Research organisations, as defined in the EU Framework for State aid for research and development and innovation (2014/C 198/01), established in Latvia**, Estonia, Lithuania, Norway, Iceland or Liechtenstein. • Research organisations, whose primary goal is to independently conduct fundamental research, industrial research or experimental development or to widely disseminate the results of such activities by way of teaching, publication or knowledge transfer, established in third countries are eligible partners but cannot receive funding from the project grant.
Restricted call **Outcome 1**	Research organisations, as defined in the EU Framework for State aid for research and development and innovation (2014/C 198/01), established in Latvia*, that submitted project proposals and were rejected under the Call #1 due to insufficient funds (the reserve list of the Call #1)	Research organisations, as defined in the EU Framework for State aid for research and development and innovation (2014/C 198/01), established in Latvia**, Estonia, Lithuania, Norway, Iceland or Liechtenstein, that were partners of the project proposals submitted and rejected under the Call #1 due to insufficient funds (the reserve list of the Call #1), and additional project partners if that enhances the project application.
Call #2 and Call #3 **Outcome 2**	Higher education institutions established in Latvia.	Higher education institutions established in Norway, Iceland or Liechtenstein.

* Eligible applicants have to be registered in the national register of scientific institutions of Latvia

** Eligible partners from Latvia have to be registered in the national register of scientific institutions of Latvia

Partnerships with at least one entity established in either Estonia or Lithuania, as well as an entity established in one of the Donor States is mandatory within all projects selected under outcome 1. When the donor project partner is from Norway, the partner shall be approved by the RCN, in accordance with the provisions of the RCN guidelines for approval of research organisation.

Partnerships with at least one entity established in one of the Donor States is mandatory within all projects selected under outcome 2.

2.2 Special rules on eligibility of costs:
Costs are eligible in accordance with chapter 8 of the Regulation. The following exceptions are made:

- Article 10.8 of the Guideline for Research Programmes concerning indirect costs shall apply in case of projects under outcome 1. Alternatively, Norwegian entities classified as 'Research Institutes' may use standard scales of unit costs in accordance with Article 8.4.1 (b) of the Regulation. According to the Research Council of Norway's procedure for 'Payroll and indirect costs', the Norwegian entities classed as 'Research Institutes' calculate the payroll and indirect costs together, as hourly rates for the staff participating in a project. The RCN will facilitate the verification of conformity of standard scales of unit costs used by the project participants.
- Only costs incurred by project promoters and project partners from Estonia, Latvia, Lithuania and/or the relevant Donor States shall be eligible under Outcome 1. The eligible costs defined in the Guideline for Research Programmes also apply to the costs of Ukrainian researchers, doctoral students and Master's students, participating in research projects.
- In accordance with Article 8.4 of the Regulation, for projects under outcome 2, the project grant shall take the form of the standard scales of unit costs contained in the Guideline for Educational Programmes and/or in the EU Erasmus+ Programme Guide, as amended from time to time. Expenditure actually incurred by the project promoters shall not be eligible except in the case of special needs support and other exceptional cases specifically approved by the Programme Operator.

3. Bilateral relations
3.1 Bilateral relations
The Programme shall contribute to strengthening bilateral relations between Latvia and the Donor States.

The Programme shall as appropriate facilitate donor partnership projects by carrying out, inter alia, match-making events and activities in conjunction with launching calls for proposals, as well as by encouraging donor partnership projects in call texts.

The further use of the funds for bilateral relations allocated to the programme for outcome 1 shall be agreed in the Programme Committee referred to in section 4.2.

In accordance with the Guideline for Educational Programmes and Article 4.4 of the Regulation, a Cooperation Committee shall be established for outcomes 2 and 3. Norwegian Directorate for Higher Education and Skills (HK-Dir) shall be invited to attend the Cooperation Committee as full member. Norwegian Directorate for Higher Education and Skills (HK-Dir) will coordinate AIBA's opinions and express them in the Cooperation Committee. AIBA will be informed by the Programme Operator about all correspondence and relevant document of the Cooperation Committee. The further use of the funds for bilateral relations allocated to the programme for outcomes 2 and 3 shall be agreed in the Cooperation Committee.

4. Selection of projects and financial parameters
4.1 Open calls and availability of funds (including number of calls, duration of calls, and estimated size):

Outcome	**Modality**	**Indicative timing**	**Total available amount**	**Minimum/Maximum grant applied for**
Outcome 1: The Baltic Research Programme	Call #1	August 2020	€ 8,248,764.55	€300,000/ €800,000 (for applications with a partner from either Estonia or Lithuania, and at least one Donor State partner) €300,000/€1,000,000 (for applications with partners from both Estonia and Lithuania, and at least one Donor State partner)
Outcome 1: The Baltic Research Programme	Restricted call	October 2022	€ 292,507.45[12]	A maximum of €50,000 - for applications with a partner from either Estonia or Lithuania, and at least one Donor State partner A maximum of €60,000 - for applications with partners from both Estonia and Lithuania, and at least one Donor State partner
Outcome 1: The Baltic Research Programme	Extension of projects Available funding	October 2022	€ 276,266 **In total Outcome 1: € 8,817,538**	
Outcome 2: Scholarships	Call #2 Call #3	February 2021 January 2022	€ 246,880 € 27,170	€10,000/ €200,000
Outcome 2: Scholarships	Extension of projects/ Available funding	November 2022	€ 32,550 **In total Outcome 2:** € 306,600	

[12] Any amounts uncommitted may be used for "Extension of projects" under the Outcome 1

In the case of uncommitted funds after Call # 2 and Call # 3 the Programme Operator can launch an additional call under the same outcome.

4.2 Selection procedures:

Outcome 1:

Applications submitted under the call for proposals under outcome 1 shall follow the selection procedures described in the Guideline for Research Programmes. In order to ensure a joint approach the call documents of Latvia shall be based on those developed for the Estonian call. The call documents shall be revised and approved by the Programme Committee.

The Programme Committee shall consist of eight members: two members from Latvia, two members from Estonia, two members from Lithuania and two members from the Donor States. RCN shall be invited to attend the Programme Committee as observers.

Applications submitted under the restricted call for proposals under outcome 1 will be selected based on a simple and transparent procedure that includes:

1. transparency and objective administrative and quality evaluation criteria;
2. equal treatment to all project applicants in the reserve list under the open call is ensured, taking into account proportionality of the administrative burden posed by the process;
3. a clear deadline for applications after which all applications are considered.

The main quality evaluation criteria are relevance and coherence of the project and quality and efficiency of project implementation and management, added value of international co-operation.

In quality evaluation the applications shall be evaluated by two independent experts.

In the case of equally scored proposals, priority is given to the proposals which have partners from both Estonia and Lithuania involved in the project.

With regards to the "Extension of the projects" under Outcome 1, received applications will be selected in a transparent manner based on the procedures developed by the PO and agreed with the Cooperation Committee and the Programme Committee.

Outcome 2:

Applications submitted under call for proposals under outcome 2 shall follow the selection procedures outlined in Annex 2 to the Guideline for Educational Programmes and outcomes outlined in the Core Indicators Guidelines. Representatives of Norwegian Directorate for Higher Education and Skills shall be invited to participate in the Selection Committee meetings as full member, with the right to vote. Norwegian Directorate for Higher Education and Skills will comment also on behalf of AIBA after consulting with them.

With regards to the "Extension of the projects" under Outcome 2, received applications will be selected in a transparent manner based on the procedures developed by the PO and agreed with the Cooperation Committee and the Programme Committee.

4.3 Project grant rate:

Grants from the programme to projects under outcome 1 and 2 may be up to 100% of total eligible expenditure of the project. The maximum grant rates for the pre-defined projects are set in section 5.1. The project grant rate shall in all cases be set at a level that complies with the State Aid rules in force and takes into account any and all other forms of public support granted to projects. Any remaining costs of the project shall be provided by the Project Promoter.

5. Additional mechanisms within the Programme

5.1 Pre-defined projects

There will be four pre-defined projects implemented under the programme. All projects will focus on teaching and training in the field of STEM (science, technology, engineering and mathematics), but with a different thematic topic that will help ensure complementarity and peer-learning between the four innovation centres. The activities will be developed and implemented together with national and Donor State partners.

1) "Development of Innovation centre in Cesis city"

Project Promoter:	Cesis Municipality
Donor project partner(s):	Andoya Space Education
Other project partner(s):	Riga Technical University
Total maximum eligible costs:	€ 2,146,856
Project grant rate:	90.00 %
Maximum project grant amount:	€ 1,932,172

Programme outcome the project contributes to: “Enhanced regional knowledge development of STEM (science, technology, engineering and mathematics)”

The pre-defined project will focus on STEM through space-related topics. The activities include:

- Developing education and training programmes for teachers on how to promote values of curiosity, innovation and entrepreneurship in a school environment;
- Developing workshops, extracurricular activities and science camps and other outreach activities for pupils and students and others;
- Developing ‘makerspace’ and ‘makerlabs’ and other interactive thematic exhibits, including acquiring necessary mobile equipment;
- Evaluate activities and measure impact of the innovation centre on society.

2) "Development of Innovation centre in Daugavpils city"

Project Promoter:	Daugavpils City Council
Donor project partner(s):	Trondheim Science Centre
Other project partner(s):	Daugavpils University
Total maximum eligible costs:	€ 2,011,605
Project grant rate:	90.00 %
Maximum project grant amount:	€ 1,810,444

Programme outcome the project contributes to: “Enhanced regional knowledge development of STEM (science, technology, engineering and mathematics)”

The pre-defined project will focus on the entrepreneurial side of STEM, with special focus on how young people can develop careers in the sector. The activities include:

- Developing education and training programmes for teachers on how to promote values of curiosity, innovation and entrepreneurship in a school environment;
- Developing workshops, extracurricular activities and science camps and other outreach activities for pupils and students and others;

- Developing ‘makerspace’ and ‘makerlabs’ and other interactive thematic exhibits, including acquiring necessary mobile equipment;
- Evaluate activities and measure impact of the innovation centre on society.

3) "Development of Innovation centre in Liepaja city"

Project Promoter:	Liepaja Municipaliy
Donor project partner(s):	Trondheim Science Centre Science Circus Nærbø
Other project partner(s):	Liepaja University
Total maximum eligible costs:	€ 986,049
Project grant rate:	90.00 %
Maximum project grant amount:	€ 887,444

Programme outcome the project contributes to: “Enhanced regional knowledge development of STEM (science, technology, engineering and mathematics)”

The pre-defined project will focus on environmental sciences within STEM. The activities include:

- Developing education and training programmes for teachers on how to promote values of curiosity, innovation and entrepreneurship in a school environment;
- Developing workshops, extracurricular activities and science camps and other outreach activities for pupils and students and others;
- Developing ‘makerspace’ and ‘makerlabs’ and other interactive thematic exhibits, including acquiring necessary mobile equipment;
- Evaluate activities and measure impact of the innovation centre on society.

4) "Development of Innovation centre in Ventspils city"

Project Promoter:	Ventspils Municipality
Donor project partner(s):	VilVite Science Centre, Bergen
Other project partner(s):	Ventspils University
Total maximum eligible costs:	€ 2,011,676
Project grant rate:	90.00 %
Maximum project grant amount:	€ 1,810,508

Programme outcome the project contributes to: “Enhanced regional knowledge development of STEM (science, technology, engineering and mathematics)”

The pre-defined project will focus on STEM with special attention to natural sciences and ICT. The activities include:

- Developing education and training programmes for teachers on how to promote values of curiosity, innovation and entrepreneurship in a school environment;
- Developing workshops, extracurricular activities and science camps and other outreach activities for pupils and students and others;
- Developing ‘makerspace’ and ‘makerlabs’ and other interactive thematic exhibits, including acquiring necessary mobile equipment;
- Evaluate activities and measure impact of the innovation centre on society.

5.2 Financial Instruments

Not applicable

6. Programme Management

6.1 Payment flows

The Programme Operator shall ensure that payments to projects are made in a timely manner. Payments of the project grant to the Project Promoters shall take the form of advance payments, interim payments and payments of the final balance. The advance payments and interim payments shall be based on a pre-financing model. The maximum level of each type of payment shall be linked to the outcome and project duration as follows:

Outcome	Advance Payment	Interim Payment	Final Payment (reimbursement)
Outcome 1 and 3:	Up to 40%	Up to 50%	Up to 10%
Outcome 2:			
12 months	Up to 80%	-	Up to 20%
24-30 months	Up to 40%	Up to 40%	Up to 20%

- Advance payments shall be paid within 1 month after signature of the grant contract.
- Project Promoters can receive interim payment only when 70% of advance payment has been reported as incurred in the project interim report.
- Interim and final payments shall be paid within 3 months after the submission of interim/final project report and within 1 month after the approval of the project interim/final report.
- The approval of project interim/final reports shall take place 2 months maximum from the submission of all the required information.

Reporting requirements, including periods and submission deadlines, shall be further detailed in the description of the Programme Operator's management and control systems.

6.2 Verification of payment claims

Verifications to be carried out by the Programme Operator shall cover administrative, financial, technical and physical aspects of the project, as appropriate and be in accordance with the principle of proportionality.

Verifications shall include the following procedures:

- administrative verifications in respect of incurred expenditures reported by Project Promoter to be carried out before approval of each interim and final project report;
- on–the-spot verifications.

The requirements for proof of expenditures shall be set out in the project contract.

The procedures for administrative and on-the-spot verifications shall be further detailed in the description of the Programme Operator's management and control systems.

6.3 Monitoring and reporting

The Programme Operator shall monitor, record and report on progress towards the programme's outcomes in accordance with the provisions contained in the legal framework. The Programme Operator shall ensure that suitable and sufficient monitoring and reporting arrangements are made with the

project promoters in order to enable the Programme Operator and the NFP to meet its obligations to the donors.

When reporting on progress achieved in Annual and Final Programme Reports, the Programme Operator shall disaggregate results achieved as appropriate and in accordance with instructions and templates received from the FMO.

6.4 Programme administrative structures

The programme is operated by the Ministry of Education and Science of Latvia. Certain tasks may be delegated to the State Education Development Agency (SEDA) and, as of 1 January 2022, to the Latvian Council of Science, however this does not in any way reduce or restrict the responsibility of the Ministry of Education and Science of Latvia.

7. Communication

The Programme Operator shall comply with Article 3.3 of the Regulation, the Information and Communication Requirements in Annex 3 of the Regulation and the Communication plan for the programme.

8. Miscellaneous

Not applicable