

## Annotated<sup>1</sup> Template Annual Programme Report EEA and Norwegian Financial Mechanisms 2009-2014

This annotated template is drafted to encourage and guide the Programme Operators to produce concise, results-based programme reports that will give an account of progress and results that contribute to the expected outcomes and the programme objective. This template will help to ensure that the requirements of the Programme Operators Manual (POM) are met.

Checklist questions before submitting the Annual Programme Report	YES	NO
Has the Annual Programme Report template (from the POM) been used?	Yes	
Have all the sections in the Annual Programme Report been addressed, including any relevant Horizontal concerns?	Yes	
Does the executive summary serve as a stand-alone document?	Yes	

The Annual Programme Report is prepared by the Programme Operator and shall give an overview of the implementation of the Programme with direct reference to the information provided in the Programme proposal and the requirements of the Programme Agreement. The information provided in the report shall be limited to the reporting period (the previous calendar year), without repeating what has previously been reported on. The reports shall be submitted as set out in the MoU and the Regulations (ref. Article 5.11 of the *Regulation*). The deadline for submission is 15 February.

The Final Report shall focus on achievement of the Programme objectives, expected outcome(s) and outputs. Only the main elements of the implementation of the Programme shall be included. The reporting period is in the case of the Final Report the same as the entire Programme period (ref. Article 5.12 of the *Regulation*).

The main body of the report should not exceed 20 pages, excluding any attachments. The report shall consist of the sections set out below.

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<sup>1</sup> Annotations, in blue text, accompany the structure and description outlined in the Programme Operators Manual. The tracked changes are proposed changes to the Annual Programme Report template in the Programme Operators manual (annex 9 of the Regulation).

## 1. Executive summary

This section shall provide a short summary of the principal findings and points of the report.

Write this section last once you've written the entire report. Please note that this section should serve as a stand-alone document that gives a wider audience a clear overview. Briefly point to the main results, progress and issues encountered in the reporting period (previous calendar year).

The Programme LV05 "Research and Scholarships" provides support for mobility, scholarships and academic co-operation in the higher education sector between the EEA countries (Norway, Iceland and Liechtenstein) and Latvia, as well as for the research co-operation between the Latvian and Norwegian scientific institutions, in order to strengthen the basis of human resources and knowledge, and to promote bilateral cooperation in research between the Latvian and Norwegian institutions.

The financing available for the Programme is EUR 6,122,500, including the EEA and the NFM financing of EUR 5,510,250 and the Latvian national co-financing of EUR 612,250.

The Programme consists of two components: the Research component and the Scholarships component. Research component is co-financed by the NFM. Scholarships component is co-financed by both, the NFM and the EEA FM. Development of bilateral cooperation relations, including Preparatory visits, is funded from both of the Programme components. Thus, there are two main activities foreseen – "Research" and "Scholarships" as well as the development of bilateral cooperation relations, including Preparatory visits.

Management of the Programme is ensured by two institutions – the Ministry of Education and Science of Latvia (hereinafter – PO) and the State Education Development Agency (hereinafter – Agency).

Implementation of the activity "Research" and activity "Scholarships" was started in 2014:  
1) The Regulation of the Cabinet of Ministers "Open Call Provisions for Project Applications of Activity "Research" of the Programme "Research and Scholarships" of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism 2009-2014" was adopted in June 2014. The open call for proposals in the activity was launched in July 2014. In total 73 project applications were received and 11 project application were approved (decisions on approval were made in January 2015).

2) The Regulation of the Cabinet of Ministers "Open Call Provisions for Project Applications and implementation rules of Activity "Scholarships" of the Programme "Research and Scholarships" of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism 2009-2014" was adopted in October 2014. In total, 33 project applications were received in January 2015. It is expected that decisions on the approval of project applications will be taken in April – May 2015.

Moreover, one open call was launched for the Programmes' activity "Preparatory visits" in 2014. In total 11 project applications were received and 10 project application were approved.

In spite of delays in launching the Programme, the interest expressed by potential applicants for the Research activity and Scholarships activity was high enough. However, it must be recognized that interest level of potential applicants in Scholarships component within Preparatory visits' activity were planned higher.

## 2. Programme area specific developments

With reference to the information provided in the Programme proposal (in particular chapter 3.3 on the relevance of the programme), describe important developments in the Programme area, also in respect of policy, financial or administrative changes.

In 2014, the following important national policy developments in the field of education and research in Latvia have been carried out:

- 1) Guidelines for the Development of Education 2014-2020 approved. The Guidelines define the basic principles, objectives, as well as courses of action in the next seven years for development of education policy. Taking into account the fact that the processes of education directly affects everyone in the population of all age groups, the guidelines cover all forms and degrees of education. The main target of education development in the Guidelines is high-quality and inclusive education to improve development of personality, human well-being and sustainable national development. Activities set out in the Guidelines provide sequential continuity of development of education, including the results achieved during the previous period, tendencies of education development of Latvia, linking objectives of national level with objectives planned by European Union and National Reform Programme "Europe 2020" for implementing the strategy.
- 2) The World Bank research for implementing of new funding model for higher education accomplished. There remain study places in the new financing model to ensure education system stability and sustainability. Furthermore, to higher education institutions are providing funding that stimulate competition for the best results in studies and research, as well as targeted funding for strategic objectives and innovation. The new funding model for higher education is still in developing process, improving regulatory framework for financing, developing criteria for performance-based financing of higher education and providing enhanced linking of research and study work between higher education institutions.
- 3) Work on science structural reforms is continuing, including the consolidation of scientific institutions, improvement of capacity of competitive research institutions, implementation of European Union cohesion policy, as well as effective planning of sector investment. Informative report "On Implementation of Structural Reforms in Latvian Science Until 1 July 2015" has been reviewed by Cabinet of Ministers. The report includes four main directions: reforms initiated by research institutions; improvement of regulatory frameworks and management in the field of science; support activities for reforms initiated by scientific institutions, including development of scientific excellence, resource consolidation and strengthening of institutions; scientific activity monitoring, which is a part of the smart specialization strategies within objectives monitoring system of Guidelines for science, technology development and innovations.

### 3. Reporting on Programme outcome

Analyse how the projects' and Programme's outputs *[are expected to]* contribute to the expected outcome(s) defined in the Programme proposal.

There are four outcomes defined in the Programme proposal:

1. Increased higher education student and staff mobility between Beneficiary and EEA EFTA States;
2. Increased higher education student and staff mobility between Beneficiary States and Norway;
3. Increased research cooperation between Norway and the Beneficiary State;
4. Strengthened research capacity in the Beneficiary State and increased application of research results through research cooperation between Norway and the Beneficiary State.

Calls for Proposals in Research and Scholarships activities, which the Programme outcomes are related to, were announced on 8 July 2014 (Research component) and on 10 November 2014 (Scholarships component) of 2014. Open calls in both activities of the Programme has been already closed (for more detailed description see Section 5), while evaluation and selection of received project applications in both activities of the Programme is still in process. Reporting on expected Programme outcomes will be possible in 2015 when some results on how the projects' and Programme's outputs contribute to the expected outcomes will be available.

Amendments have made and approved by Financial Mechanism Office (FMO) in outputs of activity "Scholarships". The target values of outputs have changed and reduced. Indicators were reduced considering planned amount of grant and mobility duration. Initially planned indicators cannot be achieved under the available funding.

Crucial amendments were planned in Outcome and Output indicator section of activity "Research". For now (in the beginning of 2015) those amendments are submitted to the National Focal Point (NFP) for reviewing. The amendments provide to specify target values of indicators for Outcomes and Outputs, as well as formulation of those indicators.

As concerns the horizontal issues, no concerns are expected in the implementation of the Programme LV05 "Research and Scholarships".

If this is a Final Report, then report on the outcome compared to the expected outcome.

### 4. Reporting on outputs

4.1 Give a summary and analysis of how the selected projects have contributed or are contributing to each of the Programme outputs set out in the Programme proposal. Analyse progress towards the defined outputs, and explain any deviation from the plan.

4.2 Give a summary of the implementation of each pre-defined project. When projects have been completed give a summary of their actual contributions to the output targets.

4.3 Give a summary of the implementation of small grant schemes. If this is a Final Report, provide a summary of their actual contributions to the Programme output.

Project applications under activity “Research” were approved in January 2015. It is expected that project applications under activity “Scholarships” will be approved in April – May 2015. Consequently, reporting on expected Programme outputs will be possible in 2015.

It is, however, obvious that Output indicators for the Research activity will not be reached, as the minimum and maximum amount of the Programme grant have been significantly increased in the Programme Agreement (minimum grant - EUR 60 000, maximum grant - EUR 1 000 000) compared to the initially planned one. Taking into account that only EUR 4 435 556 in total are available as Programme financing, it is not be feasible to approve 40 projects as planned in the Programme proposal.

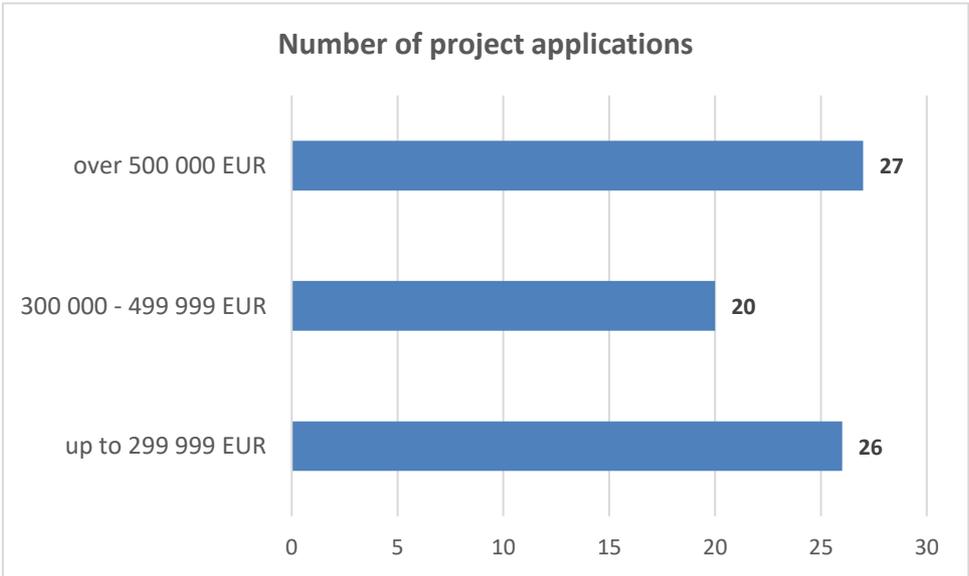


Chart 1. Number of project applications according to the grant amount requested

In order to illustrate the identified risk, chart 1 featured the number of project applications according to the grant amount requested. Output indicators for the Research activity can be reached provided that grant requested in the project applications is of a minimum amount or slightly exceeds the minimum amount. Chart 1 shows that the majority of project applications request the amount of grant which is sufficiently exceeds the minimum amount. It must be noted that no project applications have been submitted for a minimum amount and only 3 project applications have requested financing less than 200 000 EUR. The main consideration for such amount of requested financing is the minimal period of project implementation that is 12 months. Average costs of projects per 12 months consist approximately of such amount of financing, and require a lower amount of financing would not be valid. Also, the number of cooperating research organisations and scientific publications will decrease due to the

actual number of projects to be approved. For now (in beginning of 2015) appropriate amendments were made and submitted to the National Focal Point (NFP) for reviewing.

## 5. Project selection

With reference to the Programme proposal list the calls carried out during the reporting period. Include a summary of the call(s) and describe the level of interest.

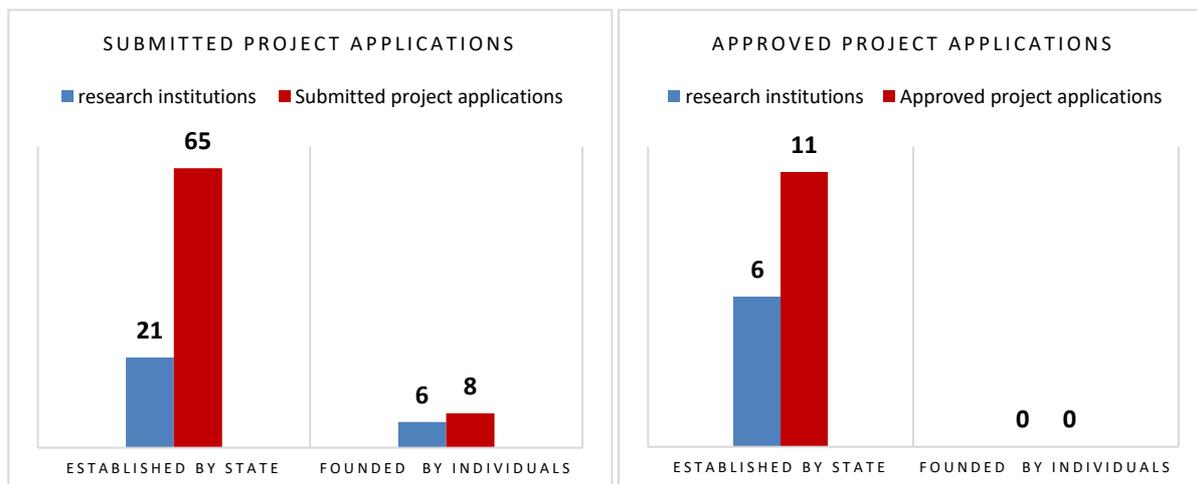
If this is a Final Report, or if all calls have closed, then provide a summary of all the calls in the whole Programme period.

<b><u>List of calls in 2014:</u></b>					
Date of launching the call	Submission deadline of applications	Activity which the call relates to	Financial Instrument	Number of applications received	Number of projects selected
08.07.2014.	30.09.2014.	Research	Norway Grants	73	11 (approved in beginning of 2015)
18.09.2014.	13.11.2014.	Preparatory visits	EEA/Norway Grants – Bilateral Fund	11	10
10.11.2014.	23.01.2015.	Scholarships	EEA/Norway Grants	33 (January 2015)	0

In 2014, three open calls has been launched:

- An open call for proposals published on 8 July 2014 **in activity “Research”**. The application deadline was 30.09.2014. In total, 73 project applications were received and 68 project applications were selected for quality assessment. In the beginning of 2015, Programme Committee has issued the final conclusion on projects to be financed from the Norway Grant.

Interest level of research institutions in open call for project proposals in activity “Research” has assessed as high – the total funding requested by all project applications is € 37,740,830, and it exceeds available funding in the activity more than 9 times.



These project applications were submitted by 27 research institutions; 11 scientific institutions of them have submitted more than one project application. 21 institution of all project promoters is established by Latvian state (45% of all research institutions established by the state). Only 6 research institutions of all project promoters are founded by individuals (13% of all registered research institutions founded by individuals in Latvia). The reason for a low number of project applications was submitted by research institutions founded by individuals is the requirement to conform the status of research institution (criteria to registration in register of research institutions and criteria to get the status of research institution are different). Another reason for low interest – only the projects with non-economic activities can be financed.

There are several reasons for such interest level within the activity. Firstly, several projects of European Union Structural Funds related to research activities under the 2007-2013 planning period is approaching to an end. Secondly, by now there were limited possibilities for research organizations to obtain funding for projects related with social sciences from other programmes of European Union Structural Funds. Although within activity 2.1.1.1 “Support to Science and Research” of the Supplement of Operational Programme “Entrepreneurship and Innovation” for financial support were eligible projects that meet such priority areas as national identity (language, Latvian history, culture and human security), public health (prevention, treatment, diagnostic tools and methods, biomedical technology), possibilities to receive funding for projects in mentioned areas were limited because these projects had to compete with projects related to other priority areas (energy and environment, innovative materials and technologies, sustainable use of local resources - new products and technologies).

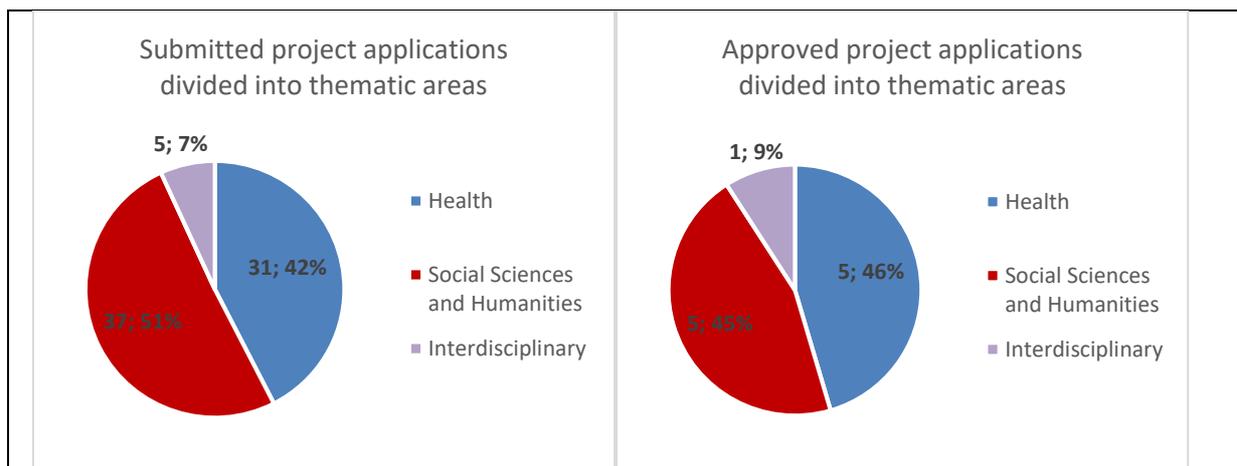


Chart 2. Submitted and approved project applications divided into thematic areas.

- An open call for proposals was published on 18 September 2014 in activity **“Preparatory visits” under the Bilateral Fund in Scholarship component**. The application deadline was 13 November 2014. In total 11 project applications were received and 10 project applications were approved for the amount of EUR 9 677.

Taking into account higher education institutions’ low interest in “Preparatory visits” in Scholarships component during the first open call in 2013 (only 6 projects submitted and 5 approved for financing) and that relatively large funds remained after the first open call, the Agency launched additional open call in Scholarships component. Therefore, the balance of the funding available for the Preparatory visits’ call in total of EUR 35 495 was reallocated to announce the second call for applications under the Preparatory visits’ activity on the 18th September 2014, before the call for applications under the Scholarships activity of the Programme. In total 11 project applications were submitted under Scholarship component of the Programme and 10 were approved for financing. Interest level in the second open call for scholarship component has been low because many higher education institutions already have partners in the Donor States. In accordance with the project time schedule all preparatory visits shall occur until the 23<sup>rd</sup> January 2015, when Submission deadline of applications for Scholarship activity is planned.

An open call for proposals published on 10 November 2014 in the activity **“Scholarships”**. The application deadline was 23 January 2015. It is expected that the final conclusion on projects to be financed from EEA/Norway grants will be made within 3-4 months after application deadline.

Interest level of higher education institutions to participate in open call for project proposals in activity “Scholarships” has assessed as high. As the Programme provides possibility of synergy between both activities “Research” and “Scholarships”, it was logically following action for part of project applicants within activity “Research” to submit project applications in activity “Scholarships”, too.

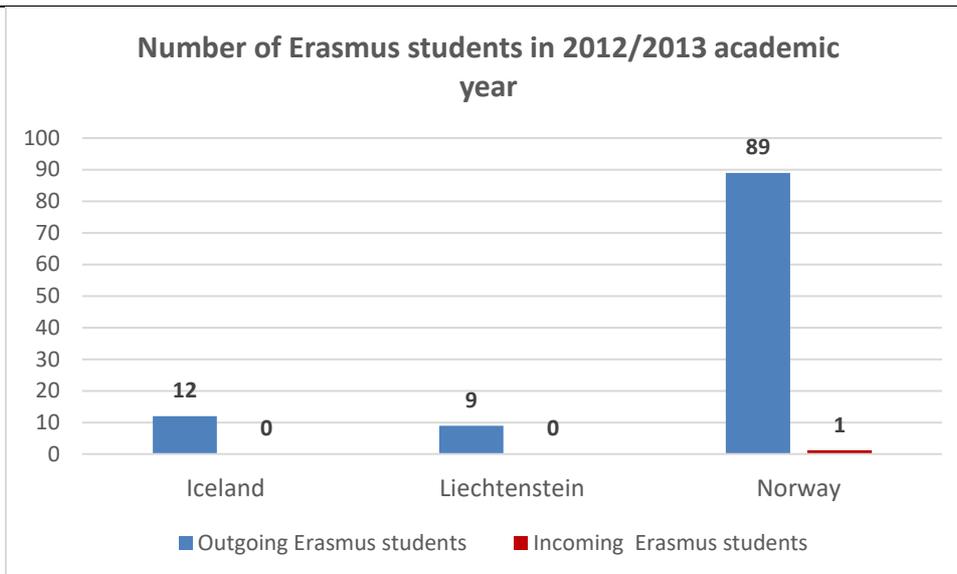


Chart 3. Information on the flow of students from Latvia to Iceland, Liechtenstein and Norway, and to Latvia from Iceland, Liechtenstein and Norway in academic year 2012/2013.

Mobility of students to Iceland, Liechtenstein and especially to Norway, carried out under the Erasmus sub-programme of the Lifelong Learning Programme (2007-2013) (LLP), has been high (chart 3), as the quality of education offered by these countries provides a substantial added value to the individual mobility and institutional cooperation. It should be noted that the statistics of LLP results show the growth of mobility has not been as rapid as in previous academic years, and one of the reasons that students and academic staff mention for such results is too small amount of scholarships. Therefore, it is expected that financial support within activity “Scholarships” will be particularly attractive for those students and academic staff who have not been able to go to Iceland, Liechtenstein and Norway due the small amount of scholarships within programme “Erasmus+” (support of the European Commission within programme “Erasmus+” is 80%, and not exceeding EUR 500).

Before and during the period of open calls for proposals, the Agency actively provided regular consultative support to potential applicants through phone calls/e-mail/individual consultations. The calls were published on the home page of the Agency [www.viaa.gov.lv](http://www.viaa.gov.lv), the home page of the Ministry of Education and Science at [www.izm.gov.lv](http://www.izm.gov.lv), the home pages of the EEZ/Norway grants [www.eeagrants.lv](http://www.eeagrants.lv), [www.norwaygrants.lv](http://www.norwaygrants.lv), [www.eeagrants.org](http://www.eeagrants.org), [www.norwaygrants.org](http://www.norwaygrants.org), newspapers „Latvijas Vēstnesis”, „Diena”, „Latvijas Avīze”, „Bizness&Baltija” and a press release was prepared and made available to public Three informative seminars on the call conditions and application procedure were organised within the Research activity on 28 July, 4 August and 25 August 2014. One informative seminar on the call conditions and application procedure was organised within Scholarship activity on 27 November 2014.

All the Guidelines to project applicants were prepared and published on the home page of the Agency at [www.viaa.gov.lv](http://www.viaa.gov.lv).

**List of forthcoming calls: No forthcoming calls are expected**

## 6. Progress of bilateral relations

Give a summary of how partnerships between the Beneficiary States and the Donor State(s) have been facilitated during the reporting period. In cases of donor partnership programmes, the cooperation between the Programme Operator and the donor programme partner shall be assessed. State the number of donor partnership projects, and describe what has been done to encourage the establishment of such partnership. Give a brief overview of the use of the Funds for bilateral relations at Programme level.

Bilateral Fund serve as the initial tool before launching of Programme activities “Research” and “Scholarships” that allows finding project partners, facilitating partnerships between Latvia and the Donor States and preparing project applications to be submitted under activities “Research” and “Scholarships”.

In 2014, the Agency received 41 project final report prepared by beneficiaries (project promoters approved for financing within the first open call of Preparatory visits in 2013), on the basis of which Agency could conclude that project results for each project were slightly different, but overall project implementers of the preparatory visits met their partners to discuss various cooperation models, roles, defining the future cooperation objectives, tasks, responsibilities, cooperation activities or plans to develop a draft of the joint project application within the Research or Scholarship activity.

There was another one open call for proposals in Scholarships component within activity “Preparatory visits” in 2014 (see Section 5). Reporting on summary and assessment on how partnerships between the Latvia and the Donor State(s) have been facilitated will be possible in 2015.

The Agency has also spread information to potential project promoters regarding the Partner search database maintained by the Research Council of Norway. Many Latvian organisations have already been registered.

The PO also plans to use the Bilateral Fund during the project implementation phase for projects approved under the Research and Scholarships activities to organize partner contact seminars in Latvia to share project experiences and best practices in the implementation of projects. Moreover, to strengthen bilateral relations between Latvia and Norway, the PO is considering an option to offer the Project Promoters and their Partners meeting in scientific conferences/seminars/working groups during the implementation of projects under the Research activity, providing funding from the Bilateral Fund.

### **Complementary action**

An amount of EUR 23 480 has been set aside for complementary action under the Programme LV05 “Research and Scholarships” to be used by PO and the Agency to participate in seminars/conferences/working groups etc. organized for POs by the Donor States’ partners.

In 2014, representatives of the PO and the Agency took part in the following seminars/conferences/ working groups:

1. Jurmala, Latvia – 27<sup>th</sup> May 2014. Partnership seminar organized by the Ministry of Environmental Protection and Regional Development of the Republic of Latvia. Participation in the Partner Search Forum organized within European Economic Area

Grants Programme's "National Climate Policy" Small Grant Scheme „Capacity Building in the Field of Research and Measures for Enhancing Society's Understanding about Climate Change and its Consequences". In total 16 Latvian institutions and 4 institutions (Grid, Norsk – Latvisk Handelskammer, Bellona and Energi) from the Donor States participated at the Partner Search Forum. Participants of the Partner Search Forums presented their institution/organization/company, business sector and profile of preferable project partner. After presentations participants had an opportunity to meet other participants individually, exchange contacts and discuss the cooperation possibilities.

2. Brussels 27<sup>th</sup> – 29<sup>th</sup> August 2014. The seminar focused on implementation of programmes of European Economic Area Financial Mechanism and Norwegian Financial Mechanism for the Period of 2009-2014. Several important issues were discussed relating to the outcome and output indicators of the Research activity.
3. Madrid – 22<sup>nd</sup> – 24<sup>th</sup> October. Beneficiary States of the Scholarship programmes shared their experience about the current implementation progress reached and future plans. Several important issues were discussed relating to the outcome and output indicators of the Scholarship activity - present common challenges related to indicators, risk mitigation, the measure of skills and competencies of the students and staff etc. A lot of practical work in groups was done to meet face to face and to discuss and present common challenges related to indicators and risk mitigation.
4. Tallinn – 4<sup>th</sup> December 2014. The seminar focused on irregularities relating to financial aspects and legal aspects (definitions, types of irregularities, examples of irregularities handling of irregularities, etc.). Practical information about the reporting procedures of irregularities within DoRIS was provided as well as.

## 7. Monitoring

With reference to the monitoring plan for the current reporting period, describe the monitoring activities that have been carried out and give a summary of the findings. Provide a monitoring plan for the next reporting period, following the format given in Chapter 7.3 of the Programme Operators' Manual.

### **Monitoring activities in the Preparatory visits' activity**

The internal regulation of the Agency „Procedure for the Implementation of the Preparatory Visits Activity under the Bilateral Fund of the Programme 'Research and Scholarships' of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism 2009-2014" provides information about detailed monitoring procedure performed by the Agency. In 2014, the Agency received 41 project final report submitted by Project Promoters (approved for financing within the first open call of Preparatory visits in 2013).

Implementation of 10 projects approved in the open call of 2014 has been started in December 2014, while some of the projects were started in the first quarter of 2015.

Within the framework of activity, only the Final report is submitted by the Project Promoters to the Agency – within 30 working days after the end of the preparatory visit. The payments will be subject to the approval of the Final report. Therefore, the review of the final reports and payments to Project Promoters are expected to start in the first quarter of 2015.

## **Monitoring activities in the Research and Scholarships activities**

No specific monitoring activities (on-the-spot checks, review of progress reports, collection and measurement of indicators) have taken place in the Programme activities – Research activity and Scholarships activity. The Call Papers, Selection Criteria, Application Forms and Application Guidelines (as well as the Evaluation Guidelines on the Research activity) have been approved by the Programme Committee and the Cooperation Committee under the written procedure. Cabinet Regulations have been approved and the open calls for proposals were launched in the second half of 2014. It is expected that project implementation within Research activity will start in the first quarter of 2015 and project implementation within Scholarship activity will start in the third quarter of 2015.

Monitoring activities (on-the-spot checks, review of progress reports, collection and measurement of indicators) in 2015 will be carried out according to the detailed monitoring procedure set in the internal regulations of the Agency “Procedure for Monitoring and Control Measures of the Projects under the Research and Scholarships Activities of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism ‘Research and Scholarships’ Programme 2009-2014”, “Procedure for Risk Assessment of the Projects under the Research Activity and the Scholarships Activity of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism ‘Research and Scholarships’ Programme 2009-2014”, “Procedure for Signing and Amending of Contracts of the Projects under the Research Activity and the Scholarships Activity of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism ‘Research and Scholarships’ Programme 2009-2014”, “Procedure for the Verification, Deciding and Reporting on Irregularities identified in the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism ‘Research and Scholarships’ Programme and Recovery of Ineligible Costs”.

## **8. Need for adjustments**

All planning is to a certain extent based on assumptions, and the assumptions made when designing a Programme plan might change over time. This might again imply a need to adjust the plan. If the Programme Operator has made use of a possibility to modify the Programme in line with Article 5.9 of the Regulations and the Programme Agreement during the reporting period, the modifications shall be described in this section.

Several amendments have made in the Programme Agreement in 2014, mostly related to conditions for the implementation and calls for Measure 1 „Preparatory visits activity” (changes related to payment flows, updated information, technical changes, changes in financial parameters etc.). Some significant amendments for reason to achieve as much as possible realistic indicators have also been made. Expected outcomes and indicators for outputs in activity “Scholarships” have reviewed and modified.

Some essential amendments have made in Outcome and Output indicator section of activity “Research”. For now (in the beginning of 2015) those amendments are submitted to the National Focal Point (NFP) for reviewing. Reporting on expected outcomes and outputs of Programmes’ both activities “Research and Scholarships” will be possible in 2015.

## 9. Risk management

With reference to the risks identified in the Programme proposal (and in sections 2 and 3 above) give an analysis of the situation and any mitigating actions carried out or planned. If any new risks have been identified, then they shall also be discussed in this section.

There is a risk management process in the Programme established, the Agency internal procedures for ensuring risk management and the “Risk Management Action Plan for 2015 to the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism programmes” approved. Within the framework of the risk management process, risk identification and assessment, elaboration of the risk management plan, monitoring of compliance therewith and reassessment of risks is carried out. Meetings of the Risk Management Committee established by the Agency are organised when necessary, but at least once a year.

Implementation of the Programme activities was delayed due to an insufficient HR capacity at the PO. In 2014, strengthening the human resources of PO by recruiting additional staff was done, as a result both of the Programme activities were launched on the same year.

Since minimum and maximum amount of the Programme grant have been significantly increased in the Programme Agreement (minimum EUR 60 000, maximum EUR 1 000 000) compared to the initially planned one, Output indicators for the Research activity will not be reached. Taking into account that only EUR 4 435 556 in total are available as Programme grant under the activity “Research”, 11 projects were approved for the whole available financing. Also, the number of cooperating research organisations and scientific publications might decrease due to the actual number of projects to be approved. For now (in begin of 2015) appropriate amendments in indicators of Outcomes and Outputs have been made and submitted to the National Focal Point (NFP) for reviewing.

The programme risk assessment is attached in the Annex 1.

## 10. Information and publicity

With reference to the Communication Plan provided in the Programme proposal (ref. Chapter 3.13 of the Programme Operators’ Manual) give a summary of the activities carried out during the reporting period.

Since approval of the Programme, information about the Programme, its objectives, outcomes, terms of implementation, supported activities and calls for project applications as well as documents and regulations of the implementation of the Programme are published and regularly updated on websites of the Agency ([www.viaa.gov.lv](http://www.viaa.gov.lv)) and PO ([www.izm.gov.lv](http://www.izm.gov.lv)).

Information on all open calls of all Programmes’ activities (activity “Research”, activity “Scholarships” as well as activity “Preparatory visits”) was published on the home page of the Agency [www.viaa.gov.lv](http://www.viaa.gov.lv), the home page of the Ministry of Education and Science at [www.izm.gov.lv](http://www.izm.gov.lv), the home pages of the EEZ/Norway grants [www.eeagrants.lv](http://www.eeagrants.lv), [www.norwaygrants.lv](http://www.norwaygrants.lv), [www.eeagrants.org](http://www.eeagrants.org), [www.norwaygrants.org](http://www.norwaygrants.org), newspapers „Latvijas Vēstnesis”, „Diena”, „Latvijas Avīze”, „Bizness&Baltija” and a press release was prepared and provided. Three informative seminars on the call conditions and application procedure were organised within the Research activity on 28 July, 4 August and 25 August 2014. One informative

seminar on the call conditions and application procedure was organised within Scholarship activity on 27 November 2014.

Call paper, the guide for project applicants, application form and other related documents were published on the website of the Agency, in Latvian and English.

There were various representative materials ordered such as brochures, pens, note papers, information papers etc. for distribution to the potential project applicants in seminars and other events to raise awareness of the Programme. 100 document bags were delivered for distribution among the project promoters (during the signing of contracts) and for other projects-related persons (for instance, for members of Programme Committee and Cooperation Committee).

100 information brochures for activity "Scholarships" and activity "Research" were delivered for potential project applicants in seminars and other events to raise awareness of the activity of the Programme.

### **11. Cross-cutting issues**

Describe how the Programme has performed (positively or negatively) in relation to the three crosscutting issues (ref. Chapter 3.11 of the Programme Operators' Manual), and which measures, if any, that have been put in place to improve performance.

#### ***Good governance***

The principles of good governance are integrated in all stages of the planning and implementation of the Programme, as well as in projects supported through the Programme.

According to the Latvian State Administration Structure Law, state administration in its activities has to observe the principles of good administration, regularly examine and improve the quality of services provided to the public and its duty is to simplify and improve procedures for the benefit of private individuals.

At the Programme level, the principles of good governance are insured by integrating the principles of good governance in the planning and implementation of the Programme: project applications have to be evaluated and selected on the basis of defined and publicly accessible criteria with participation of independent experts, and preventing occurrence of conflict of interest in the process of evaluation and decision-making.

#### **Legitimacy and Voice**

The principle of legitimacy and voice is complied with through decision-making procedure designed specifically for the planning and implementation of the Programme as well as in projects. Programme Committee (Research component) and Cooperation Committee (scholarships component) have been set for the management of the Programme. The Committees have been represented by responsible officials of the Ministry of Education and Science of Latvia, the Donor Programme partners and the sector representatives. The National Focal Point, Royal Norwegian Embassy, the Ministry of Foreign Affairs of Norway and the Financial Mechanism Office (FMO) can participate in the capacity of observers. The role and functions of the Committees as well as the decision-making procedure have been defined in the Rules of Procedure and agreed with all members of the Committees. In 2014, the information on members of Programme Committee and Cooperation Committee have been updated.

Good governance provides for consensus orientation by mediating differing interests to reach a broad consensus on what is in the best interest of the group and, where possible, on policies and procedures. Therefore, it is defined in the Rules of Procedure that the Committees shall take decisions on the basis of mutual agreement of Committee members. If agreement is

not reached or the Chairperson believes that voting is necessary, the decision shall be made by the majority. If needed, the Chairperson can decide to invite experts to participate in the meetings of the Committee with advisory rights. When recommending to the Programme Operator the proposals to be selected for funding and participating in the final awarding of grants, the members/substitutes of the Programme Committee are required to confirm before the meeting the absence of conflict of interest. Before the meeting, the members/substitutes of the Programme Committee and the Cooperation Committee participating in the Selection Committee are required to confirm the absence of conflict of interest for each proposal they are asked to evaluate.

The decisions of the Agency can be appealed to the Ministry of Education of Science. The decisions of the Ministry of Education of Science on the litigated decisions of the Agency are subject to appeal in the administrative court.

### **Direction**

The principle of direction provides for strategic vision and long-term perspective on good governance and human development. There is also an understanding of the historical, cultural and social complexities. The Programme provides for promoting partnerships and mobility between Latvia and the Donor States, and aims at:

- enhancing human capital and knowledge base in Latvia, and
- increasing the institutional cooperation in research and development between the Donor States and Latvia.

The Memorandum of Understanding clearly proves the compliance with the direction and strategic vision by emphasizing that enhanced cooperation will contribute to securing a stable, peaceful and prosperous Europe, based on good governance, democratic institutions, the rule of law, respect for human rights and sustainable development.

Strategic focus of projects in relation to the international mobility strategies and sustainability measures of the Project Promoter's and project partners' institutions, contribution to long-term collaboration in high quality research and justification of sustainability and maintenance of the achieved results after project implementation, the potential impact through the development, dissemination and use of project results will be evaluated during the evaluation stage of project applications.

### **Performance**

The principle of performance includes responsiveness, effectiveness and efficiency. In the planning and implementation of the Programme the processes have been developed to produce results that meet the needs, at the same time taking into account the best use of resources. Therefore, all project applications are being thoroughly assessed in the evaluation stage according to the set of criteria, including the economic efficiency and design chosen for the implementation of the project in question from the best use of resources perspective and compliance with the mandatory results. Responsiveness has also been taken into account by analysing the various needs in the sector and designing project activities accordingly to address the issues identified.

### **Accountability**

Accountability requires institutions to be accountable to the public as well as institutional stakeholders. Accountability also provides for the transparency of information and decisions made. Processes and information should be directly accessible to those concerned with them and sufficient information should be provided to understand and monitor them. Therefore, a number of internal regulations have been adopted by the Agency to ensure that principle of

accountability and transparency is observed at all stages of Programme implementation. All of the internal regulations are directly accessible to relevant officials involved in the administration of the Programme. Programme related decisions are taken by the Programme and Cooperation Committees.

At the project level, the project implementation procedure in the Research and Scholarships activities will also be defined internally. Project related decisions will be taken by the Steering Committees.

#### **Fairness**

Fairness includes equity and rule of law. The legal framework of the Programme are being enforced impartially, the necessary control mechanisms have been developed at the Agency internally (internal procedures have been adopted to establish measures of the project monitoring and checks). Standard forms, including checklists, developed by the Agency will be used where possible to ensure equal and fair approach to all projects. There are still two Cabinet Regulations foreseen to be approved to stipulate the implementing conditions for the Research and Scholarships activities, call conditions and application procedure. Yet, the first Cabinet Regulation on the overall implementation of the Programme, including the segregation of functions between the two authorities involved in the administration of the Programme – the Ministry of Education and Science and the Agency, as well as the implementing conditions for the Preparatory visits' activity, call conditions and application procedure was adopted on 22 October 2013. Two other institutions will be involved in the control activities, namely, the Certifying Authority and the Audit Authority.

#### ***Environmental considerations***

Taking into account the objectives of the Programme, there is no specific direct impact on the environmental issues. As relevance with the horizontal priorities of the Grants will be taken into account during the qualitative evaluation of the projects in the Research and Scholarships activities, an indirect effect on environmental considerations is possible. Project contribution to the implementation of horizontal priorities of the EEA/Norway grants 2009 – 2014 (gender equality, combating of discrimination, social sustainability) will be evaluated during the evaluation stage of project applications.

#### ***Economic sustainability***

The Agency has put in place procedures to ensure that funding provided for the implementation of projects is assigned and used in a way, which provides for both, efficiency and responsibility, and is likely to provide long-term benefits.

The forecasted necessary costs for each project will be in detail verified and appraised. Principles of cost-efficiency and sustainability will be followed. Internal regulations of the Agency have been elaborated for verifying project reports and amendment requests which allow the Agency to follow the project expenditures and proposed amendments to the budget.

In a long run, the implementation of the Programme will result in facilitated economic, sustainable development, as there will be positive impact on accessibility of education and research. After the implementation of Programme, the quality of higher education and research environment will improve by providing accessibility to better education and raise the capacities and skills of researchers to comply with the needs of national economy that will lead to sustainable development.

## ***Social sustainability***

The Programme is in line with the Guidelines for the Development of Education (2014-2020) issued by the Ministry of Education and Science that provide for the implementation of improvements for ensuring accessibility of education, for a possibility to obtain an education corresponding to individual interests, abilities and that meets the needs of national economy, for every citizen of Latvia irrespective of age, place of residence, social status.

The programme is also in line with the Guidelines for the Development of Science, Technology and Innovation (2014-2020) issued by the Ministry of Education and Science providing that science and technology development is the decisive factor of sustainable development of the Latvian economy, ensuring the public welfare and preservation of environmental and nature resources. Science and research, especially humanities, are the basis of national culture, national identity and self-confidence and a necessary precondition for the development thereof.

## ***Gender equality***

Gender discrimination will be avoided and the principle of equal treatment between men and women in the field of employment and occupation in the planning and implementation of the Programme as well as projects will be ensured by applying the norms set in the labour legislation of Latvia regarding the selection of employees, working conditions, remuneration rates etc. Experts and employees will be attracted to projects purely based on their professional knowledge and competence.

Project activities take into account gender mainstreaming and do not indicate of any gender limitations. The activities to be undertaken and programmes designed allow to be equally used by both genders. As relevance to the horizontal priorities of the Grants will be taken into account during the qualitative evaluation of the projects in the Research and Scholarships activities, an indirect effect on gender equality is possible. Project contribution to the implementation of horizontal priorities of the EEA/Norway grants 2009 – 2014 (gender equality, combating of discrimination, social sustainability) will be evaluated during the evaluation stage of project applications.

## **12. Reporting on sustainability**

If this is a Final Report, provide an assessment of the extent to which the positive effects of the Programme will continue after the funding period.

The Programme is in line with the Guidelines for the Development of Education (2014-2020) issued by the Ministry of Education and Science that provide for the implementation of improvements for ensuring accessibility of education, a possibility to obtain an education corresponding to individual interests, abilities and that meets the needs of national economy, for every citizen of Latvia irrespective of age, place of residence, social status.

The programme is also in line with the Guidelines for the Development of Science, Technology and Innovation (2014-2020) issued by the Ministry of Education and Science providing that science and technology development is the decisive factor of sustainable development of the Latvian economy, ensuring the public welfare and preservation of environmental and nature resources. Science and research, especially humanities, be the basis of national culture, national identity and self-confidence and a necessary precondition for the development thereof.

At project level, activities to ensure sustainability of project results are ensured by the Agency through several monitoring activities. Firstly, the sustainability criteria are being evaluated in the project selection phase:

Research activity

- Contribution to long-term collaboration in high quality research and justification of sustainability and maintenance of the achieved results after project implementation;
- The potential impact through the development, dissemination and use of project results;
- Impact of the project results on the Project Promoter institution and project partners' institutions (specifically whether any impact is brought to/by higher education institutions);
- Impact of the project on the development of the Latvian – Norwegian research cooperation within ERA;
- Project contribution to strategic objectives of the programme and implementation of horizontal priorities

Scholarships Activity

- Strategic focus of the Project in relation to the international mobility strategies and sustainability measures of the Project Promoter's and project partners' institutions;
- Sustainability and impact of project results on the Project Promoter's and project partners' institutions (including activity's impact on international cooperation with Norway/Liechtenstein/Iceland and dissemination of results);
- Project contribution to the implementation of horizontal priorities of the EEA/Norway grants 2009– 2014 (gender equality, combating of discrimination, social sustainability) and measurability of indicators.

Secondly, sustainability of project outcomes and outputs are being evaluated in the project implementation phase through reviews of project reports and on-the-spot checks and by carrying out on-the-spot checks of projects after the final payment.

### **13. Attachments to the Annual Programme Report**

Monitoring Plan, see section 7.3 in the Programme Operators' Manual

Risk assessment of the programme. See proposed template in Annex to the annotated template to the Annual Programme Report.

See Annex 1 and 2.

### **14. Attachment to the Final Programme Report**

Financial annex, see attachment 2 of the Programme Operators Manual

## Annex 1: Risk assessment of the programme

No	Outcome	Description of risk	Likelihood [low/medium /high]	Consequence	Risk mitigation planned/done
1	Increased higher education student and staff mobility between Beneficiary and EEA EFTA States	Insufficient number of high-quality projects in order to absorb all available funding and to achieve outcomes of the Programme	Medium	Unabsorbed funding and partly achieved programme outcomes	Information about the Programme is published on the websites of the Agency and PO. More detailed information on the Scholarships activity is published on the website of the Agency. Information on the launching of call was widely spread in the newspapers, websites of the Agency, PO, National Focal Point etc. Informative seminars and consultations for potential project applicants/ HEIs was organised after the launch of the call. Additionally, PO launched the 2 <sup>nd</sup> call under the Preparatory visits activity before launching call under Scholarships activity.
		Insufficient number of students and HEI staff applied for the grant from EEA NO	Medium	Partly reached programme indicators	Informative seminars and consultations for potential project applicants/ HEIs were organised after the launch of the calls
		Latvian HEIs have not established cooperation partnership with EEA EFTA States' HEIs prior to project application submission	Medium	Not enough project applications submitted	PO launched the 2 <sup>nd</sup> call under the Preparatory visits activity before launching the call under Scholarships activity (Agency approved 10 projects under Preparatory visits activity and received 33 project applications under Scholarship activity).
2	Increased higher education student and staff mobility between Beneficiary	Insufficient number of high-quality projects in order to absorb all available funding and to achieve outcomes of the Programme	Medium	Unabsorbed funding and partly achieved programme outcomes	Information on the launching of call was widely spread in the newspapers, websites of the Agency, PO, National Focal Point etc. Informative seminars and consultations for potential project applicants/ HEIs was organised after the launch of the call. PO launched the 2 <sup>nd</sup> call under the Preparatory visits activity before launching the call under Scholarships activity.

	States and Norway	Insufficient number of students and HEI staff applied for the grant from EEA NO	Medium	Partly reached programme indicators	Informative seminars and consultations for potential project applicants/ HEIs were organised after the launch of the call.
		Latvian HEIs have not established cooperation partnership with Norwegian HEIs prior to project application submission	Medium	Partly reached programme indicators	PO launched the 2 <sup>nd</sup> call under the Preparatory visits activity before launching the call under Scholarships activity (Agency approved 10 projects under Preparatory visits activity and received).
3	Increased research cooperation between Norway and the Beneficiary States	Insufficient number of high-quality projects in order to absorb all available funding and to achieve outcomes of the Programme	Low	Unabsorbed funding	Two calls for Preparatory visits have been finished with 51 approved project in the framework of Bilateral Fund, 36 of which relate to the research component. Thus, there was a high interest from the research community in finding project partners in Norway to prepare project applications for the Research activity. After launching the call under the Research activity, there were 3 informative seminars organised on call conditions and elaboration of applications (around 140 participants). Regular consultations was organized. 73 project applications were received for the total amount of 37 mil. EUR.
		Project promoters have not established any cooperation partnership	Low	Partly reached programme indicators	Two calls for Preparatory visits is finished with 51 approved project in the framework of Bilateral Fund, 36 of which relate to the research component. Thus, there was a high interest from the research community in finding project partners in Norway to prepare project applications for the Research activity. Although the risk itself is low, the impact to consequences is still high, since Programme output indicators may not be reached, given that the minimum and maximum amount of the Programme grant have been significantly increased in the Programme Agreement (minimum EUR 60 000, maximum EUR 1 000 000) compared to initially planned. Taking into account that only EUR 4 435 556 in total are available as

					Programme grant, it will not be feasible to approve 40 projects as planned in the Programme proposal. Also the number of cooperating research organisations and scientific publications might decrease due to the actual number of projects to be approved. Therefore, amendments are foreseen to the Programme Agreement related to the Output indicator section for the Research activity.
		Project promoters receive financing for the implementation of similar activities in the framework of other financial mechanisms	Low	Risk of double financing	The Agency has set up internal procedures and established collaboration with other institutions involved in the administration of various financial instruments, including structural funds, on controlling the double financing during the desk checks of the reports as well as during on-the-spot checks.
4	Strengthened research capacity in the Beneficiary States and increased application of research results through research cooperation between Norway and the Beneficiary States	Insufficient number of high-quality projects in order to absorb all available funding and to achieve outcomes of the Programme	Low	Unabsorbed funding	Two calls for Preparatory visits have been finished with 51 approved project in the framework of Bilateral Fund, 36 of which relate to the research component. Thus, there was a high interest from the research community in finding project partners in Norway to prepare project applications for the Research activity. After launching the call under the Research activity, 3 informative seminars were organised on call conditions and elaboration of applications. Regular consultations was organized.
		Project promoters have not established any cooperation partnership	Low		Two calls for preparatory visits is finished with 51 approved project in the framework of Bilateral Fund, 36 of which relate to the research component. Thus, there was a high interest from the research community in finding project partners in Norway to prepare project applications for the Research activity. Although the risk itself is low, the impact to consequences is still high, since Programme output indicators may not be reached, given that the minimum

				Partly reached programme indicators	and maximum amount of the Programme grant have been significantly increased in the Programme Agreement (minimum EUR 60 000, maximum EUR 1 000 000) compared to initially planned. Taking into account that only EUR 4 435 556 in total are available as Programme grant, it will not be feasible to approve 40 projects as planned in the Programme proposal. Also the number of cooperating research organisations and scientific publications might decrease due to the actual number of projects to be approved. Therefore, amendments are foreseen to the Programme Agreement related to the Output indicator section for the Research activity.
		Project promoters receive financing for the implementation of similar activities in the framework of other financial mechanisms	Low	Risk of double financing	The Agency has set up internal procedures and established collaboration with other institutions involved in the administration of various financial instruments, including structural funds, on controlling the double financing during the desk checks of the reports as well as during on-the-spot checks.

## Detailed Monitoring Plan for 2015

Activities / month	1	2	3	4	5	6	7	8	9	10	11	12
Regular consultative support (for all projects)												
On-the-spot checks												
Regular reviewing of PP reports:												
1) Progress reports (only for the Research activity and Scholarships activity - expected to be received starting with 2015);												
2) Final reports (under the Preparatory visits' activity -10).												
Collection and measurement of project indicators (under the Preparatory visits' activity - 51)												

\* On-the-spot checks will be carried out for all high-risk rated projects, at least once in a project lifecycle for medium-risk rated projects and for at least 20% of all low-risk rated projects selected randomly.