*[Data that has been automatically pre-filled in the templates for the cover notes is based on the operational arrangements which have last been updated on 2024-03-22. Should the respective CID and/or operational arrangements have been amended in the meantime, please reach out to ECFIN-RECOVER.]*

*[DATE]*

*[AUTHOR (Organisation, not name)]*

**LV-C[C5]-I[5-1-1-2-i-] Support for research and internationalization**

**LV-C[C5]-I[5-1-1-2-i-]-M[157] Cabinet Regulations adopted**

**Date of completion:** **Q1 2024**

**1) Context: description of the measure and relevant context from the CID annex** [text in full from the English version]

The objective of the investment is to increase the volume of private R&D investments through targeted public investments that shall promote the development of new products and technologies, as well as knowledge transfer within the economy. The investments shall fund four programmes with the following indicative amounts: i) competence centre support programme for EUR 25 million, ii) research support programme for EUR 47 million, iii) cooperation networks support programme for EUR 5 million, and iv) support programme for participation in Important Projects of Common European Interest (IPCEI) for EUR 31 million. A closed call for support shall be organised for i) competence centres support programme. An open call shall be organised for the selection of ii) private intermediaries for implementation of the private sector R&D support programme, iii) intermediaries for implementing the cooperation networks support programme, and iv) projects eligible to participate in IPCEI. Emphasis shall be placed on building complete innovation ecosystems, covering existing cooperation networks, ensuring strategic specialisation and innovation development within the entire local value chain, which shall ensure closer integration of Latvian enterprises into global value chains. The selected entities shall be tasked with the (i) implementing the support programme for private research and development projects, (ii) export promotion activities, (iii) networking and exchange of experience activities, (iv) implementation of support programme for participation in EU-level research programmes and international cooperation networks, (v) implementing the support programme for the involvement of Latvian enterprises in industrial alliances at EU level and planned IPCEIs and (vi) collecting data from the beneficiaries to inform the assessment and monitoring activities. The investment is expected to ensure the development of new innovative products and shall cover such expenses as industrial research, experimental development, feasibility studies, co-financing for participation in European and international R&D projects. The funding shall be ensured for participation in planned IPCEI, including in the fields of next generation cloud and edge computing. A government agency shall determine the most suitable project(s) for IPCEI participation and shall include appropriate provisions in the action plan attached to the implementation of this measure. The investment shall be implemented by 31 August 2026.

**2) Copy of the milestone/target wording** [text in full from the English version]

| Seq.num | Measure (reform or investment) | Milestone/Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timetable for completion | | Reporting and implementation responsibility | Description of each milestone and target |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Unit of measure | Baseline | Goal | Quarter | Year |
| 157 | C5.5-1-1-2-i- Support for research and internationalization | Milestone | Cabinet Regulations adopted | Entry into force of Cabinet Regulations governing all four support programmes |  |  |  | Q1 | 2024 | Ministry of Economics | Cabinet Regulations governing the implementation of i) competence centres support programme, ii) research support programme, iii) cooperation networks support programme and iv) IPCEI participation support programme shall enter into force, and shall:   - include indicators for measuring the performance of the selected intermediaries, such as attracted private R&D investment, increased exports among beneficiaries, number of products developed; and   - define the responsibility of intermediaries for collecting data from the final beneficiaries of the programme.   The Cabinet Regulations shall establish that the selection of intermediaries for implementation of research support programme and cooperation networks support programme shall take into account their compliance with the RIS3 specialisation strategy, as well as their capacity to organise calls and their competence to  evaluate projects in their respective thematic area.   Furthermore, they shall establish that the selected intermediaries for the implementation of the competence centres support programme and of the research support programme shall be responsible for carrying out the following activities:     i. implementation of the private sector R & D support programme; and   ii. data collection from final beneficiaries that shall be used for monitoring activities carried out by the Ministry of Economics.    Furthermore, it shall establish that the selected intermediaries for the implementation of the cooperation networks support programme shall be responsible for carrying out one or more of the following activities:   i. export promotion activities;    ii. networking and exchange of experience activities;   iii. Implementation of the support programme for the participation of economic operators in EU-level research and development programmes and in international cooperation networks; and   iv. data collection from final beneficiaries that shall be used for monitoring activities carried out by the Ministry of Economics.   Furthermore, it shall establish that the final recipient of support in IPCEI participation support programme shall be responsible for carrying out one or more of the following activities:   i. implementation of the R&D support programme;   ii. identification and motivation of planned IPCEI participants to submit project ideas; and   iii. data collection from final beneficiaries that shall be used for monitoring activities carried out by the Ministry of Economics. |

Verification mechanism:

Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence. This document shall include as an annex:a) the copy of the Regulations of the Cabinet of Ministers governing the implementation of all four calls, including activities and responsibilities of the selected intermediaries or final beneficiaries and indicators measuring their performance ; b) a copy of and a link to the open call s for research support programme, cooperation network support programme and IPCEI participation support programme; c) the copy of the contracts concluded with the selected entities with responsibilities as defined in the CID Annex; d) the list of the selected IPCEI participants and short IPCEI project descriptions.

Further specification: (if relevant)

**3) List of key evidence provided in FENIX**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Identifier [same as in FENIX] | Name of the evidence.  For legal acts please provide the full legal reference and date of entry into force | Short description | Link to the requirements below |
| 1 |  |  |  |  |
| 2 |  |  |  |  |
| 3 |  |  |  |  |

**4) Detailed justification**

*[Explain clearly how the achievement of the milestone/target is demonstrated by the evidence provided,* ***covering ALL elements of the milestone/target and the elements of the measure description that are directly or indirectly linked to the milestone/target’s requirements.***  *(e.g. the fact that (i) a certain institution had (ii) to accomplish something (iii) in a certain way in order (iv) to achieve a certain goal (v) by a certain date). Please provide* ***a clear link between all the below elements and the one or more evidence items listed above.***

Requirement 1: ‘[excerpt from the milestones/target or the measure description]’

*[Explanation of fulfilment]*

Requirement 2: ‘[excerpt from the milestones/target or the measure description]’

*[Explanation of fulfilment]*

Requirement 3: ‘[excerpt from the milestones/target or the measure description]’

*[Explanation of fulfilment]*

[…]

Contribution to the achievement of other elements from the measure description: [evidence related to the elements that are not directly addressing the M/T but in the measure, where relevant]