Republic of Latvia

Cabinet

Regulation No. 435

Adopted 14 July 2022

**Regulations Regarding the Implementation of the Reform and Investment Direction 2.1 “Digital Transformation of State Administration, Including Local Governments” of Component 2 “Digital Transformation” of the Plan for the European Recovery and Resilience Facility**

*Issued pursuant to*

*Section 19.3, Paragraph two of the Law on Budget and Financial Management*

**I. General Provisions**

1. The Regulation prescribes the procedures for the implementation and supervision of the Reform and Investment Direction 2.1 “Digital Transformation of State Administration, Including Local Governments” (hereinafter – the Reform and Investment Direction) of Component 2 “Digital Transformation” of the Plan for the European Recovery and Resilience Facility (hereinafter – the Recovery Facility), including:

1.1. the objectives and target group for the Reform and Investment Direction;

1.2. the financing available for the Reform and Investment Direction;

1.3. the competence of the authorities involved in the implementation of the Reform and Investment Direction;

1.4. the conditions for the commencement of the projects to be implemented under the Reform and Investment Direction (hereinafter – the project), for the unilateral termination of a contract or agreement for the implementation of the project (hereinafter – the project implementation contract).

2. The Reform and Investment Direction includes Reform 2.1.1.r. “Modernisation of national processes and services and digital transformation” (hereinafter – Reform 2.1.1.r.) and Investment 2.1.1.1.i. “Administration modernisation and digital transformation of services, including business environment” (hereinafter – Investment 2.1.1.1.i.), determining that:

2.1. the objective of Reform 2.1.1.r. shall be to:

2.1.1. modernise public administration and its services by digital transformation, focusing on important functions, processes, and services of the public administration that have not been digitally transformed yet, are being newly developed or substantially strengthened;

2.1.2. implement modernisation measures linked to the processing of essential public administration datasets, ensuring implementation of the data management reform;

2.1.3. build common information and communications technology conceptual architecture for public administration services and their management support, defining the qualitative and quantitative metrics of services;

2.2. the objective of Investment 2.1.1.1.i. shall be to transform public administration services and their delivery processes for the effective implementation of the digital transformation of economy through the use of innovative technologies and approaches, including artificial intelligence and machine learning solutions, as well as by introducing data-based foresight and decision-making approach to service and process management and ensuring the full implementation of the ‘once-only’ principle;

2.3. Reform 2.1.1.r. shall be implemented by 30 June 2022 and the milestones to be achieved within its scope shall be as follows:

2.3.1. by 31 March 2022 – the establishment of a framework for unified management of the information and communications technology development activities in public administration;

2.3.2. by 30 June 2022 – the establishment of a normative framework for receiving support in the field of digital transformation of public administration processes and services;

2.4. Investment 2.1.1.1.i. shall be implemented by 31 August 2026 and the objectives to be achieved within its scope shall be as follows:

2.4.1. by 30 September 2023 – descriptions of information and communications technology solution development activities developed and harmonised – 11;

2.4.2. by 31 August 2026 – delivery of information and communication technology solutions for modernised public administration functions (including systems) –11.

3. The Reform and Investment Direction includes Reform 2.1.2.r. “Increasing efficiency and interoperability in the use of national ICT resources” (hereinafter – Reform 2.1.2.r.), Investment 2.1.2.1.i. “Centralised governance platforms and systems” (hereinafter – Investment 2.1.2.1.i.), and Investment 2.1.2.2.i. “National Federal Cloud of Latvia” (hereinafter – Investment 2.1.2.2.i.), determining that:

3.1. the objective of Reform 2.1.2.r. shall be to:

3.1.1. transform the information and communications technology provision approach in public administration by centralising the provision of uniform information and communications technology sharing services in competence centres that support several institutions;

3.1.2. develop the central system and platform of public administration and the consolidation of computing infrastructure services, enabling the automation and efficiency of the processes of supply and ensuring cross-border access to public administration services and the consolidation of public administration computing and data storage infrastructure services;

3.2. the objective of Investment 2.1.2.1.i. shall be to:

3.2.1. ensure the functioning of the administration as a single organisation which would include the introduction of standardised support functions, such as, accounting, staff administration, resource accounting, and management;

3.2.2. create or significantly functionally supplement four public service delivery platforms, five departmental and support functions platforms, and six platforms and systems for municipalities;

3.3. the objective of Investment 2.1.2.2.i. (projects implemented under this measure are projects of strategic importance) shall be to:

3.3.1. provide shared computing and data management infrastructure and its services for the public administration, and also to develop information and communications technology infrastructure competence centres for data storage and computing (Latvian Federal Cloud nodes);

3.3.2. establish the Latvian Federal Cloud which provides for the consolidation of public sector data storage and computing capabilities within a co-ordinated project, initially including integration of four shared services providers in the national federated cloud;

3.3.3. integrate three public service delivery platforms and services and seven departmental and support functions platforms in the national federated cloud;

3.4. Reform 2.1.2.r. shall be implemented by 30 June 2022 and the milestone to be achieved within the scope thereof shall be the establishment of the legal framework for receiving support in the area of the development of central systems and platforms of public administration and the consolidation of computing infrastructure services;

3.5. Investment 2.1.2.1.i. shall be implemented by 31 August 2026, and the objectives to be achieved within its scope shall be as follows:

3.5.1. by 31 March 2023 – approval of coordinated plans for the creation, transformation or deployment of centralised functions or services – 15;

3.5.2. by 30 September 2023 – adoption of harmonised descriptions of the development activities of centralised information and communications technology solutions – 15;

3.5.3. by 31 August 2026 – the number of centralised information and communications technology platforms and systems set up and in operation – 15;

3.6. Investment 2.1.2.2.i shall be implemented by 31 August 2026, and the objectives to be achieved within its scope shall be as follows:

3.6.1. by 31 December 2024 – the number of shared service providers integrated in the national federated cloud – cloud solutions – four;

3.6.2. by 31 August 2026 – public administration information systems modified to modern information system architecture and hosted in the national federated cloud – 10.

4. The Reform and Investment Direction includes Reform 2.1.3.r. “Development of the national economic data and digital services economy” (hereinafter – Reform 2.1.3.r.) and Investment 2.1.3.1.i. “Data availability, sharing and analysis” (hereinafter – Investment 2.1.3.1.i.), determining that:

4.1. the objective of Reform 2.1.3.r. shall be to:

4.1.1. ensure the availability and sharing of public and private data and services by laying the foundations for the development and interoperability of the data and platform economy with European data spaces and by ensuring data sharing within the European Union;

4.1.2. develop the capacities of the public sector to collect and process data and to establish appropriate governance principles to ensure a one-stop-shop approach for data exchange between sectors and European data spaces;

4.2. the objective of Investment 2.1.3.1.i. shall be to:

4.2.1. promote data sharing within the public sector and between the public and private sectors, the introduction of the ‘once-only’ principle and the sharing of data in the national and European area;

4.2.2. create high accessibility data loading and recovery solutions and a set of data objects from the education, business, citizenship, and personal identification document sectors (by 2023) and from social insurance and security, in the field of land and real estate, and in tax sectors (by 2026);

4.3. the Reform 2.1.3.r. shall be implemented by 31 December 2023 and the milestones to be achieved within its scope shall be as follows:

4.3.1. by 30 June 2022 – entry into force of the normative framework for receiving support in the field of transformation of economic data management;

4.3.2. by 31 December 2023 – the legal framework for the functioning of the national data circulation platform;

4.4. the Investment 2.1.3.1.i. shall be implemented by 31 August 2026 and the objective to be achieved within the scope thereof – sectors for which the relevant datasets are available on the national data circulation platform (data aggregation environment) – six.

5. The objectives to be jointly achieved under the investments of the Reform and Investment Direction, their descriptions, the minimum and indicatively planned values, the time periods for achievement, and the certifications of achievement are determined in Annex 1 to this Regulation.

6. Support of the Reform and Investment Direction will be provided in the form of a grant and the financing from the Recovery Fund available thereto shall be EUR 128 862 000:

6.1. the financing available for the Investment 2.1.1.1.i. shall be EUR 24 437 280;

6.2. the financing available for the Investment 2.1.2.1.i. shall be EUR 70 177 920;

6.3. the financing available for the Investment 2.1.2.2.i. shall be EUR 12 490 800;

6.4. the financing available for the Investment 2.1.3.1.i. shall be EUR 21 756 000.

7. The costs of the value added tax (hereinafter – the tax) shall not be eligible for the financing from the financing of the Recovery Fund but such costs shall be included within the scope of the project of the Recovery Fund and will be financed in accordance with the conditions referred to in Paragraphs 34 and 35 of this Regulation.

8. The Reform and Investment Direction has the following link-up with the matters of open strategic autonomy and security:

8.1. the data governance conditions will be conformed to and introduced in the establishment of research data repositories;

8.2. participation in the European Open Science Cloud will promote the strategic autonomy of Europe in the field of research data management;

8.3. the establishment of the national federated cloud computing infrastructure of Latvia with the perspective of integrating it in the cloud computing infrastructure of Europe will promote the strategic autonomy of Europe in the field of cloud computing.

9. The target group of the Reform and Investment Direction shall be the private sector, the public administration, local governments of State cities and municipalities, and associations.

10. The Reform and Investment Direction shall be introduced throughout the territory of Latvia.

**II. Obligations and Responsibility of the Authorities Involved in the Implementation and Supervision of the Reform and Investment Direction**

11. The following shall be the beneficiaries of the Reform and Investment Direction:

11.1. institutions of direct administration;

11.2. the Central Election Commission and the Office of the Prosecutor;

11.3. the Free Port of Rīga Authority;

11.4. local governments of State cities and municipalities which have the capacity to provide shared solutions to local governments;

11.5. capital companies of a public entity which are performing the administration task and derived public entities which are operating in the field of scientific research and higher education;

11.6. an association which performs the administration task to establish and maintain the higher education and research digital services;

11.7. an association which performs the administration task in relation to the processing of information of waste landfill sites.

12. In planning the achievement of the investment objectives referred to in Annex 4 of this Regulation transferred under responsibility of the sectoral ministry and the State Chancellery (hereinafter – the sectoral ministry) accordingly, they shall implement projects independently or transfer their implementation to another beneficiary referred to in Paragraph 11 of this Regulation which ensures the activities referred to in Paragraph 13 of this Regulation.

13. In addition to the provisions laid down in the laws and regulations regarding the implementation and supervision of the Recovery Fund, the beneficiary shall ensure the project implementation according to the provisions and deadlines for the project implementation, including:

13.1. plan the project implementation in accordance with the achievement of the investment objects referred to in Annex 4 to this Regulation according to the allocated financing, prepare and submit a draft Cabinet order regarding the project implementation (hereinafter – the draft order) to the sectoral ministry or the authority referred to in Paragraph 17 of this Regulation, including at least the following information on the projects:

13.1.1. information on the beneficiary which implements the project activities;

13.1.2. the project passport (Annex 2 to this Regulation);

13.1.3. the development plan of centralised function or shared service (Annex 3 to this Regulation) if the beneficiary plans to develop centralised functions or shared services under the project;

13.2. within three months after an invitation of the Ministry of Environmental Protection and Regional Development as information and communications technology management organisation to submit a project application has been received, enter the following data of the project application in the management information system of the Cohesion Policy Funds (hereinafter – the management information system):

13.2.1. the information indicated in Annex 2 to this Regulation on the project to be implemented;

13.2.2. the information on the calendar plan of the stages of the project for the stages included in which specific results have been determined and the time period for the implementation of such stages does not exceed one year;

13.2.3. the information on the break down of the project financing by the activities and types of costs of the project which is linked up with the calendar plan of the project stages referred to in Sub-paragraph 13.2.2 of this Regulation, indicating the planned costs according to the project implementation stages;

13.2.4. the information on the cooperation partners of the project implementation and the project implementation activities and costs planned thereby, and also the amount of the advance payment planned for them;

13.3. implement the project in accordance with the achievement of the investment objectives referred to in Annex 4 to this Regulation according to the allocated financing, submit and update the following information on the project in the management information system during the project implementation:

13.3.1. the procurement plan, including information on procurement contracts already concluded and other contracts related to the project implementation and the timetable of the planned payment requests according to the project implementation contract, updating it in the management information system immediately after identification of changes;

13.3.2. the documents certifying achievement of the milestones and targets of the project, and also a short description of the indicator already achieved which proves conformity with the description of the objective and contribution included in the Reform and Investment Direction;

13.3.3. by 10 January and 10 July of the current year, enter in the management information system information for the preparation of the half-year report on the progress in the implementation of the Recovery Fund Plan and the payment request in accordance with Article 27 of Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (hereinafter – Regulation No 2021/241);

13.4. if the functionality of the management information system for entering information is not available, the information referred to in Sub-paragraphs 13.2 and 13.3 of this Regulation shall be submitted to the authorities referred to in Paragraph 14 of this Regulation in the form of an electronic document which has been signed with a secure electronic signature;

13.5. if information systems and platforms are developed under the projects, this shall be done in conformity with the provisions determining the procedures for the supervision of State information system development projects and the general technical requirements laid down for State information systems and by coordinating such activities with the information and communications technology management organisation;

13.6. ensure attraction of suppliers of goods and service providers in accordance with the laws and regulations in the field of public procurements in conformity with a procedure ensuring open, transparent, and equal competition;

13.7. within the scope of Investments 2.1.1.1.i., 2.1.2.1.i., and 2.1.3.1.i., ensure accumulation of data on the impact of the abovementioned investments on the joint indicator “Users of new and modernised public digital services, products, and processes” of the Reform and Investment Direction;

13.8. implement communication measures, and also ensure the fulfilment of the publicity and visual identity requirements in accordance with Article 34(2) of Regulation No 2021/241 and Article 10 of the Recovery and Resilience Facility Financing Agreement between the Commission and the Republic of Latvia;

13.9. improve or develop the internal control system necessary for ensuring the implementation of the Recovery Fund Plan and ensure its efficient operation during the project implementation, including by ensuring at least the following control activities:

13.9.1. preclusion of a conflict of interests, corruption, and fraudulent action within the project;

13.9.2. preclusion of double financing within the project and in link-up with the cross-border projects and projects of Member States, where applicable;

13.9.3. preclusion of aid for commercial activity within the project;

13.10. develop and introduce, in a timely manner, the legal framework if it is necessary for the introduction or operation of the solutions to be developed under the project;

13.11. plan and provide resources for the sustainability of the results of the project implementation;

13.12. append a certification to each payment request of the project that tax costs have not been and will not be recovered from the State budget in the form of input tax;

13.13. ensure accounting and separation of individual costs of the project, including tax costs;

13.14. ensure returning of the balance of the funds granted for the payment of taxes if the initially planned amount of tax is higher than the amount actually necessary;

13.15. by 31 May 2026, submit the final payment documentation according to the project implementation contract;

13.16. repay the financing granted within the implementation of the Recovery Fund if it has not been invested according to the provisions and deadlines specified in the project implementation contract;

13.17. when implementing a project within the scope of Investments 2.1.2.1.i. and 2.1.2.2.i., establish pre-conditions for continuing, developing and expanding centralised functions or the provision of a shared service (including adapt the information systems and processes accordingly, supplement and train the personnel) in accordance with the plan for the development of the centralised function or shared service agreed upon by the Cabinet (Annex 3 to this Regulation) and ensure the fulfilment of this plan;

13.18. within the scope of the Investment 2.1.2.1.i., the beneficiaries referred to in Sub-paragraph 11.4 of this Regulation shall, during the project implementation, establish shared solutions available to all local governments of State cities and municipalities and shared services which, after the project ends, will be used by at least 10 units, institutions, capital companies of a public entity in at least five local governments of State cities and municipalities;

13.19. within the scope of Investments 2.1.1.1.i. and 2.1.3.1.i., ensure sustainability of the project results, including the operation of the information and communications technology solutions created and introduced under the project for at least five years after the end of the project;

13.20. ensure a project result audit conducted by the beneficiary, an independent auditor or an internal auditor in order to ascertain the validity of the costs made within the project, the achievement of the milestones and targets, and their conformity with the provisions for the implementation of the investment, including that there are no signs attesting to an allowed situation of a conflict of interests, double financing, corruption, and fraud in the project, and also the conformity of the achieved results achieved with the planned project outcomes;

13.21. ensure the storage of the project implementation documents, including certifications which justify achievement of the specified indicators, for five year after making of the final payment.

14. Supervision of the implementation of the Reform and Investment Direction shall be ensured by the following authorities:

14.1. the information and communications technology management organisation;

14.2. the sectoral ministries;

14.3. the Central Finance and Contracting Agency (hereinafter – the Agency).

15. The information and communications technology management organisation shall plan, coordinate, and supervise the achievement of the objectives of the Reform and Investment Direction, including:

15.1. agree upon the draft orders prepared by the beneficiaries, evaluating the conformity of draft orders and their annexes with the requirements of this Regulation, including regards the achievement of the planned investment objectives;

15.2. perform the supervision of the activities for the development of information and communication technology solutions to be implemented under the projects of the Reform and Investment Direction in accordance with the regulations determining the procedures for the supervision of State information system development projects, in conformity with the general technical requirements laid down for State information systems, and also agree upon, according to the competence, the shared services to be developed under the projects;

15.3. invite the beneficiary to submit a project application after approval of the draft order at the Cabinet;

15.4. within a month after receipt of the project application, evaluate the conformity of the project application with the requirements of this Regulation, the order regarding the project implementation, and the description of the activities for the development of the information and communication technology solutions to be implemented under the project, and also evaluate the conformity of the beneficiary with the exclusion criteria laid down in Article 136 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012;

15.5. notify the beneficiary, the sectoral ministry (if applicable), and the Agency (if applicable), by sending information in the form of an electronic document which has been signed with a secure electronic signature, of approval of the project application and commencement of the procedure for concluding a project implementation contract if the conditions referred to in Sub-paragraph 15.4 of this Regulation have been met;

15.6. organise the procedure for concluding a project implementation contract with the contracting parties referred to in Paragraph 25 of this Regulation;

15.7. implement the supervision of the achievement of the milestones and targets of the Reform and Investment Direction, and also of the execution of project stage plans by participating in the work of the supervisory boards of projects and programme councils;

15.8. perform direct supervision of the implementation of such projects included under the Reform and Investment Direction which, in accordance with Annex 4 to this Regulation, have been included outside mutually linked project programmes (hereinafter – the programmes), by involving the Ministry of Defence in matters related to cybersecurity;

15.9. exercise the right to participate in the coordination and management work of projects and programmes, including to become acquainted with the project documentation used or developed within the project;

15.10. impose corrective measures on the beneficiary referred to in Sub-paragraph 11.1 of this Regulation or the sectoral ministry if the provisions of the project implementation contract or the requirements of this Regulation are violated;

15.11. exercise the right to unilaterally withdraw from the concluded project implementation contract and address the Cabinet with a proposal to amend the order regarding the project implementation in any of the following cases:

15.11.1. the beneficiary does not fulfil the project implementation contract, including, fails to comply with the deadlines specified in the project or other circumstances which have or may have a negative impact on achievement of a reform and investment objective have set in;

15.11.2. the beneficiary has knowingly provided false information during the project implementation;

15.12. by 25 January and 25 July of the current year, enter information in the management information system on the course of implementation of the Reform and Investment Direction and the milestones and targets achieved thereunder, the payment requests and expenditures, and also the documents justifying the achieved indicator, aggregating the information provided by the beneficiaries and the sectoral ministries;

15.13. implement communication measures for projects of strategic importance to be implemented under the Reform and Investment Direction.

16. The sectoral ministries shall perform the following activities in the supervision of the projects of the Reform and Investment Direction to be implemented within the scope of the department:

16.1. evaluate the draft order prepared by the beneficiary and its annexes in relation to the fulfilment of the following criteria:

16.1.1. the conformity of the project intention with the sectoral policy and priorities;

16.1.2. the usefulness of the implementation of the project intention on the basis of the cost-benefit analysis made by the beneficiary;

16.1.3. the availability of resources for the implementation of the project intention and for the maintenance of the results of the project implementation;

16.2. certify the usefulness of the project and the availability of resources for the project implementation, for the supervision of implementation, and also for the maintenance of project results by appending the certification referred to in Annex 5 to this Regulation to the draft order prepared by the beneficiary, and submit the draft order to the Cabinet;

16.3. perform the following activities in relation to the projects to be implemented by the beneficiaries referred to in Sub-paragraph 11.1 of this Regulation:

16.3.1. conclude project implementation contracts with the contracting parties referred to in Paragraph 25 of this Regulation;

16.3.2. request the financing necessary for the project implementation from the budget programme in accordance with the procedures laid down in laws and regulations;

16.3.3. implement the project supervision functions according to the project implementation contract, including perform the risk management of the project implementation, by participating in the composition of the programme council and the supervisory board of the project in accordance with Paragraph 21 of this Regulation;

16.3.4. improve or develop the internal control system necessary for ensuring the implementation of the Recovery Fund Plan and ensure its efficient operation, including ensuring at least the following control activities, according to the competence, in cooperation with the information and communications technology management organisation:

16.3.4.1. prevention of a conflict of interests, corruption, and fraud;

16.3.4.2. prevention of the risk of double financing;

16.3.4.3. checking the conformity of milestones and targets, and the justifying documentation, including data credibility check;

16.3.5. according to the competence, impose corrective measures on the beneficiary if the provisions of the project implementation contract or the requirements of this Regulation are violated;

16.3.6. exercise the right to participate in the coordination and management work of projects and programmes, including to become acquainted with the project documentation used or developed within the project;

16.3.7. exercise the right to unilaterally withdraw from the concluded project implementation contract in any of the following cases:

16.3.7.1. the beneficiary does not fulfil the project implementation contract, including, fails to comply with the deadlines specified in the project or other circumstances which have or may have a negative impact on achievement of a reform and investment objective have set in;

16.3.7.2. the beneficiary has knowingly provided false information during the project implementation;

16.3.8. perform a check of the final documentation of the project by 31 August 2026;

16.4. submit information to the information and communication technology management organisation for the preparation of a management declaration and a certification, sending it in the form of an electronic document which has been signed with a secure electronic signature or adding it in the management information system;

16.5. implement communication measures, including regarding projects of strategic significance (if applicable).

17. For projects the beneficiaries of which are not institutions of direct administration or State capital companies under supervision of the sectoral ministry, the functions under responsibility of the sectoral ministries shall be performed as follows:

17.1. the Free Port of Rīga Authority and the Central Election Commission shall evaluate the content of the draft order in accordance with the criteria referred to in Sub-paragraph 16.1 of this Regulation, and submit a certification to the Ministry of Environmental Protection and Regional Development in accordance with Sub-paragraph 16.2 of this Regulation. After agreement thereupon, the Ministry of Environmental Protection and Regional Development shall submit the certification to the Cabinet;

17.2. for the projects to be implemented under the intention “Digital transformation of local government services, and the modernisation and centralisation of the support processes of local governments” of Investment 2.1.2.1.i.:

17.2.1. the authority responsible for the management of the programme council shall prepare and submit the following documents to the Ministry of Environmental Protection and Regional Development:

17.2.1.1. a draft order the content of which has been evaluated in accordance with the criteria referred to in Sub-paragraph 16.1 of this Regulation;

17.2.1.2. the plan for the introduction of the intention “Digital transformation of local government services, and the modernisation and centralisation of the support processes of local governments” of the Investment 2.1.2.1.i. which has been appended in annex to the draft order;

17.2.1.3. a certification in accordance with Sub-paragraph 16.2 of this Regulation;

17.2.1.4. certifications of at least five local governments of State cities and municipalities an agreement on the content of the draft order and the use of the shared solutions and shared services developed and introduced during the project implementation after the end of the project in accordance with Sub-paragraph 13.18 of this Regulation;

17.2.2. the Ministry of Environmental Protection and Regional Development shall agree upon the draft order submitted by the authority responsible for the management of the programme council, evaluating its conformity with the requirements of this Regulation and the plan for the introduction of the intention “Digital transformation of local government services, and the modernisation and centralisation of the support processes of local governments” of Investment 2.1.2.1.i., including regards the achievement of the planned objectives of the Investment Reforms and Investment Direction, and submit it to the Cabinet;

17.3. the Office of the Prosecutor shall evaluate the content of the draft order in accordance with the criteria referred to in Sub-paragraph 16.1 of this Regulation and submit a certification in accordance with Sub-paragraph 16.2 of this Regulation to the Ministry of Justice. After agreement thereupon, the Ministry of Justice shall submit the certification to the Cabinet.

18. In addition to that laid down in the laws and regulations regarding the implementation and supervision of the Recovery Fund, the Agency shall perform the following activities:

18.1. perform the following activities in relation to the projects to be implemented by the beneficiaries referred to in Sub-paragraphs 11.2, 11.3, 11.4, 11.5, 11.6, and 11.7 of this Regulation:

18.1.1. if it has been determined in the project implementation contract – on the basis of a written request for advance payment by the beneficiary, grant advance payments in the amount of not more than 30 % which shall be implemented by the beneficiary within six months within the framework of the financial year;

18.1.2. after receipt of payment requests, check whether a certification has been appended thereto that tax has not been recovered from the State budget in the form of input tax;

18.1.3. make payment to the beneficiary according to the information entered in the management information system and the project stages determined in the project implementation contract and finished successfully, and also make the final payment of the project;

18.1.4. perform a check of the final documentation of the project and make the final payment by 31 August 2026;

18.2. is entitled to unilaterally withdraw from the project implementation contract in any of the following cases:

18.2.1. the beneficiary does not fulfil the project implementation contract, including, fails to comply with the deadlines specified in the project or other circumstances which have or may have a negative impact on achievement of the reform and investment objective have set in;

18.2.2. the beneficiary has knowingly provided false information during the project implementation;

18.2.3. in other cases provided for by the project implementation contract.

19. For the purposes of efficient achievement of the objectives of the Reform and Investment Direction and mutual coordination of project implementation, projects shall be included in programmes the management of which shall be ensured by programme councils in accordance with Annex 4 to this Regulation.

20. The authority responsible for the programme management which is referred to in Annex 4 to this Regulation shall establish a programme council or make changes in legal acts of already existing project councils, assigning also the functions of the programme council thereto and, if necessary, supplement its composition, ensuring that the composition of the programme council includes the following authorities:

20.1. the information and communication technology management organisation;

20.2. the sectoral ministries and beneficiaries of the projects included in the programme;

20.3. the Agency if the projects to be implemented by the beneficiaries referred to in Sub-paragraphs 11.2, 11.3, 11.4, 11.5, 11.6, and 11.7 of this Regulation are included in the programme.

21. The programme council shall ensure mutual coordination of the implementation of the projects included in the programme, including perform the following activities:

21.1. assess the mutual impact risks of the projects included in the programme and, if it is established that the projects included in the programme have mutual impact, provide proposals to the beneficiaries for the actions to be taken in order to mutually adjust the project implementation plans and to organise the course of the projects;

21.2. suggest proposals for amendments to the development planning documents of the Recovery Fund;

21.3. suggest proposals to the sectoral ministry in cooperation with the information and communications technology management organisation to perform random checks of the documentation and activities of the projects implemented by the beneficiaries referred to in Sub-paragraph 11.1 of this Regulation in order to ascertain that:

21.3.1. no signs can be found in the implementation of the investment projects of the Reform and Investment Direction that attest to an allowed situation of a conflict of interests, corruption, fraud, or double financing;

21.3.2. the data on the fulfilment of the milestones and targets defined under the investments of the Reform and Investment Direction are credible.

22. The beneficiary shall establish a supervisory board of the project for the supervision of project implementation not later than within three months after conclusion of the project implementation contract. Representatives of the management of the beneficiary, the project cooperation partners (if applicable), the sectoral ministry (if applicable), the Agency (if applicable), the head of the programme council (if applicable), and the information and communications technology management organisation shall be included in the supervisory board.

23. Meetings of the supervisory board of the project shall be convened at least once in six months and they may be organised within the scope of meetings of the programme councils or separately.

24. The administrative resources and technological expert-examinations necessary for coordinating the achievement of the objectives of the Reform and Investment Direction, and also for programme management, and also the resources for coordinating the introduction of the State unified information and communications technology architecture shall be provided by the Ministry of Environmental Protection and Regional Development within the project to be implemented under intention “Management of public administration ICT development project programmes and architecture” of Investment 2.1.2.1.i.

**III. Project Implementation Contracts, Cooperation Partners, and Provisions**

25. The beneficiaries referred to in Sub-paragraph 11.1 of this Regulation shall conclude a project implementation contract with the information and communications technology management organisation and the sectoral ministry.

26. The beneficiaries referred to in Sub-paragraphs 11.2, 11.3, 11.4, 11.5, 11.6, and 11.7 of this Regulation shall conclude the project implementation contract with the Agency.

27. The project implementation contract shall include an obligation for the beneficiary to assess and ensure, where applicable, that aid for commercial activity is not being provided, and also the following provisions in relation to compliance with the principle of “do no significant harm”:

27.1. in acquiring computer hardware and other technological equipment (devices) within project implementation, the principle of green public procurement shall be applied;

27.2. only in the provisions for the implementation of projects under Investment 2.1.2.2.i.:

27.2.1. energy efficiency measurements shall be implemented once a month for a data centre to be modernised under the project, including by acquiring the initial data for the situation before modernisation to be done under the project (installation of devices ensuring additional computing capacity and other devices);

27.2.2. it shall be ensured that the energy efficiency indicators of the data centre to be modernised will not be worsened in the modernisation process.

28. The beneficiary may involve cooperation partners in the project implementation which may be State administration institutions, local governments of State cities and municipalities, State and local government capital companies, derived public entities, and associations. The involvement of a cooperation partner shall not exempt the beneficiary from the liability for the achievement of the objectives of the project and its implementation according to the conditions of the project implementation contract.

29. If a cooperation partner is involved in project implementation, the beneficiary shall, within three months after involvement of the cooperation partner in the project, conclude a cooperation contract which stipulates the rights and obligations of the parties, including a provision for cooperation partners which also perform commercial activity that the financing of the project is not used as aid for commercial activity. The cooperation contract may include a provision on an advance payment to the cooperation partners of the beneficiary the amount of which is determined by the beneficiary and which may not exceed 30 % of the total amount of the payment planned for the cooperation partner.

30. Project costs shall be eligible from 1 February 2021. The costs may be made eligible for such activities which have not been completed at the moment of concluding the project implementation contract.

31. The following supported activities may be performed under the project to achieve the objectives of the Reform and Investment Direction referred to in Sub-paragraphs 2.1, 2.2, 3.1, 3.2, 3.3, 4.1, and 4.2 of this Regulation:

31.1. modernisation of the processes and services of public administration (including scientific institutions, higher education institutions) by digitising them, including:

31.1.1. measures for the modernisation of such public administration functions, processes, and services (including the development and introduction of the technological solutions necessary for modernisation) which have not been digitised yet or are developed anew, or are being improved;

31.1.2. modernisation measures which are related to public administration data processing processes and create preconditions for the implementation of the data management reform, including the designing and development of the information systems necessary for modernisation;

31.2. the development of centralised platforms and shared services of State administration (including scientific institutions of local governments of State cities and municipalities, higher education institutions), including:

31.2.1. consolidation of public administration information and communications technologies and support functions by centralising shared services of the uniform administration service provision, information and communications technologies, and support functions necessary for the support of several institutions in competence centres;

31.2.2. consolidation of computing and data storage infrastructure services of State administration institutions by establishing specialised competence centres;

31.2.3. equipping tee public administration with specialised technological solutions and specialised equipment which is performed under the project activity plan in order to achieve the objective of the particular investment measure, providing possibilities for the implementation of digitally transformed administration processes;

31.3. introduction and development of data management, including:

31.3.1. availability and sharing of the data and services of the State administration (including scientific institutions) and the private sector, laying the foundation for the development and interoperability of data and platform economy with the European data spaces and ensuring data sharing within the European Union;

31.3.2. creation of technological and organisational solutions which ensures cross-sectoral circulation and use of data (including research data), availability of State platforms to support the commercial sector and the operation of state administration and the development of services, or a possibility of data sharing managed by a person;

31.4. management and administration of projects;

31.5. coordination of the programme implementation and management of the information and communications technology architecture at the project and programme level in order to promote efficient achievement of the objectives of the Reform and Investment Direction under the interaction between projects and programmes;

31.6. visual identity and publicity measures in accordance with the requirements laid down in Article 34(2) of Regulation No 2021/241 and Article 10 of the Recovery and Resilience Facility Financing Agreement between the Commission and the Republic of Latvia;

31.7. the project result audit conducted by the beneficiary, an independent auditor or an internal auditor in order to ascertain the validity of the costs made within the project, the achievement of the milestones and targets, and their conformity with the conditions for the implementation of the investment, including that there are no signs attesting to an allowed situation of a conflict of interests, double financing, corruption, and fraud in the project, and also the conformity of the achieved results with the planned project outcomes.

32. The eligible project costs shall be the costs of the following types incurred in implementing the supported project activities:

32.1. costs of activity process analysis, costs of the improvement of processes and services:

32.1.1. costs of the analysis of the needs of the users of processes and services;

32.1.2. costs of designing, reconstruction, and digitisation of the service process;

32.1.3. costs of designing, creation, transformation, and adaptation of electronic services;

32.1.4. costs of an audit of the information system to be improved under the project and of the current electronic services;

32.2. costs of designing, development, or acquisition of information systems and of data management introduction, including:

32.2.1. costs of designing, development, or development of the technical procurement specifications of the information system and the research data management system;

32.2.2. costs of the development of the documentation corresponding to the selected development method;

32.2.3. costs of the information system design, including the development of the architecture, user interface, and other designs of information systems according to the selected development method;

32.2.4. costs of the information system software development, including costs of the development of integration interfaces;

32.2.5. acquisition costs of software licences for the system if the usefulness of a paid software product or software component is justified and has been agreed upon in accordance with the laws and regulations in the field of general technical requirements for State information systems;

32.2.6. costs of data import and migration (including costs of ensuring semantic and technical interoperability of data, costs of data structuring and data enrichment);

32.3.7. costs of information resource digitisation;

32.2.8. costs of data preparation for centralised shared management, costs of the development of research data management plans and costs of publishing data to be reused (including creation of specialised data collections, costs of contextualising service data, etc.);

32.2.9. costs of data quality audits and data quality improvements;

32.2.10. training costs of administrators and such users of the information system, managers of research data who ensure the provision of services with the information system;

32.2.11. adaptation of the information system for the use of outsourced information and communications technology services, including configuration costs of the information system and costs related to specification, configuration, and adaptation of the outsourced services to be used for the operation of the information system;

32.2.12. costs of the quality control of the information system development or acquisition and introduction, including testing costs and field supervision costs of the information system introduction and of development the project introduction documentation;

32.2.13. registration fee of the information system (including research data) in international repositories and networks to ensure international data exchange;

32.2.14. costs of the code cleanup of the information technology solution;

32.3. service costs of the information and communications technology infrastructure for ensuring the project implementation, including costs of cloud computing and related services for ensuring the development and introduction of information systems during the project;

32.4. only for projects under Investment 2.1.2.2.i. – acquisition costs of the technical infrastructure for data centres and computing infrastructure and the serial software of the manufacturer necessary for its operation which are needed to reach project objectives:

32.4.1. acquisition costs of the server equipment and the infrastructure necessary for its installation;

32.4.2. acquisition costs of data array equipment;

32.4.3. acquisition costs of serial software, including costs of licence and maintenance support updates during the period of operation of licences or software which does not exceed five years;

32.4.4. installation and configuration costs of technical infrastructure and serial software of the manufacturer;

32.4.5. acquisition costs of data transmission network equipment for ensuring data connections or data transformation connection to the public administration federated cloud;

32.5. purchase and adaptation costs of specialised technological solutions and equipment incurred in equipping a State administration authority with technological solutions and equipment which provide possibilities for the implementation of digitally transformed administration processes within the framework of the implementation of the specific investment measure target;

32.6. costs of training, information and publicity measures, open data use promotion, including:

32.6.1. training of administrators and users of the ICT solutions to be introduced, costs of information and publicity measures, without exceeding three per cent of the total eligible project costs;

32.6.2. development costs of software user and administrator support materials, including interactive materials and manuals;

32.7. costs of the deployment of the unified State administration customer service centres (hereinafter – the centres), including costs of improving the information and communications technology system operating the centre, developing the remote civil servant service, adapting the related information and communications technology infrastructure and premises of the centre;

32.8. remuneration costs of the project management and implementation personnel which include the remuneration costs of the experts involved in the project management and implementation in accordance with the provisions of the Law on Remuneration of the State and Local Governments and have arisen on the basis of a fixed-term employment contract, an agreement, or an order on the performance of additional duties during the project implementation, or on the basis of a work-performance contract, and are necessary for the achievement of the targets and milestones of the Reform and Investment Direction, and which are certified by the content of the job descriptions of fixed-term employment contracts, work tasks of work-performance contracts, or agreements on performance of additional duties, and in case of performance of additional duties – also records of the working time dedicated to the performance of such additional duties;

32.9. official travel costs of the project management and implementation personnel directly related to the project activities;

32.10. costs of project management services and architecture development services of the solutions to be developed;

32.11. costs of the acquisition or lease of information and communications technology hardware and devices needed by the beneficiaries and the cooperation partners for the implementation and management of project activities, and also office equipment cots, without exceeding three per cent of the total eligible project costs to be used for the performance of the activities envisaged under the project which are implemented by the beneficiary and the cooperation partner;

32.12. costs of publicity and visual identity measures directly related to the project activities which have been implemented in accordance with the requirements of Article 34(2) of Regulation No 2021/241;

32.13. costs of the project result audit conducted by the beneficiary, an independent auditor or an internal auditor in order to ascertain the validity of the costs made within the scope of the project, the achievement of the milestones and targets, and their conformity with the conditions for the implementation of the investment, including that there are no signs attesting to an allowed situation of conflict of interests, double financing, corruption, and fraud in the project, and also the conformity of the achieved results with the planned project outcomes.

33. The costs referred to in Sub-paragraph 32.8 of this Regulation:

33.1. in projects under Investments 2.1.1.1.i., 2.1.2.2.i., and 2.1.3.1.i. shall not exceed 10 % of the total eligible costs of the project;

33.2. in projects under Investment 2.1.2.1.i. shall not exceed 20 % of the total eligible costs of the project, except for the project for the intention “Management of public administration ICT development project programmes and architecture” of Investment 2.1.2.1.i. to which the restriction on the proportion of the project implementation personnel costs provided for in this Sub-paragraph is not applied.

34. Tax costs incurred in implementing the supported project activities and related to the eligible costs shall be covered for the beneficiaries or their cooperation partners in accordance with the following conditions:

34.1. the tax of a State budget institution shall be covered from the State budget funds;

34.2. financing of a local government of State cities and municipalities for paying the tax may be borrowed with the Treasury;

34.3. if the tax cannot be recovered, derived public entities shall cover it from the State budget funds;

34.4. if the tax cannot be recovered, capital companies of a public entity shall cover it from the State budget funds, except for the capital companies of local governments of State cities and municipalities which may borrow the financing for paying the tax with the Treasury;

34.5. economic operators shall cover the tax from their private funds or another attracted financing other than the financing of the Recovery Fund;

34.6. if associations are performing a function delegated by the State and the tax cannot be recovered, it shall be covered from the State budget funds.

35. Tax costs shall be covered in the amount specified in the order approved by the Cabinet regarding the project implementation.

Prime Minister A. K. Kariņš

Minister for Environmental Protection and Regional Development A. T. Plešs

**Annex 1**

Cabinet Regulation No. 435

14 July 2022

**Targets of the Reform and Investment Direction of the Recovery Fund Plan, Descriptions and Certification of Achievement Thereof**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| No. | Investment | Name of the target characterising its content and its description | Minimum values by investments (number) | Projected total value (number) | Certification of the achievement of the target | Deadline for achievement |
| 1. | 2.1.1.1.i. | **Descriptions of ICT solution development activities developed and harmonised**The ICT solution (system) concept models shall be developed in accordance with the adopted legal framework for ICT governance. Descriptions define the ICT development activities to develop or modernize ICT solutions in the following areas:1) digitally transformed elements of the election processes;2) civil protection and fire safety supervision processes;3) public safety monitoring processes;4) library, museums and culture monuments protection processes;5) information space monitoring processes;6) public media sustainability processes;7) veterinary medicinal product registration processes;8) transportation and logistics data processing in ports;9) processing of the Enterprise Register data;10) taxation data processing;11) public procurement data processing and analysis. | 26(11\*+15\*\*) | 30 | For each ICT solution (system) development activity to be implemented under the investment project, the beneficiary has prepared and, in accordance with the procedures for the supervision of State information system development projects[[1]](#footnote-1)1, received an agreement on the description of ICT solution (system) development activities[[2]](#footnote-2)2 which has been entered in the management information system by the ICT management organisation together with the agreement of the ICT management organisation, and has also prepared and submitted a summary document directly certifying that the target (including the elements ensuring its fulfilment) has been achieved, indicating links to evidence certifying it. The agreed upon descriptions of ICT solution (system) development activities have been appended as annexes | 30 September 2023 |
| 2.1.2.1.i. | **Adoption of the harmonised descriptions of the development activities of centralised ICT solutions**The central platform or system developer shall develop and harmonise the conceptions for the development activities of the ICT solutions to be developed in accordance with the legal framework for ICT governance |
| 2. | 2.1.1.1.i. | **Delivery of ICT solutions for modernised public administration functions (including systems)**The public administration function shall be modernised with the following ICT solutions and systems fully operational:1) digitally transformed elements of election processes;2) civil protection and fire safety supervision processes;3) public safety monitoring processes;4) library, museums and culture monuments protection processes;5) information space monitoring processes;6) public media sustainability processes;7) veterinary medicinal product registration processes;8) transportation and logistics data processing in ports;9) processing of the Enterprise Register data;10) taxation data processing;11) public procurement data processing and analysis. | 26(11\*+15\*\*) | 30 | For each ICT solution (system) development activity implemented under the investment project, the beneficiary has entered in the management information system procurement specifications, documents certifying introduction of ICT solutions (systems) which document improvements of the modernised services (functions), and also has prepared and, in accordance with the procedures for the supervision of State information system development projects[[3]](#footnote-3)3, received an agreement on the notice on the conclusion of the ICT solution (system) development activity[[4]](#footnote-4)4 which has been entered in the management information system by the ICT management organisation together with the agreement of the ICT management organisation, and also has prepared and submitted a summary document directly certifying that the target (including the elements ensuring its fulfilment) has been achieved, indicating links to evidence certifying it | 31 August 2026 |
| 2.1.2.1.i. | **Number of centralised ICT platforms and systems set up and in operation**The following centralised ICT platforms or systems shall be in operation as a result of the investment:1) public service delivery platforms – 4;2) departmental and support functions platforms – 5;3) platforms and systems for municipalities – 6 |   |   |   |   |
| 3. | 2.1.2.1.i. | **Approval of coordinated plans for the creation, transformation or deployment of centralised functions or services**the start of the activity, to develop ICT solutions, the responsible authority shall prepare and coordinate approval of the the centralised ICT function or service development plan (including with regard to the financing of services) | 15 | 15–17 | For each creation, transformation or introduction of centralised functions or services planned under the investment project, the beneficiary has prepared the plan for the development of centralised functions or shared services referred to in Annex 3 to Cabinet Regulation No. 435 of 14 July 2022, Regulations Regarding the Implementation of Reform and Investment Direction 2.1 “Digital Transformation of State Administration, Including Local Governments” of Component 2 “Digital Transformation” of the Plan for the European Recovery and Resilience Facility which has been approved by a Cabinet order.The ICT management organisation shall prepare a summary document directly certifying how the target (including the elements ensuring its fulfilment) has been achieved, indicating links to evidence certifying it. The agreed upon plans for the development of centralised functions or shared services have been appended as annexes | 31 March 2023 |
| 4. | 2.1.2.2.i. | **Number of shared service providers integrated in the national federated cloud – cloud solutions**The performance indicator shall be considered to be fulfilled when four shared services providers (Latvia Radio and Television centre, National Library of Latvia, Information Centre of the Ministry of the Interior, the Ministry of Agriculture) are integrated into the national federated cloud, ensuring interoperability at least at the level of mutual backup recovery and provisioning of extra computing capacity  | 4 | 4 | For each ICT solution (platform and system) development activity implemented under the investment project, the beneficiary has entered in the management information system procurement specifications, documents certifying introduction of ICT solutions (platforms and systems) – an acceptance and delivery deed certifying introduction of products for shared cloud computing services which have been integrated in the public administration federated cloud, ensuring interoperability at least at the level of renewal of mutual reserve and allocation of additional computing capacity, and also has prepared and, in accordance with the procedures for the supervision of State information system development projects[[5]](#footnote-5)5, received an agreement on the notice on the conclusion of the ICT solution (platform and system) development activity[[6]](#footnote-6)6 which has been entered in the management information system by the ICT management organisation together with the agreement of the ICT management organisation, and also has prepared and submitted a summary document directly certifying that the target (including the elements ensuring its fulfilment) has been achieved, indicating links to evidence certifying the number of cloud computing service providers integrated in the public administration federated cloud | 31 December 2024 |
| 5. | 2.1.2.2.i. | **Public administration information systems modified to modern IS architecture and hosted on the national federated cloud**Systems or platforms using the national federated cloud:1) public service delivery platforms and services – 3 (indicative list: digital service delivery platform Latvija.lv, data aggregator, subsidies management platform);2) departmental and support functions platforms – 7 (indicative list: resources management platform VIRSIS, project management platform MAP, environmental data management platform, exporters platform, administrative process platform, systems in areas of health and welfare) | 10 | 10 | For each ICT solution (system) development activity implemented under the investment project, the beneficiary has entered in the management information system procurement specifications, documents certifying introduction of ICT solutions (systems) – an acceptance and delivery deed certifying introduction of products, descriptions of the integration of public administration information systems and platforms in the national federated cloud, and also has prepared and, in accordance with the procedures for the supervision of State information system development projects[[7]](#footnote-7)7, received an agreement on the notice on the conclusion of the ICT solution (system) development activity[[8]](#footnote-8)8 which has been entered in the management information system by the ICT management organisation together with the agreement of the ICT management organisation, and also has prepared and submitted a summary document directly certifying that the objective (including the elements ensuring its execution) has been achieved, indicating links to evidence certifying it | 31 August 2026 |
| 6. | 2.1.3.1.i. | **Sectors for which relevant datasets are available on the national data circulation platform (data aggregation environment)**The data aggregation environment shall provide a high availability data loading/recovery solution and a set of data objects from the following sectors:1) education; business; citizenship and personal identification documents (by 2023);2) social insurance and security; land and real estate; taxes (by 2026). | 6 | 6 | For each sectoral dataset provided in the State data circulation platform (data aggregation environment), the beneficiary has entered in the management information system detailed description of the dataset, and also documents certifying introduction – an acceptance and delivery deed certifying introduction of products.The ICT governance organisation shall prepare a summary document directly certifying how the target (including the elements ensuring its fulfilment) has been achieved, indicating links to evidence certifying it, and enter it in the management information system | 31 August 2026 |
| Notes.\* Minimum value for Investment 2.1.1.1.i.\*\* Minimum value for Investment 2.1.2.1.i.\*\*\* Indicator will be accounted, determining the total value at the end of the implementation period. |

**Annex 2**

Cabinet Regulation No. 435

14 July 2022

**Project Passport**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Investment** |  | **project** |  | **passport** |
|  | (number) |  | (name of the project) |  |

**1. Beneficiary implementing the project**

|  |  |
| --- | --- |
| 1.1. Beneficiary implementing the project (authority) | *If the beneficiary is a capital company of a public entity or a derived public entity, then information on the administration task (including its legal grounds) within the scope of execution of which or for the improvement of execution of which the project is implemented shall also be indicated* |
| 1.2. Project implementation partners | *Cooperation partners shall be indicated if it is planned to attract such* |

**2. Programme of related projects**

|  |  |
| --- | --- |
| 2.1. Name of the programme | *The name of the programme or an indication “outside programmes” shall be indicated* |
| 2.2. Relation to other projects | *The main relation to other projects of the programme, and also information on the examination of the project in the programme council, if applicable, shall be indicated* |

**3. Objective and main benefits of the project**

|  |  |
| --- | --- |
| 3.1. Objective and main content of the project | *A short description of the objective and main content of the project shall be provided* |
| 3.2. Justification of the project (topicality/necessity/problem to be addressed) | *A short description of the necessity for the implementation of the project – the problem to be addressed – shall be provided* |
| 3.3. Benefits of the project[[9]](#footnote-9)1 | *Method for the measuring or verification of the benefit and the indicator to be measured[[10]](#footnote-10)2* | value | time of achievement (year) |
| *3.3.1. Designation characterising the nature* | *What and how is measured or checked* |   |   |
| *3.3.2. Designation characterising the nature* | *What and how is measured or checked* |   |   |
| *3.3.3. Designation characterising the nature* | *What and how is measured or checked* |   |   |

**4. Amount of the necessary financing and its break down by project activities for the achievement of outcomes and types of essential costs**

|  |  |
| --- | --- |
| 4.1. Financing of the Recovery Fund Plan (in total) | 4.2. Planned (total) amount of value added tax (VAT) if its payment will be requested[[11]](#footnote-11)3 and the amount of advance payment if it is planned to request it[[12]](#footnote-12)4 |
| *The planned eligible amount shall be indicated* | *Planned VAT amount if to be requested* | *Amount of advance payment if to be requested* |

|  |  |  |  |
| --- | --- | --- | --- |
| Designation characterising the activity to be performed within the project and the type of essential costs | Amount of costs (indicative) | Maximum amount[[13]](#footnote-13)5 | Outcome of the activity |
| *4.3. Designation characterising the type of activities or costs* |  |  |  |
| *4.4. Designation characterising the type of activities or costs* |  |  |  |
| *4.5. Designation characterising the type of activities or costs* |  |  |  |

**5. Contribution of the project to the achievement of the indicators of the reform and investment objectives**

**5.1. ICT solutions of modernised administration processes**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Number | Name of the ICT solution | Short description[[14]](#footnote-14)6 | In the State cloud(yes/no) | Deadline for agreeing upon the development of ICT solutions[[15]](#footnote-15)7 (year, quarter) | Deadline for introduction into production (year, quarter) | Users of the solution (number) |
|  | *5.1.1. Name* |  |  |  |  |  |
| *5.1.2. Name* |  |  |  |  |  |

**5.2. Centralised functions or shared services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Number | Service (group of services) | Users of shared services (authorities) | Reference to the Cabinet decision on the development plan[[16]](#footnote-16)8 | Deadline for introduction (year, quarter) |
|  | *5.2.1. Name characterising the nature* |  |  |  |
| *5.2.2. Name characterising the nature* |  |  |  |

**5.3. Essential sectoral data sets to be centrally managed**

|  |  |  |
| --- | --- | --- |
| Number | Name representing the content | Deadline for ensuring access (year, quarter) |
|  | *5.3.1. Name* |  |
| *5.3.2. Name* |  |

**6. Project management and implementation capacity[[17]](#footnote-17)9**

|  |
| --- |
| *Information on the project management and implementation capacity of the beneficiary. If the project is implemented by a State institution of direct administration, also information on the use of the internal control system of the sectoral ministry for sound financial management shall be indicated.**Derived public entities, capital companies of a public entity, and associations shall also indicate information on the capacity of financial resources according to the financing conditions* |

**7. Cost/benefit analysis, including impact on the number of administration employees**

|  |
| --- |
| *Summary information on the cost-benefit analysis performed.**Impact on the number of State administration employees – reduction or increase of positions of administration employees – shall be included in the cost/benefit analysis and directly indicated in the summary also if savings in the number of administration employees has been indicated in the benefits of the project (Paragraph 3)* |

**8. Other essential information**

|  |
| --- |
| *Essential information, including conditions for project implementation, risks, link-up of the project with other projects, link-up with the open strategic autonomy and security matters shall be indicated.**Where applicable, information on the examination of the project in the expanded forum of ICT heads shall be indicated* |

Abbreviations used:

ICT – information and communications technologies

MoEPRD – the Ministry of Environmental Protection and Regional Development

**Annex 3**

Cabinet Regulation No. 435

14 July 2022

**Plan for the Development of Centralised Functions or Shared Services**

**1. Centralised function or shared service (hereinafter – the service)**

|  |
| --- |
| *A name reflecting the content of the service and a short description of the content which must include the main conditions for the provision and receipt of the service shall be indicated* |

**2. Service provider**

|  |
| --- |
| *Name of the authority – ensurer of the centralised function or provider of the service* |

**3. Service indicators (levels of the service level agreements (SLA))**

|  |
| --- |
| *Short descriptions and planned values of the quality, amount, and level of the service shall be indicated* |

**4. Range of the service recipients**

|  |
| --- |
| *The range of the recipients of the service shall be characterised, separating the current development perspective, the development perspective planned to be resulting from the project (mandatory), and the future development perspective* |

**5. ICT solution ensuring the provision of the service**

|  |
| --- |
| *Such ICT solution (solutions) shall be indicated which essentially ensures (ensure) the provision of services and the operation/maintenance of which forms a significant part of the service provision costs (less significant support solutions need not be indicated)* |

**6. Legal framework for the provision and receipt of the service and the strategy for the introduction of the service**

|  |
| --- |
| *The current and planned (during the project implementation) legal framework shall be indicated.**The strategy for the introduction of services and expansion of the range of recipients shall be explained if it is not based on the compulsory use of the centralised function or service specified under the legal framework* |

**7. Approach to financing the service1**

|  |
| --- |
| *It shall be specified whether the recipients of the service are planned to be involved in financing the provision of the service, for example, by reallocating from the recipients of the service or receiving as direct payments a part of the financing needed for the provision of the service, or whether the service will be financed from the State budget expenditure programme of the service provider.**It shall be especially indicated (and Paragraph 8 shall be filled in) if it will not be possible to ensure the provision of the service from the existing budget funds* |

**8. The amount of the additional financing from the State budget needed to commence or expand the provision of the service and its justification, also taking account of the benefits and costs2**

|  |
| --- |
| *Additional costs shall be justified, considering the benefits. The planned benefits and savings shall be specified, and they may also include reduction in the number of administration employees, indicating the break down of savings by authorities or departments. If additional costs have been agreed upon, references with corresponding links to the justifying evidence shall be provided when adopting the related legal framework.**In order to provide a justification from the cost perspective, the additional financing needed per month shall be indicated, breaking it down by essential cost items and justifying each of them* |

Abbreviations used:

SLA – Service Level Agreement

ICT – information and communications technologies

Notes.

1. For the approaches to financing the centralised functions and ICT shared services defined according to the information report On Planning and Financing the Development of the Shared Public Administration Information and Communications Technology Services (taken note of at the Cabinet meeting of 7 June 2022 (protocol No. 30, paragraph 29).

2. To be filled in if the selected financing approach indicated in Paragraph 7 provides that the service provider cannot ensure the maintenance of the service from the current budget funds and reallocation of the financing from the users of the service (other State budget institutions) is necessary or additional financing is necessary from State budget which will be requested in accordance with the procedures laid down in laws and regulations.

**Annex 4**

Cabinet Regulation No. 435

14 July 2022

**Allocation of Responsibility for the Implementation of the Reform and Investment Direction**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Investment | Purpose of the investment | Sectoral ministries, beneficiaries, and cooperation partners (indicated in brackets if the beneficiaries or cooperation partners are outside the department of the sectoral ministry) | Amount without value added tax (mill.)\* | Centrally managed sectoral datasets | Centralised functions and shared services | ICT solutions of modernised administration processes |
| **1. State service platform development programme**Objective of the programme: development of platforms for the provision of State digital services and efficient use of their newest functionality in the provision of the services of the sectors implementing the projects and in customer servicing.The authority responsible for managing the programme council – the MoEPRD, participants of the council in addition to the participants referred to in Paragraph 20 of the Regulation\*\* – MoD and LALRG |
| 2.1.2.1. | Development of the shared digital service platform, development of the unified communication platform, and integration of document management platforms, deployment of the unified State and local government customer service centre network, and expansion of the support for the service provision | MoEPRD, (MoC) | 17.724 |  | 3 | 4 |
| 2.1.2.1. | Digitisation of the financial document circulation by establishing a centralised swap of financial documents | MoF | 1.68 | 1 | 1 | 1 |
| 2.1.1.1. | Development of digital services promoting cross-border cooperation in the field of taxes | MoF | 1.68 |   |   | 1 |
| 2.1.2.1. | Digital service platform for the promotion of business development | MoE | 1.68 | 1 | 1 | 1 |
| 2.1.1.1. | Modernisation of the data processing and services of the Enterprise Register | MoJ | 2.436 | 1 |   | 1 |
| 2.1.1.1. | Introduction of the unified civil defence and fire safety management platform | MoI | 1.848 |   |   | 1 |
| **Total** | **27.048** |   |   |   |
| **2. Data management development programme**Objective of the programme: introduction of data management in the sectors implementing the projects by ensuring the sharing and publishing of data for re-use through the effective use of the newest functional capabilities of centralised platforms.The authority responsible for managing the programme – the MoEPRD, a participant of the board in addition to the participants referred to in Paragraph 20 of the Regulation\*\* – MoD |
| 2.1.3.1. | Development of the unified data sharing platform, ensuring the availability and sharing of the data of the environmental sector and social services, and also creation of preconditions for innovative mobility services by ensuring digital mapping of the network quality | MoEPRD, (MoW) | 7.56 | 4 | 1 | 2 |
| 2.1.1.1. | Digital transformation of the public procurement processes and services | MoF | 1.344 | 1 |  | 1 |
| 2.1.3.1. | Support to the introduction of the open science into practice, and also solutions are created for the sharing of scientific data and participation in the EU Open Science Cloud | MoES | 3.444 | 1 | 1 |  |
| 2.1.1.1. | Digital transformation of port administration, improving the processing and analysis of transport and logistics data | Free Port of Rīga Authority | 3.242 | 1 | 1 | 1 |
| 2.1.1.1. | Improvement of the reporting system on ship-generated waste in the International Cargo Logistics and Port Information System | MoT | 0.118 | 1 |  | 1 |
| 2.1.3.1. | Digital transformation of the processes of medical treatment institutions and management of the data created during the medical treatment process | MoH(LBRSC) | 8.4 | 2 |  | 2 |
| 2.1.1.1. | Digitisation of the registration of veterinary medicinal products | MoA | 1.848 | 1 |  | 1 |
| 2.1.3.1. | Improvement of geospatial solutions in the field of agriculture for smart land management, forecasting and planning of policy for the transition to green economy | MoA | 2.352 | 1 |  | 1 |
| **Total** | **28.308** |  |  |  |
| **3. Programme for the development of the public administration ICT infrastructure**Objective of the programme: development of the shared cloud computing services of the public administration by developing and integrating interoperable services of four State shared service providers in a “federated cloud”.The authority responsible for managing the programme – the MoEPRD, a participant of the board in addition to the participants referred to in Paragraph 20 of the Regulation\*\* – MoD |
| 2.1.2.2. | Development of cloud computing services of the Information Centre of the Ministry of the Interior within the scope of the national federated cloud\*\*\* | MoI | 2.52 |  | 1 | 1 |
| 2.1.2.2. | Development of cloud computing services of the National Library of Latvia within the scope of the national federated cloud\*\*\* | MoC | 0.9828 |  | 1 | 1 |
| 2.1.2.2. | Development of cloud computing services of the Latvian Radio and Television Centre within the scope of the national federated cloud\*\*\* | MoT | 5.88 |  | 1 | 1 |
| 2.1.2.2. | Development of cloud computing services of the Agricultural Data Centre within the scope of the national federated cloud\*\*\* | MoA | 3.108 |  | 1 | 1 |
| **Total** | **12.4908** |  |  |  |
| **4. Public administration resource management programme**Objective of the programme: to modernise and centralise the centralised platforms for the management of State resources, human resources of the public administration, employee training, and accumulation of knowledge, and also to continue the deployment of the centralised website platforms.The authority responsible for managing the programme – implementation of the State resource management programme will be supervised by a supervisory board for the standardisation and centralisation of accounting and human resources management functions headed by the State Chancellery the participants of which will also include the Ministry of Finance, the Treasury, and the MoEPRD |
| 2.1.2.1. | Establishment of a single public administration resource management centre, including creation of unified human resource services, development of the State unified training and knowledge accumulation platform | SC (MoF) | 3.36 | 1 | 2 | 2 |
| 2.1.2.1. | Unified State financial resource planning of public administration and provision of administrative accounting services, introduction of the unified resource management | MoF (SC) | 13.44 | 1 | 1 | 1 |
| 2.1.2.1. | Deployment of the unified shared platform of websites of State and local government institutions | SC | 2.1 | 1 | 1 | 1 |
| **Total** | **18.9** |  |  |  |
| **5. E-case programme**Objective of the programme: digital transformation of the processes for ensuring the public order and security, processes of investigation and court proceedings, and also the processes for the execution and supervision of sentences and related services.The authority responsible for managing the programme – the MoJ; a participant of the council in addition to the participants referred to in Paragraph 20 of the Regulation\*\* – MoD |
| 2.1.2.1. | Digital transformation of the processes of public order and security, processes of investigation and court proceedings, and also the processes for the execution and supervision of sentences and related services, including development of the e-case | MoJ | 7.56 | 1 | 1 | 1 |
| 2.1.1.1. | Introduction of technical provision and digital solutions for the effective functioning of the investigation process, and improving the monitoring of public order and security | MoI | 2.80728 | 1 | 2 | 2 |
| **Total** | **10.36728** |  |  |  |
| **6. Programme of cultural sector projects**Objective of the programme: to develop and introduce digitisation solutions for the authorities of the cultural sector and for public media.Programme management: the functions of the supervisory board for the implementation of cultural sector projects will be performed by the ICT council of the department of the MoC, inviting the MoEPRD |
| 2.1.1.1. | Digital transformation of the operational processes of cultural sector authorities, including digital solutions for the sectoral authorities | MoC | 3.444 | 3 |  | 3 |
| **Total** | **3.444** |  |  |  |
| **7. Local government shared platform programme**Objective of the programme: to develop and introduce shared platforms for ensuring the administration and support functions of local governments.The authority responsible for managing the programme – the local government, participants of the council in addition to the participants referred to in Paragraph 20 of the Regulation\*\* – LALRG and ALC |
| 2.1.2.1. | Digital transformation of local government services, and the modernisation and centralisation of the support processes of local governments | Local governments | 20.53392 |  | 6 | 6 |
| 2.1.1.1. | Development and introduction of a shared platform ensuring the participation budget management | MoEPRD | 0.63 | 1 | 1 | 1 |
| **Total** | **21.16392** |  |  |  |
| **8. Outside programmes** |
| 2.1.2.1. | Management of public administration ICT development project programmes and architecture | MoEPRD | **2.1** | 1 | 1 |  |
| 2.1.1.1. | Digitisation and automation of election processes | CEC | **3.36** |  |  | 1 |
| 2.1.1.1. | Increasing the monitoring and defence capabilities of the information space | MoC (MoD) | **1.68** |  |  | 1 |
| Notes.\* VAT shall be paid in accordance with Paragraph 34 of Cabinet Regulation No. 435 of 14 July 2022, Regulations Regarding the Implementation of Reform and Investment Direction 2.1 “Digital Transformation of State Administration, Including Local Governments” of Component 2 “Digital Transformation” of the Plan for the European Recovery and Resilience Facility.\*\* Cabinet Regulation No. 435 of 14 July 2022, Regulations Regarding the Implementation of Reform and Investment Direction 2.1 “Digital Transformation of State Administration, Including Local Governments” of Component 2 “Digital Transformation” of the Plan for the European Recovery and Resilience Facility.\*\*\* Project of strategic importance. |

Abbreviations used:

MoD – Ministry of Defence

CEC – Central Election Commission

MoE – Ministry of Economics

MoF – Ministry of Finance

MoI – Ministry of the Interior

ICT – information and communications technologies

MoES – Ministry of Education and Science

MoC – Ministry of Culture

LBRSC – Latvian Biomedical Research and Study Centre (State scientific institute under the supervision of the Minister for Education and Science – derived public entity)

ALC – Association of Latvian Cities

MoW – Ministry of Welfare

LALRG – Latvian Association of Local and Regional Governments

MoT – Ministry of Transport

MoJ – Ministry of Justice

MoEPRD – the Ministry of Environmental Protection and Regional Development

SC – State Chancellery

MoA – Ministry of Agriculture

**Annex 5**

Cabinet Regulation No. 435

14 July 2022

**STATEMENT OF INTENT**

|  |  |  |  |
| --- | --- | --- | --- |
| I certify that the investment |  | project |  |
|  | (number) |  | (name of the project) |
|  |  |  |  |

|  |  |
| --- | --- |
| (hereinafter – the project) is useful and of high priority for the implementation of the sectoral policy and |  |
|  | (beneficiary) |

has sufficient human resources and financial resources at its disposal to implement the project and monitor the implementation. In addition, I certify that I am responsible for maintaining the project results for at least five years after the project implementation, and also that legal framework will be approved by the end of the project implementation which shall govern the operation and use of the information and communications technology solutions created/developed within the project or the created centralised function and shared service.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
| (given name, surname) |  |  | (signature\*) |  | (date\*) |
| Note. \* The details of the document “signature” and “date” shall not be completed if the electronic document has been prepared in accordance with the laws and regulations regarding drawing up of electronic documents. |

1. 1 Cabinet Regulation No. 597 of 31 August 2021, Procedures for Supervising Development Projects for State Information Systems. [↑](#footnote-ref-1)
2. 2 Annex 2 to Cabinet Regulation No. 597 of 31 August 2021, Procedures for Supervising Development Projects for State Information Systems. [↑](#footnote-ref-2)
3. 3 Cabinet Regulation No. 597 of 31 August 2021, Procedures for Supervising Development Projects for State Information Systems. [↑](#footnote-ref-3)
4. 4 Annex 4 to Cabinet Regulation No. 597 of 31 August 2021, Procedures for Supervising Development Projects for State Information Systems. [↑](#footnote-ref-4)
5. 5 Cabinet Regulation No. 597 of 31 August 2021, Procedures for Supervising Development Projects for State Information Systems. [↑](#footnote-ref-5)
6. 6 Annex 4 to Cabinet Regulation No. 597 of 31 August 2021, Procedures for Supervising Development Projects for State Information Systems. [↑](#footnote-ref-6)
7. 7 Cabinet Regulation No. 597 of 31 August 2021, Procedures for Supervising Development Projects for State Information Systems. [↑](#footnote-ref-7)
8. 8 Annex 4 to Cabinet Regulation No. 597 of 31 August 2021, Procedures for Supervising Development Projects for State Information Systems. [↑](#footnote-ref-8)
9. 1 At least one (preferably at least two) essential benefit which is achieved already during the implementation of the project must be included. Essential benefits for the sector, authority, society must be indicated in this section, however the outcomes need not be indicated – contributions to achievement of the indicators of objective 2.1 of the Plan for the European Recovery and Resilience Facility which are indicated in Paragraph 5. [↑](#footnote-ref-9)
10. 2 For example, if the benefit is the centralisation of the personnel management function, then the measurement might be, for example, the number of employees of direct administration which is use it, the value, for example, 10000, and the time of achievement – 2026. [↑](#footnote-ref-10)
11. 3 VAT shall not be applied to project implementers which may apply it independently. Other project implementers may request to apply it, indicating the amount and harmonising it with the Ministry of Finance. [↑](#footnote-ref-11)
12. 4 Advance payments are eligible for the project implementers other than State authorities of direct administration. The amount which does not exceed 30 % of the total amount of eligible costs must be indicated and agreed upon with the Ministry of Finance. [↑](#footnote-ref-12)
13. 5 Amount which may not be exceeded without agreeing on amendments with the Cabinet. If restrictions are not applicable to the particular item, then “n/a” shall be indicated. [↑](#footnote-ref-13)
14. 6 Information which is indicated in Sub-paragraph 6.1 of Annex 2, Description of the Development Activity of the State Information System, to Cabinet Regulation No. 597 of 31 August 2021, Procedures for Supervising Development Projects for State Information Systems (including the procedures of the ICT building authority). [↑](#footnote-ref-14)
15. 7 Including the date of the agreement of the MoEPRD already received according to the procedures of the building authority or the time limit by which it is planned to be received. [↑](#footnote-ref-15)
16. 8 If the plan for the development of the shared service is submitted concurrently with the Cabinet order regarding the project selection round, a reference thereto shall be appended. [↑](#footnote-ref-16)
17. 9 Capital companies and local governments shall also indicate the financial capacity according to the financing conditions. [↑](#footnote-ref-17)