

Annual Programme Report 2015
EEA and Norwegian Financial Mechanisms 2009-2014
 Annotated¹ 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
Does the executive summary serve as a stand-alone document?	x	
Does this report provide analyses on how activities so far have contributed to progress towards targeted results using agreed output and outcome indicators?	x	
Have successful bilateral achievements been highlighted?	x	
Have all the sections in the Annual Programme Report been addressed, including any relevant horizontal concerns?	x	

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.

¹ Annotations, in blue text, accompany the structure and description outlined in the Programme Operators Manual.

1. Executive summary

This section shall provide a short summary of sections 2-6 of the report. The executive summary may be published for information purposes, and should not exceed 3 pages.

Programme have contributed positively towards reduction of administrative burden in Latvia. Even though these are small changes and were made to meet criteria of donorstate requirements, it will make life easier for Programmes' promoters. There've been several changes in regulations, such as adjusting the criteria for submitting proof of expenditure and allowing promoters to reallocate costs in approved budget of project without making amendments in the project proposal. Administrative burden in Latvia is considered to be high.

All projects **in the Scholarship and Research activity** are still in the implementation stage.

The main challenges of the project implementation **in the Research activity** is the short period of implementation - max 26 months; 24 months in the most projects. Research project deadlines can't be extended. It is too little time to do research, prepare publications and submit them for publishing. Only few publications at the end of 2015 have been prepared for submission (e.g. Project 053 "Latvian language in monolingual and bilingual acquisitions: tools, theories and applications").

In the activity Scholarships it is very similar - too short implementation period. The problems do not pose much of academic staff mobility as students' mobility. Cabinet Regulation talks about student motilities for 11 months, but is physically impossible. All mobility are 3-5 months max. In addition, due to the fact that the implementation of our program activities started so late, students from other Beneficiary States are already surpassing the EEA countries universities and Latvian students struggle to find a place. So the fact, that 10 projects got an extension, is viewed very positively, because as a result it will be possible to implement all the planned mobility.

The Programme clearly contributes to the interdisciplinary cooperation between scientific institutions and researchers and promotes development of scientific potential. Work in team requires to have flexible thinking and the ability to adapt theoretical knowledge in practical situations is needed, which often differs from theory, e.g., leading researchers from University of Latvia in project "Rural Depopulation and the Governance of Education. Comparative Study of Latvia and Norway" considers cooperation with partners from Norwegian Institute for Urban and Regional Research as very significant in developing understanding, how poorly theoretical approaches of multilevel governance application in education process are used in Latvia, which is very important among OECD countries at the moment.

A financial surplus from bilateral cooperation fund for preparatory visits formed on 2014, therefore, in December 2015, FMO confirmed the transfer of remaining funds for support of bilateral activities during projects' implementation in the Research activity by increasing the funding available from 2 000 euro to 5 000 euro per project. Changes in 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" were made in the 4th quarter 2015. Flexible reallocation of funding will contribute to better program results. In addition, changes in regulation affected deadline of eligibility period of Scholarship projects from 30.09.2016. to 30.04.2017. 10 out of 28 projects qualified for extension and confirmed their commitment to achieve planned outcomes and outputs. Amendments to contracts are in process.

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.

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 2015, the following important national policy developments in the field of education and research in Latvia have been carried out:

- In June 9, 2015, the Cabinet of Ministers approved the conceptual report "The Implementation of New Higher Education Financing Model in Latvia". In this report, the next steps towards the implementation of the new higher education funding model were defined. The financing model is based on 3 pillars: basic funding, performance-oriented funding and innovation-oriented funding. The introduction of the new model was supported by additional funding for starting of second pillar allocating funding of 5.5 million EUR for 2015, 6.5 million EUR for 2016 and 6.5 million EUR for 2017. A number of objective criteria (the number of young doctorate students involved in research, attracted external funding for research projects from EC grants to the funding from private businesses etc.) define the amount of funding for every higher education institution. The financing is allocated in November 2015.
- On September 15, 2015, the Cabinet of Ministers reviewed and adopted the informative report "The Monitoring System of Smart Specialization Strategy". The report was designed in order to ensure the monitoring of impact of public investment in science, technology and innovation, as well as to comply with the conditions of the investment programme to start implementation of R&D investment of EU Structural Funds for 2014 2020 programming period.
- Informative report on the scientific activities of the territorial mapping was announced in meeting of State Secretaries on 16 April 2015.
- In 2015, work has continued on the development of technology transfer system in order to attract EU Structural Fund funding for programming period 2014 - 2020. Technology transfer system is designed to increase scientific institutions income from the commercialization of publicly funded research, including ensuring that scientific institutions of research results is a market-oriented and to will be transformed into a practical business.
- One of the challenges of Latvian innovation system is still insufficient cooperation between business and research sector to implement joint projects aimed at the commercialization of research results.

Changes in policy documents support Programme on the priority level.

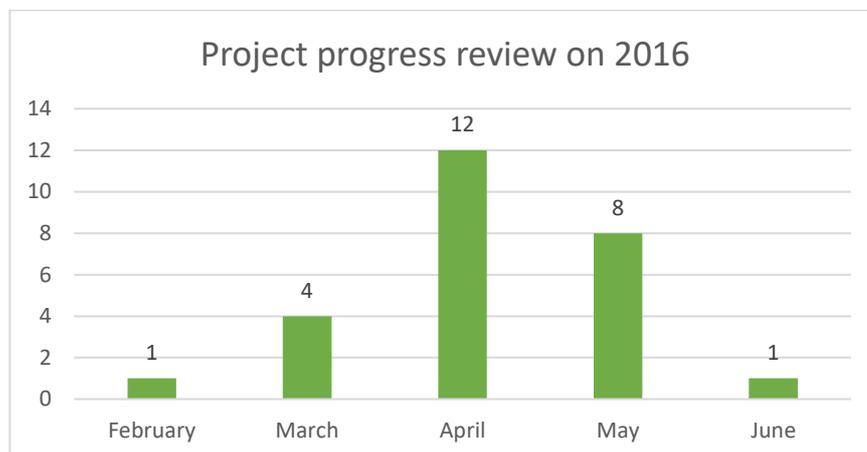
3. Reporting on Programme outputs

Give a summary and analysis of how and to what extent the **selected projects** have contributed to the Programme output indicators set out in the Programme Agreement. Analyse the final achievements against relevant output indicators. If the programme went over or below the planned indicators targets, please explain the reasons.

There are four outputs defined in the Programme proposal:

1. 35 students received ECTS credits and 22 staff members increased skills/competences in mobility between Beneficiary and EEA EFTA States;
2. 35 students received ECTS credits; 22 staff members increased skills/competences in mobility between Beneficiary state and Norway;
3. 38 joint publications are authored by project participants from both BS and DS, and 36 research institutions are cooperating within the programme;
4. 40 published international peer reviewed publications.

- All projects **in the Scholarship activity** are still in the implementation stage, there are only 2 progress review received by the end of 2015. In chart 1 below you can see terms and number of project reports to be handed in during 1st and 2nd quarter of 2016.



Chat 1. Number of project progress review to be submitted on 2016

- At the moment it is known, that output indicators **in the Research activity** regarding number of institution cooperating are reached. There are exactly 36 research institutions cooperating with the programme. Publications are in the process, first results should be known on April, 2016.

- While indicators of bilateral cooperation's are exceeded almost twice as planned in the Programme proposal. There are 51 partnership agreement signed during 2014-2015 (output is 40).

4. Reporting on Programme outcome(s)

Analyse how and to what the projects' and Programme's outputs have contribute to the Programme outcome indicators.

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.

The application deadline for open call for proposals **in the Scholarships activity** was 23 January 2015. Interest level of higher education institutions to participate in open call for project proposals has assessed as high. Programme outcomes in both activities are directly related to As all projects are still in the implementation phase due to delay of approval of regulations, there is no data about reached outcome indicators. Precise information will be available only on 2016, when projects are finished. Same about the Research activity – all projects are in the implementation phase, so far first advance payments are made and scientific publications are on the way. We can't report on any results yet.

Horizontal concerns

Number of internal regulations are 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.

Internal procedures are adopted to establish measures of the project monitoring and checks. Standard forms, including checklists, developed by the Agency are used where possible to ensure *equal and fair approach* to all projects.

Programme have contributed positively towards reduction of administrative burden in Latvia. Even though these are small changes and were made to meet criteria of donorstate requirements, it will make life easier for Programmes' promoters. There've been several changes in regulations, such as adjusting the criteria for submitting proof of expenditure and allowing promoters to reallocate costs in approved budget of project without making amendments in the project proposal. Administrative burden in Latvia is considered to be high.

Programme operator quickly and efficiently responded to the situation that developed in last quarter, 2015 regarding reorganization of research institutes, thus preventing the formation of possible irregularities and possible failure in meeting output indicators.

A structural reform of research institutions was planned within FP7 activity "Scientific Institutions institutional capacity development", providing reduction of the number of research institutions registered in the scientific institution register of Latvia. These changes affected project promoters' Latvian University partner Latvian Institute of History-Agency of Latvian University. Given that implementation of the project, carried out in collaboration with one partner from Latvia and one partner from Norway gave the possibility to get higher amount of financing (up to 499 999 euro) in the Research activity, after the reorganization project promoter would have only one partner from Norway, which means criteria for financing amount will not be met. To avoid problems with reaching output indicators, adjustments in the regulations were made to allow to continue implementation of the project with grant amount allocated in project proposal and reduced number of partners, if results will be fully achieved.

A financial surplus from bilateral cooperation fund for preparatory visits formed on 2014, therefore, in December 2015, FMO confirmed the transfer of remaining funds for support of bilateral activities during projects' implementation in the Research activity by increasing the funding available from 2 000 euro to 5 000 euro per project. Changes in 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" were made in the 4th quarter 2015. Flexible reallocation of funding will contribute to better program results. In addition, changes in regulation affected deadline of eligibility period of Scholarship projects from 30.09.2016. to 30.04.2017. 10 out of 28 projects qualified for extension and confirmed their commitment to achieve planned outcomes and outputs. Amendments to contracts are in process.

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.

There were no new open calls on 2015. An open call for proposals **in the Scholarships activity** was published on 10 November 2014. The application deadline was 23 January 2015. 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.

There were 33 submitted project applications, only 28 of them are currently financed. Two project applicants refused from participation during the selection process, one was administratively rejected and two projects couldn't be financed due to lack of funds. 7 projects will be implemented as synergy projects, including three projects, that are partly related as special concern projects

15 Higher education institutions (hereinafter – HEI's) submitted these project applications; 6 HEI's of them have submitted more than one project application. 12 HEI's of all project promoters is established by Latvian state and only one of all project promoters are founded by individuals.

The main challenges of the project implementation **in the Research activity** is the short period of implementation - max. 26 months, 24 months in the most projects. Research project deadlines can't be extended. It is too little time to do research, prepare publications and submit them for publishing. Some publications of the end of 2015 has already been prepared for submission (e.g. Project 053 "Latvian language in monolingual and bilingual acquisitions: tools, theories and applications").

In the activity Scholarships it is very similar - too short implementation period. The problems do not pose much of academic staff mobility as students' mobility. Cabinet Regulation talks about student motilities for 11 months, but is physically impossible. All mobility are 3-5 months max. In addition, due to the fact that the implementation of our program activities started so late, students from other Beneficiary States are already surpassing the EEA countries universities and Latvian students struggle to find a place. So the fact, that 10 projects got an extension, is viewed very positively, because as a result it will be possible to implement all the planned mobility.

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.

Most of the projects started their implementation phase only in the middle of 2015 or later. From the feedback given by local promoters, all the project partners working within approved projects will strengthen bilateral cooperation in the future. In most of the project proposals it is mentioned that partner will also seek for further cooperation opportunities, for example within Horizon 2020.

Out of the approved 28 projects in the scholarship activity, 7 projects have direct and deep integration with research projects approved under the Research activity. The mobility actions are strongly based on specialized fields and research topics of the approved research projects, the activities of the two projects are merged or complement one another to pursue the same targets and goals. The modes of cooperation foresee to:

- develop courses on scientific methods/theory developed through research in specialized fields for both bachelor and master students and pursue innovative features related to research to be introduced in the content of study courses;
- design interdisciplinary course modules based on the novel data resources created in the course of research project;
- develop optional new modules by research institutions based on their research interests that bachelor and master students can participate in;
- involve PhD, master and bachelor students in research projects by working on their assignments/thesis on related research topics, contributing to data obtaining process in research projects, analyzation of results, writing of publications as part of research thesis;
- involve academic staff in research project activities to facilitate knowledge-transfer and theoretical and practical training in development and application of advanced methods that can be applied in teaching activities.

It is important to maintain the balance and efficiency of human resources and time schedule across the work packages of the scholarship and research synergy projects to ensure the quality of the outcomes and outputs. Therefore, it was essential to prolong the deadline from September 2016 to April 2017 to enable the students and academic staff of universities to successfully contribute to and from the research projects during the Fall semester in 2016 and Spring semester in 2017. The prolongation will provide significant benefits – it will open the possibility for projects to use three active semesters (instead of 1 as for now) and take part in the final stage of research projects, which is the most important one in terms of the research results that in most cases can be obtained only towards the end of the project.

The Programme clearly contributes to the interdisciplinary cooperation between scientific institutions and researchers and promotes development of scientific potential. Work in team requires to have flexible thinking and the ability to adapt theoretical knowledge in practical situations is needed, which often differs from theory. Especially if we take into account project specific, for example, where participants are children with visual, hearing, mental and physical (movement) disorders. The project result will be an effective contribution to both improve the quality of education for these children, as well as evaluation of health indicators that affect a healthy and active lifestyle. In addition, the number of students involved (so far we know, there are 12 students, but the number will increase as the project is still at an early stage) and their participation in the research study contributes to the quality of partner universities.

One more example: leading researchers from University of Latvia in project “Rural Depopulation and the Governance of Education. Comparative Study of Latvia and Norway” considers cooperation with partners from Norwegian Institute for Urban and Regional Research as very significant in developing understanding, how poorly theoretical approaches of multilevel governance application in education process are used in Latvia, which is very important among OECD countries at the moment.

As mentioned in 3.1.article of this report, indicators of bilateral cooperation’s are exceeded almost twice as planned in the Programme proposal. There are 71 partnership agreement signed during 2014-2015 (output is 40), so we consider bilateral relations as very successful within Programme framework.

Cooperation between donor programme partners and Programme operator was excellent and effective and based in trust. Donor programme partners were supportive during this year. Despite the fact, that there were delay on PO side, it is a great achievement that Programme has started.

Complementary actions

During the period of implementation of the Programme donor programme partners hold regular meetings to bring together Programme Operators of all countries and FMO for significant discussions to improve the implementation of the Programmes. In 2015, several meetings (seminars/ conferences/ working groups) were organised:

- Tromso-Trondheim – 6th – 9th June 2015. POs of 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 proposals for the next programming period etc. A number of presentations were provided by SIU, FMO and all POs. Practical work in groups was initiated to perform the SWOT analysis of the programme, analyse and discuss the most efficient information and publicity activities, analyse and present common challenges etc. Specific attention was paid to the necessity of providing the possibility of extending the eligibility period of some of the scholarship projects, which was of high relevance to Romania as well as the Latvia’s Scholarship programme due to the synergy of the Latvian Scholarship programme with the Research programme. Two universities were visited – the Arctic University in Tromso and the Trondheim University.
- Brussels 10th – 11th June 2015. The outreach event focused on promoting the Research programmes of EEA/Norway Grants. All beneficiary countries presented their research programmes and disseminated publicity materials to a wide audience – EC representatives, FMO, embassies etc.
- Oslo – 20nd – 22th October. POs of Beneficiary States of the Research programmes shared their experience about the current implementation progress reached, country participation in JPI/ERA-net and macro regional activities and future plans. Several important issues were discussed relating to the complementarity of the programmes with Horizon 2020, electronic/online information systems in use to monitor funds, problems faced in using DORIS, cooperation with NFPs and FMO, improvements required in Annex 12 in regard to the next programming period etc. A number of presentations were provided by the RCN, FMO and all POs. Practical work in groups was initiated to analyse and present common challenges related to reporting obligations etc. 22th October was specifically devoted for the outreach event, where all beneficiary country POs presented their research programmes and disseminated publicity materials to a wide audience – RCN representatives, FMO, embassies etc.

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.

3 on-spot checks were carried out on December, 2015. All projects are within the Research activity:

Nr.	Date and Nr. of on-spot check	Promoter	Project Nr.	Name of the project	Checks results
1	08.12.2015. NFI/R- 01	University of Agriculture of Latvia (LLU)	NFI/R/2 014/011	Innovative approach to hullless spring cereals and triticale use from human health perspective	With objections
2	18.12.2015. NFI/ 02	Partner of University of Agriculture of – State Priekulī Plant Breeding Institute	NFI/R/2 014/011	Innovative approach to hullless spring cereals and triticale use from human health perspective	With objections
3	29.12.2015. NFI/ 03	Riga Teacher Training and Education Management Academy (RPIVA)	NFI/R/2 014/053	Latvian language in monolingual and bilingual acquisitions: tools, theories and applications	With objections

In general, there were inaccuracies in reports of carried works, insufficiently traceable work done in the certain period. In one case, there were no payment receipt of hotel in the business trip report. Rectification will continue in early 2016, most of the gaps are solved out. Agency will decide on amount of ineligible expenditure.

The on-spot check plan for 2016 is as follows:

Institution that carried out monitoring visit	Time of monitoring visit in 2016	Project promoter, title of project	Objective of monitoring visit
State Education Development Agency	February - June	1. Latvian Biomedical Research and Study Centre (LBPSC), project: "Cancel derived extracellular vesicles: function and clinical applications in prostate cancer"; 2. Latvian Biomedical Research and Study Centre (LBPSC), project: "Image-guided cancer gene therapy in combination with advanced chemotherapeutics"; 3. Organic Synthesis Institute of Latvia (OSI), project: "Benefits and detrimental effects of sequence variants of Amyloid- β : towards the use of small peptides for aggregate dissolution therapy in dementia"; 4. University of Latvia (LU), project: "Gender, Culture and Power: Diversity and Interactions in Latvia and Norway"; 5. University of Latvia (LU), project: "Technology transfer in the processing of mineral resources in earlier times"; 6. University of Latvia (LU), project: "EU Policies impact to the	9 project promoter within activity Research. Second visit in the implementation phase of the project to assure that all implementation work is done properly

		<p>Transformations of the Higher Education and Research system in Norway and Latvia”;</p> <p>7. University of Latvia (LU), project: “Establishing of the scientific capacity for the management of pharmaceutical products residues in the environment of Latvia and Norway”;</p> <p>8. University of Latvia (LU), project: “Rural Depopulation and the Governance of Education. Comparative Study of Latvia and Norway”;</p> <p>9. Latvian Academy of Sport Education, project: “Health and Social Indicators of participation in Physical Activities for Children with Disabilities”.</p>	
State Education Development Agency	May - June	<p>1. University of Latvia (LU), project: “Strengthening and transferring the intellectual capital among geographers in Latvia and Norway”;</p> <p>2. University of Latvia (LU), project: “Mobility in political science and sociology”;</p> <p>3. University of Latvia (LU), project: “Mobility of students and academic personnel of Life Sciences between Latvia and Norway”</p>	3 project promoter within activity Scholarships. Second visit in the implementation phase of the project to assure that all implementation work is

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.

No crucial changes were made in Programme agreement. Implementation deadline of 10 projects in the Scholarship activity was prolonged. Indicators of outputs have been changed.

9. Risk management

Please outline the main risks encountered during programme period and the main mitigating actions taken. Highlight successful mitigating actions, as well as the main challenges encountered in the risk management of the programme.

There is an internal risk management procedure policy established at the Agency for ensuring risk management and the “Risk Management Action Plan for the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism programmes” is approved each respective year. 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.

The risk for 2015 was delay of starting the Programme, meaning the risk of lack of achievements of outcomes and outputs. As the actual implementation of the projects started only

at the end of 2015, all operational risks are significant during next year, however taking into account that Agency has Risk management structure, those risks will be managed and reassessed continuously.

The main risk for 2015 was lack of expertise and impartiality of valuation experts. Planned mitigation measures were:

- **in the Scholarship activity** provide experts from donor countries and Latvia for project application evaluation. They were chosen by donor countries and the Latvian authorities. Status - implemented. Project application qualitative evaluation was provided by the Ministry of Education and science of Latvia and the donor program partner SIU delegated experts;
- **in the Research activity** provide appearance of high level international and independent experts for each subsector and ensure, that expertise evaluations and final recommendation for agency regarding financing are submitted by Programme Committee. Status – implemented. Project application qualitative evaluation was provided by high level international and independent experts selected from the EC experts database, which is set up to evaluate the projects of the European Union research and technological development framework programs.

10. Information and publicity

With reference to the Communication Plan, please provide brief summary and analysis of the main achievements in terms of Programme visibility and dissemination of results.

Overall, the State Education Development Agency up to November 30, 2015 organized 7 events:

1. The European Economic Area Financial Mechanism and the Norwegian Financial Mechanism co-funded programs LV05 "Research and Scholarships" (hereinafter in this article – Programme LV05) project application preparation seminar for potential applicants activity "Scholarships", which took place on January 9, 2015.
2. Programme LV05 activity "Research" of the Programme Committee meeting, which took place in 2015, 19 - 20 January.
3. Project implementer contact meetings with the Norwegian Embassy and the Norwegian Ministry of Education representatives was organized in terms of conference "Smart Specialization Strategies: New Approaches for Partnerships among Education, Research and Industry in the Region" of the Programme LV05 activity "Research". The conference took place in 2015, 12 - 13 February.
4. Project Implementation Workshop for beneficiaries of the European Economic Area and the Norwegian Financial Mechanism Programme LV05 activity "Research", which took place April 14, 2015.
5. The Programme LV05 activity "Scholarships" Cooperation Committee meeting which took place on 30 April 2015.
6. Project preparation and electronic filing (EDIS) seminar for project implementers of the Programme LV05 activity "Research", which took place on September 30, 2015.
7. Project implementation, reporting and electronic filing (EDIS) seminar for project implementers of the Programme LV05 activity "Scholarships", which took place on October 7, 2015.

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 LV05, including designing and printing fact sheets and posters on the activity "Research" implementation (including the materials distributed on Outreach events in Brussels and Oslo).

All promoters have set up sections in their website about the project, which regularly takes a snapshot info on project progress, respect publicity requirements, and that, of course, contributes to the EEA / NOR recognition.

11. Cross-cutting issues

Describe how the Programme has performed (positively or negatively) in relation to the three crosscutting issues: good governance, sustainable development and gender equality (ref. Chapter 3.11 of the Programme Operators' Manual).

With reference to the Programme Agreement please reflect briefly on the measures put in place and the results achieved in relation to the cross-cutting issues.

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.

All project applications have been 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, to implement **principle of performance** - responsiveness, effectiveness and efficiency.

Taking into account the objectives of the Programme, there is no specific direct impact on the **environmental issues**. Project in the Research activity "Establishing of the scientific capacity for the management of pharmaceutical products residues in the environment of Latvia and Norway" is alternatively connected with these issues. Overall objective of the Project is to enhance the growth of research-based knowledge through the scientific cooperation between Norway and Latvia, developing a scientific capacity for the administration of pharmaceutical residues in the Latvian and Norwegian environment.

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 are in detail verified and appraised. **Principles of cost-efficiency and sustainability** are 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.

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. Chart 2 below shows the trend line of changes in number of researchers involved in R&D in Latvia from 2005-2013 (source data: Eurostat).

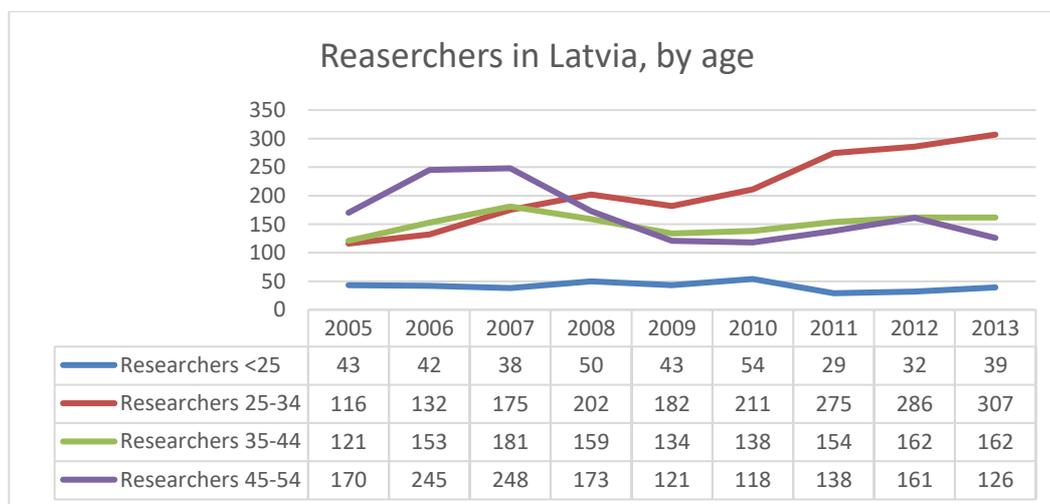


Chart 2. Number of researchers in Latvia, divided by age

It is very positive, that number of young researchers in age of 25-34 is continuing to rise. Average age of researchers involved in Programmes projects is 45 years.

According to the European Research Area annual progress report in 2014 and the Eurostat study "She Figures 2012" data, Latvia is among the leaders in gender equality in science in the EU. In most of the main indicators of Latvia has been above the EU average, while in two figures – the proportion of women scientists and doctorates - Latvia has the highest rate in the EU (see table Nr.1 below). At the same time Latvia has no specific policies, strategies or financial incentives for gender equality in science. Latvian situation is rather a consequence of the Latvian population gender structure, women's greater success in the higher education sector and the low prestige of the scientist profession in Latvia.

Table 1. Gender equality in science Latvian compared to the EU

	Latvia	ES	Rate among EU counties
Women scientists proportion out of the total number of scientists (2011)	53,3%	33,3%	1
The proportion of women scientists among PhD graduates (2012)	59,9%	47%	1
Women's senior scientific proportion out of the total number of scientists (2010)	32%	20%	2
The proportion of women heads of institutions of higher education sector (2014)	25%	15,5% (2010)	4
The proportion of women employed in knowledge-intensive activities (knowledge intensive Activities) (2010)	41%	45%	21
Proportion of women in senior academic positions (2013)	34,4%	19,8	3

Latvian universities and public research institutes have a great autonomy in defining the scientific recruitment procedures and career development principles. Scientific Activity Law stipulates that there are three kinds of academic positions: senior researcher, a researcher and scientific assistant in the scientific institute and a commercial company, which carries out scientific activities. Personal in academic positions shall be elected for six years open competition of a scientific institute regulations or company statutes procedures. Thus, the Latvian scientific normative framework provides the conditions for promoting gender equality scientific personnel policy development at the institutional level.

If we look at the numbers, governmental support in R&D sector in Latvia, compared to other Beneficiary countries is very poor (see chart Nr.3 and chart Nr.4 below). Crises in Latvia on 2009 is clearly seen.

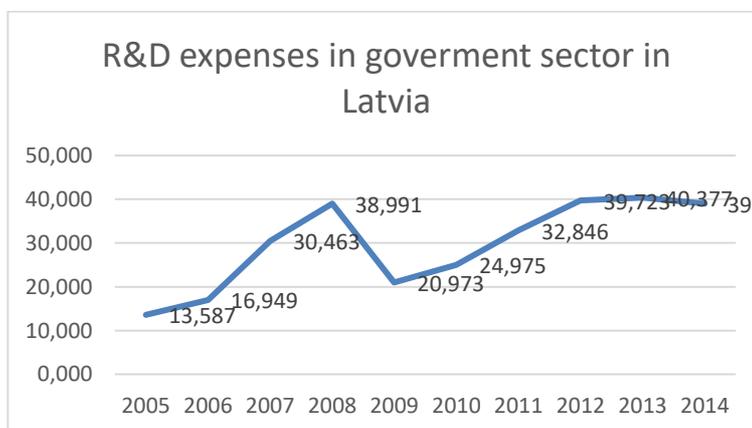


Chart 3. Support of Research and development in Latvia, mil. euro

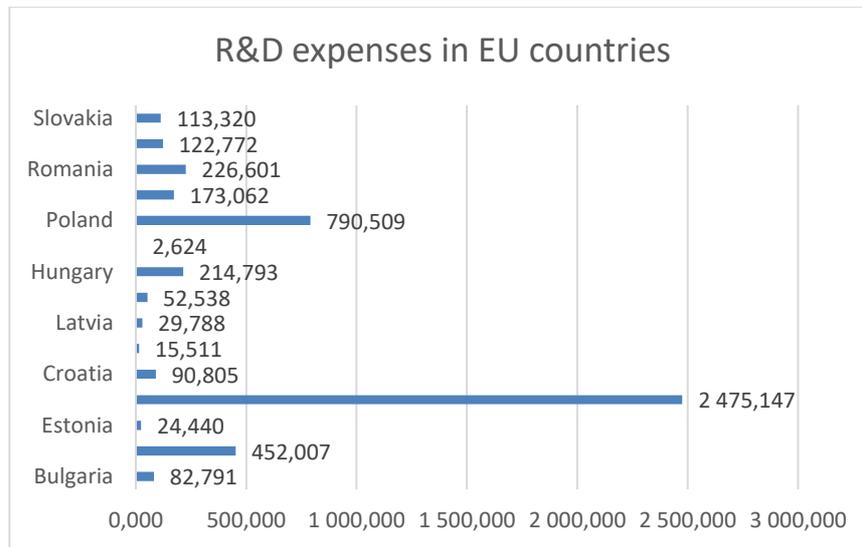


Chart 4. R&D expenses in governmental sector in other EU countries

There was a significant rise of expenditure from 2005 to 2008. Nevertheless, the rise from 2008 was very slow.

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.

Capacity building

Strengthened research capacity in the Beneficiary States and increased application of research results through research cooperation between Norway and the Beneficiary States is one of the outcome in Programme proposal. Output is 40 published international peer reviewed publications. Now we have information about five international publications being in preparation to be published.

12. Reporting on sustainability

Provide an assessment of expected positive effects of the Programme will continue after the funding period. Analyse the sustainability at bilateral, national, programme and project levels. Which factors (e.g. related to the programme context, the design and implementation of the programme, donor partnerships) contributed to the sustainability of the achievements, and which factors worked against sustainability?

Refer to examples of projects where the positive effects are likely to continue after the funding period. Please include the project IDs.

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.

It is assumed, that partners from Latvia and Norway will continue to cooperate after projects are finished and e.g. submitting projects in Horizon 2020 or ERA-NET. Chart Nr.5 below show success rate of Norway entering solely (yellow bar) in Horizon2020 and cooperating together with other Beneficiary countries, including Latvia (grey bar).

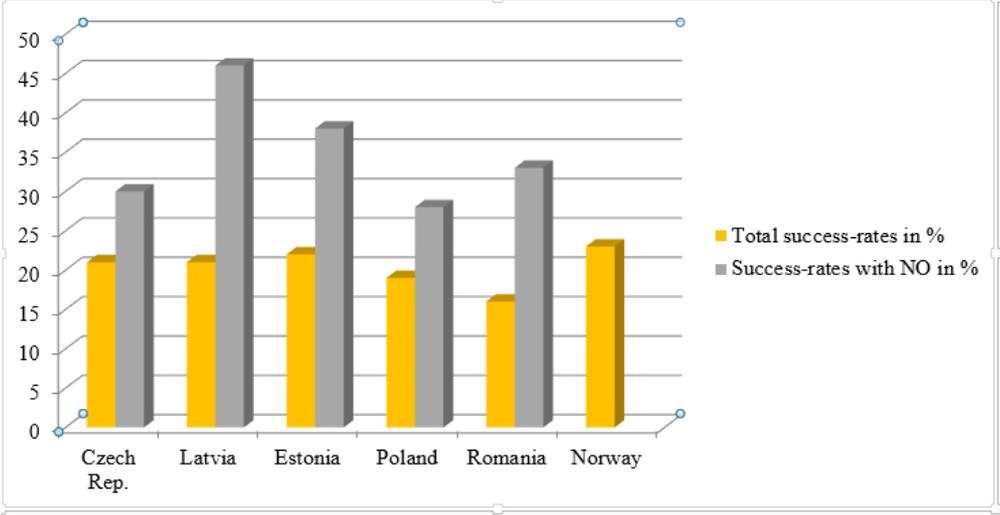


Chart 5. Success rate in Horizon 2020

Explanation for this could be successfully established contacts during preparatory visits, as well as huge amount of projects, that didn't get the Programme grants (over 60 projects), so applicants could easily participate in Horizon 2020 by making small amendments in their project applications.

Factors, that are against sustainability is rather cumbersome administration and monitoring of Programme in Latvia - supervisor over the monitors, too over-controlled and over-audited.

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.

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	Low	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 2nd call under the Preparatory visits activity before launching call under Scholarships activity. Open call finished on 23rd of January 2015. Agency received 33 project applications. In 2015 Agency signed contracts with 28 project promoters for all the budget available.
		Insufficient number of students and HEI staff applied for the grant from EEA NO	Low	Partly reached programme indicators	Informative seminars and consultations for potential project applicants/ HEIs were organised after the launch of the calls. Open call finished on 23rd of January 2015. Agency received 33 project applications. In 2015 Agency signed contracts with 28 project promoters for all the budget available. There will be around more than 100 student and staff mobility.
		Latvian HEIs have not established cooperation partnership with EEA EFTA States' HEIs prior to project application submission	Low	Not enough project applications submitted	PO launched the 2nd 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	Insufficient number of high-quality projects in order to absorb all available funding and to achieve outcomes of the Programme	Low	Unabsorbed funding and partly achieved	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

	staff mobility between Beneficiary States and Norway			programme outcomes	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 2nd call under the Preparatory visits activity before launching call under Scholarships activity. Open call finished on 23rd of January 2015. Agency received 33 project applications. In 2015 Agency signed contracts with 28 project promoters for all the budget available.
		Insufficient number of students and HEI staff applied for the grant from EEA NO	Low	Partly reached programme indicators	Informative seminars and consultations for potential project applicants/ HEIs were organised after the launch of the calls. Open call finished on 23rd of January 2015. Agency received 33 project applications. In 2015 Agency signed contracts with 28 project promoters for all the budget available. There will be around more than 100 student and staff mobility.
		Latvian HEIs have not established cooperation partnership with Norwegian HEIs prior to project application submission	Low	Partly reached programme indicators	PO launched the 2nd 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).
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 (11 signed contracts).
		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

				Partly reached programme indicators	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.
		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, 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 (11 signed contracts).
		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.
		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.

Annex 2 Detailed Monitoring Plan for 2016

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												

* 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.