Ministry of
Education and Science
Republic of Latvia

Policy Priorities for HE in Latvia

Context of Yerevan Ministerial Communique 2015 and Renewed Vision and Priorities for EHEA

Izglītības un zinātnes ministrija

Priorities Yerevan Ministerial Communique

Enhancing the quality and relevance of learning and teaching;

Fostering the employability of graduates throughout their working lives;

Making the systems more inclusive;

Implementing agreed structural reforms.

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Context of HE in Latvia: Public investment in knowledge base, S&T human capital and infrastructure for economic development

Knowledge base

Sufficiently diverse (to serve five specialization areas)
Focused and relevant (to ensure competitiveness)

S&T human capital

Locally embedded (to develop local industry)
Globally connected (to reach out for opportunities)
Links across sectors and disciplines (to benefit from cross-fertilization)

Infrastructure

Serves creation of knowledge base and human capital
Allows production of relevant knowledge
Jointly used sectorally, nationally and internationally
Supports conversion of tacit knowledge into innovation

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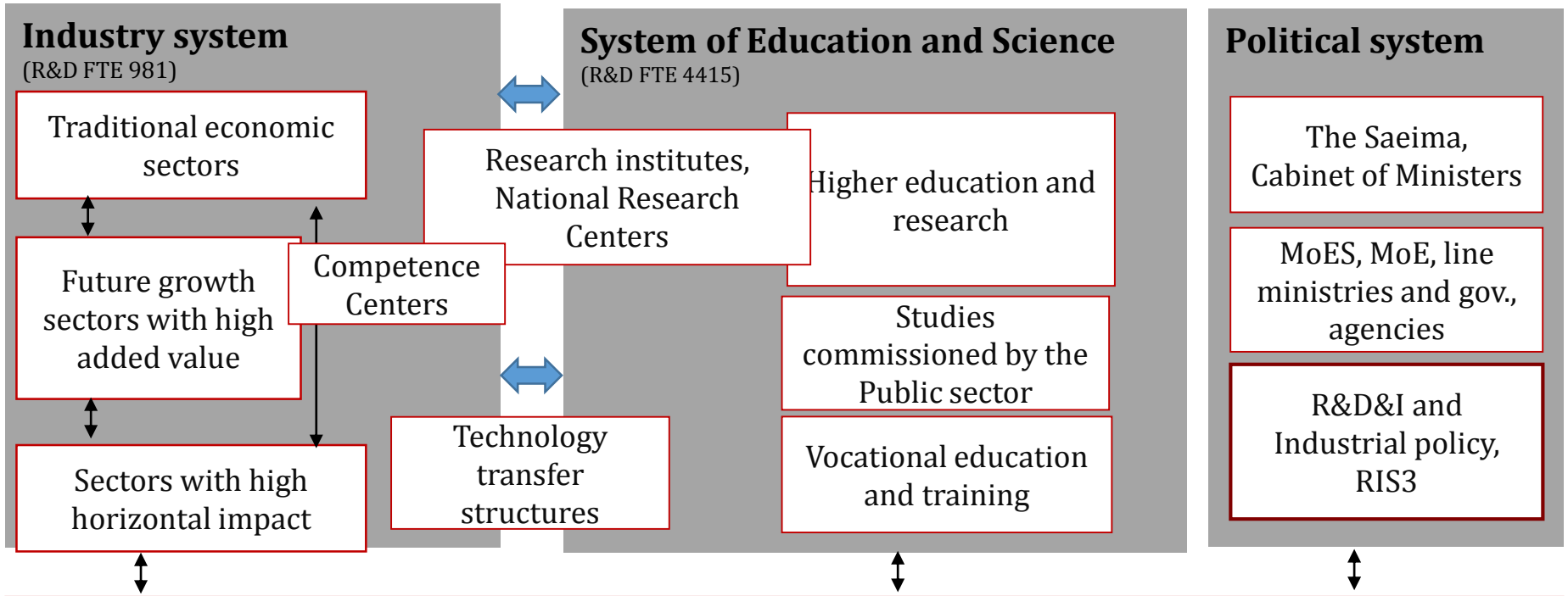
The Latvian R&D&I System

Demand
Consumers (final demand)
Producers (interim demand)

Framework conditions
Financial environment, tax regime, entrepreneurship and innovation incentives, regulatory environment, State aid, mobility



Adopted from Erik Arnold and Stefan Kuhlman, *RCN in the Norwegian Research and Innovation System*, Background Report No 12 in the Evaluation of the Research Council of Norway, Oslo: Royal Norwegian Ministry for Education, Research and Church Affairs, 2001

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Roles of core actors Latvian HE&R&I System

Role of INDUSTRY – to innovate (demand side)

Role of UNIVERSITIES – Knowledge Hubs:

- to develop **sufficiently diverse knowledge base** (supply side)
- to **boost innovation capacity** of firms through provision of human capital and access to knowledge (demand side)
- to **generate S&T human capital that is sufficiently embedded and connected** (absorptive capacity)
- **to pool resources across sectors and regions** (innovation ecosystem)**.**

Role of RESEARCH INSTITUTES - to develop relevant knowledge (supply side)

Role of GOVERNMENT – Enabler –to set structure of incentives, correct market and policy failures

Facts:
Public investment *in research* ***in Universities*** *leads to:*

- ✓*Economic growth through an* ***increase in private sector productivity;***
- ✓*Beneficial economic and societal impacts through* ***increased interaction between the academic and private sectors;***
- ✓***Public investment in research increases*** *rather than diminishes* ***private sector investment*** *(complementarity).*

Izglītības un zinātnes ministrija

YMC Priorities and HE quality, relevance and allignemnt with goals of economic development

YMC Priority: Implementing agreed structural reforms

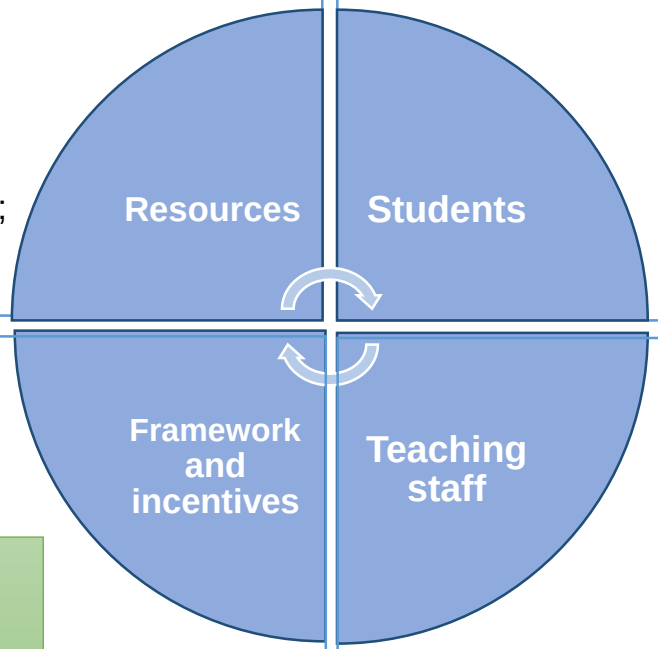
Consolidation & integration

Infrastructure and knowledge base:
- ERDF infrastructure projects;
- Consolidation projects;
- Study and research environment.

Accessibility and participation

Students and graduates:
- Loans and stipends;
- Tuition fees;
- Full-time/part-time studies.

YMC Priority: Fostering the employability of graduates;



YMC Priority: Making systems more inclusive.

Effectiveness & cost efficiency

External and internal regulations:
- **Funding model;**
- **Revised regulation for quality assurance.**

Quality & Relevance

Academic and scientific personnel:
- Selection procedures;
- Mobility;
- Raising qualification.

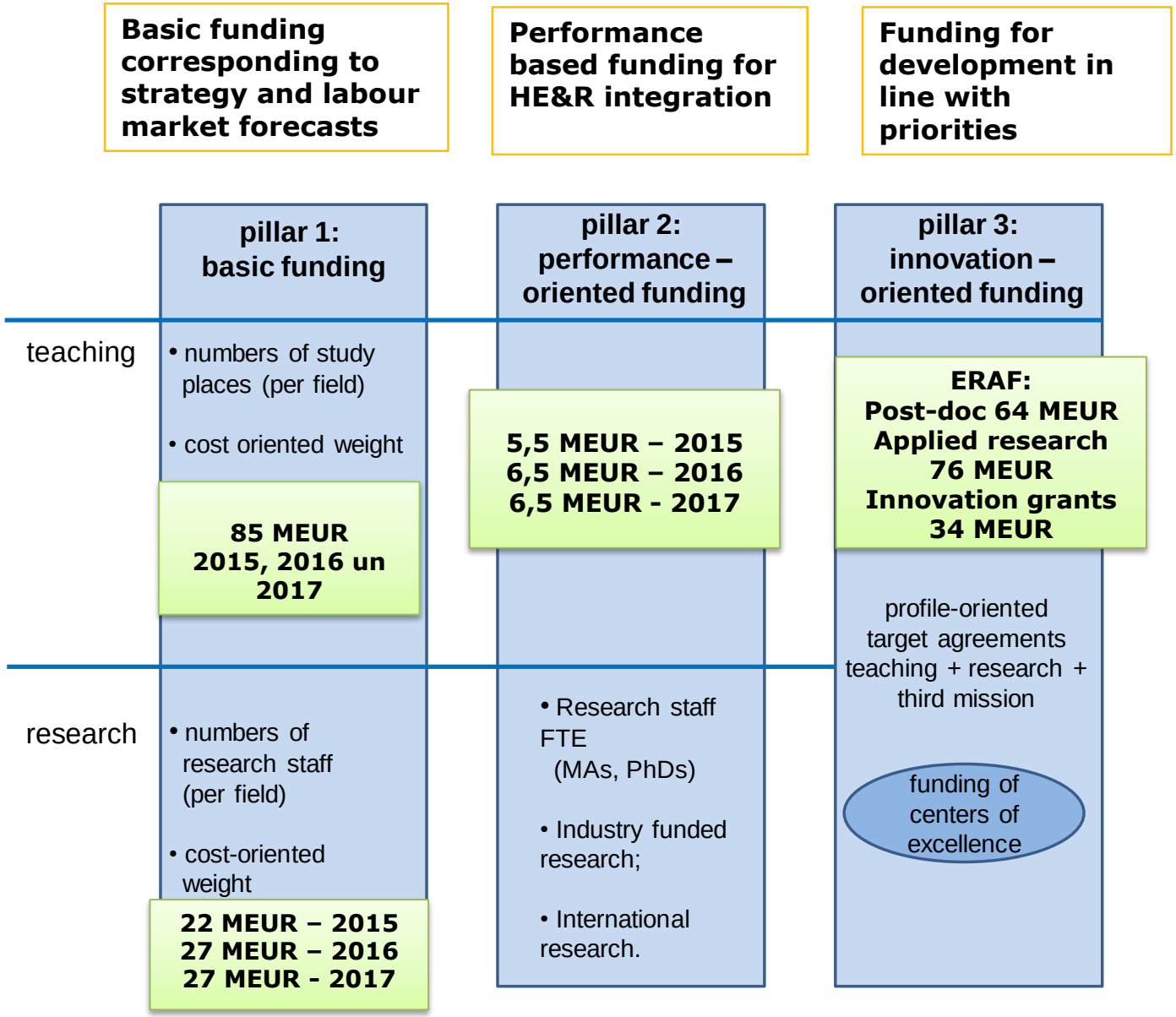
YMC Priority: Enhancing the quality and relevance of learning and teaching

Izglītības un zinātnes ministrija

New HE&R Funding Model

Priority for 1st pillar funding:
Strategic specialization and relevance to economic development; Integration of research and teaching funding.

Priority for 2nd pillar funding:
Integration of HE and research.



Izglītības un zinātnes ministrija

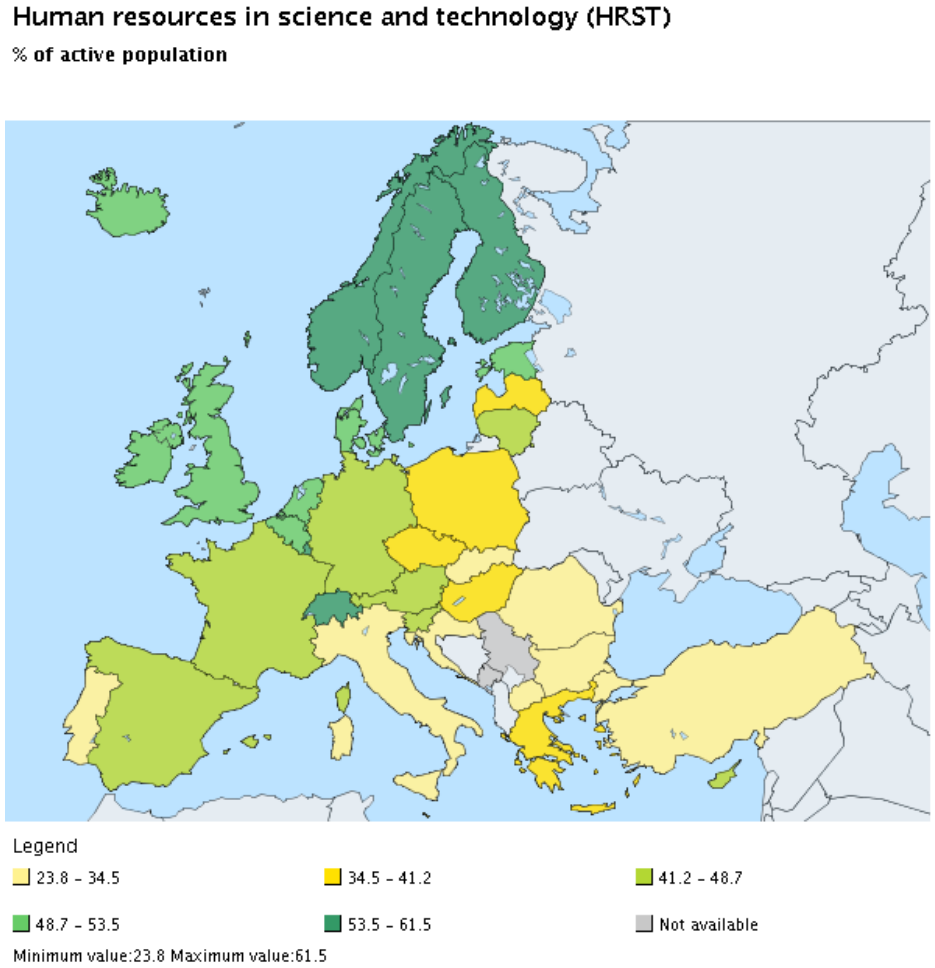
Reallocation of study places & monitoring of graduates

Contracts with HE institutions: MoE is negotiating and concluding the annual contracts with HEIs on the number of students and graduates «produced», gradually reallocating state subsidized study places for STEM studies

Total funding for state subsidized study places in 2016–85 MEUR.

Register of Students:

- The State Education Information System is being extended to include the students' roll-out in 2016;
- The goal for 2017 is to connect the System with the Data base of the State Revenue Service and the State Employment Agency to monitor the success of graduates on the job market (employment and income) and thus analyze the State's return on the state subsidized study places by programmes, institutions etc.



Izglītības un zinātnes ministrija

Performance based funding of HEIs (2nd pillar)

Performance criteria according to policy priorities:

Building HRs in research and technology development

- MA students, PhD students, «new» scientists engaged in research - **(0.3)**

International competitiveness of research

- International funding for research and development projects (Horizon 2020 etc.) - **(0,25)**

Industry relevance of research

- Public funding, contract funding by commercial entities – **(0.25)**
- Funding by local governments for regional research projects - **(0.1.)**
- Funding for creative and artistic projects - **(0.1)**

Izglītības un zinātnes ministrija

Support for Accreditaion capacity building

New accrediation regulation:

Professionalization, recomendations and quality monitoring, competitive costing, lean operation, international accreditation.

Timeline for accreditation capacity building

6 Nov, 2015 – AIC has submitted project application (8.2.4. SO „To provide support for implementation of requirements of EQAR agency " this will contribute to the capacity development of the AIC; total funding – 1.5 MEUR);

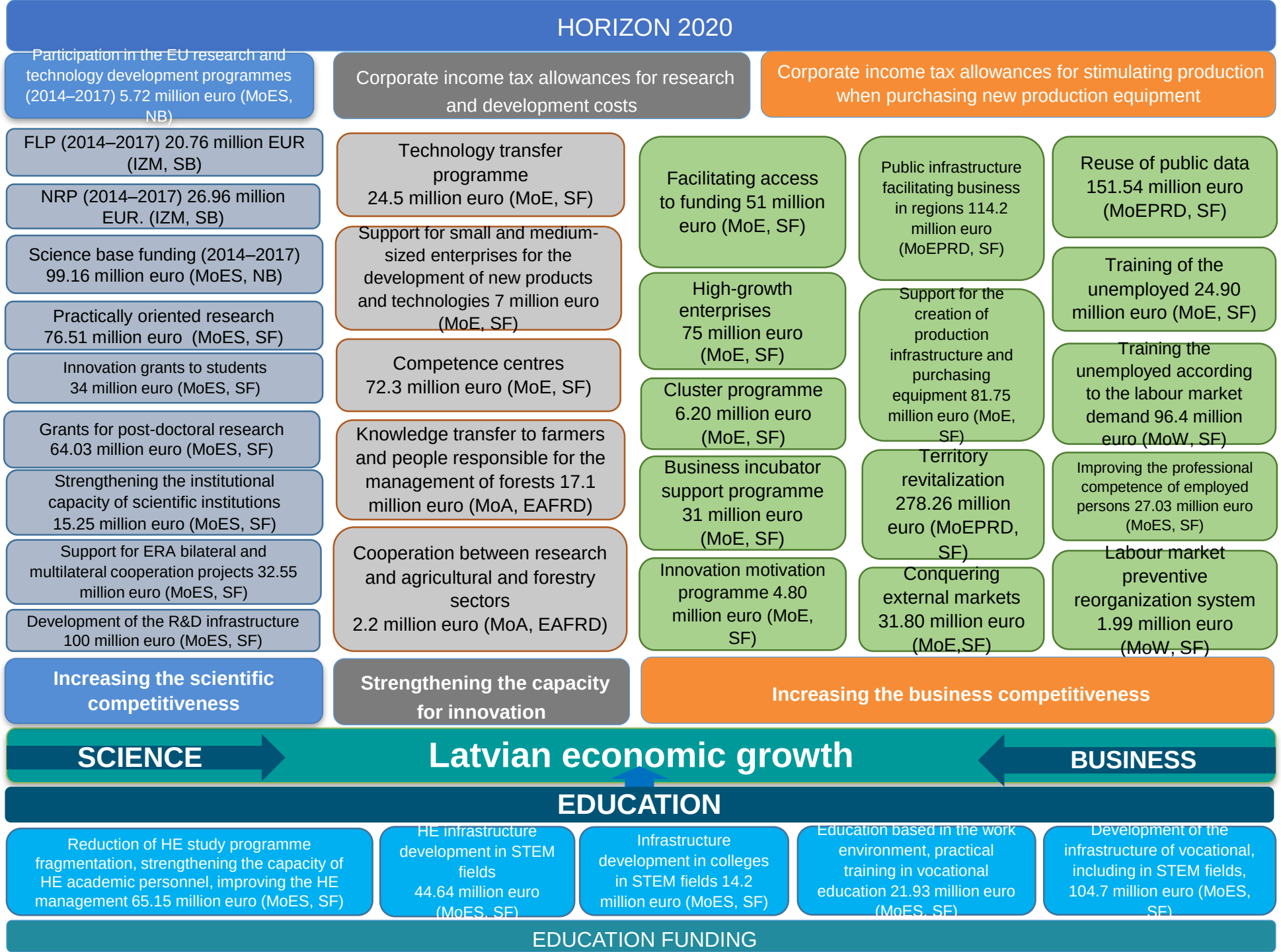
End of Nov, 2015 – Decision on project approval;

Jan/ Feb, 2016 – **starting the project (2016-2019)**

31 Dec, 2017 – submitting compliance assessment (with the ESG) application;

31 Oct, 2018 - submitting an application for accreditation and registering AIC into the EQAR;

Beginning of 2019 – Decision on the fulfillment of conditions.


HORIZON 2020
Participation in the EU research and technology development programmes (2014–2017) 5.72 million euro (MoES, NB)
Corporate income tax allowances for research and development costs
Corporate income tax allowances for stimulating production when purchasing new production equipment
FLP (2014–2017) 20.76 million EUR (IZM, SB)
NRP (2014–2017) 26.96 million EUR. (IZM, SB)
Science base funding (2014–2017) 99.16 million euro (MoES, NB)
Practically oriented research 76.51 million euro (MoES, SF)
Innovation grants to students 34 million euro (MoES, SF)
Grants for post-doctoral research 64.03 million euro (MoES, SF)
Strengthening the institutional capacity of scientific institutions 15.25 million euro (MoES, SF)
Support for ERA bilateral and multilateral cooperation projects 32.55 million euro (MoES, SF)
Development of the R&D infrastructure 100 million euro (MoES, SF)
Technology transfer programme 24.5 million euro (MoE, SF)
Support for small and medium-sized enterprises for the development of new products and technologies 7 million euro (MoE, SF)
Competence centres 72.3 million euro (MoE, SF)
Knowledge transfer to farmers and people responsible for the management of forests 17.1 million euro (MoA, EAFRD)
Cooperation between research and agricultural and forestry sectors 2.2 million euro (MoA, EAFRD)
Facilitating access to funding 51 million euro (MoE, SF)
High-growth enterprises 75 million euro (MoE, SF)
Cluster programme 6.20 million euro (MoE, SF)
Business incubator support programme 31 million euro (MoE, SF)
Innovation motivation programme 4.80 million euro (MoE, SF)
Public infrastructure facilitating business in regions 114.2 million euro (MoEPRD, SF)
Support for the creation of production infrastructure and purchasing equipment 81.75 million euro (MoE, SF)
Territory revitalization 278.26 million euro (MoEPRD, SF)
Conquering external markets 31.80 million euro (MoE,SF)
Reuse of public data 151.54 million euro (MoEPRD, SF)
Training of the unemployed 24.90 million euro (MoE, SF)
Training the unemployed according to the labour market demand 96.4 million euro (MoW, SF)
Improving the professional competence of employed persons 27.03 million euro (MoES, SF)
Labour market preventive reorganization system 1.99 million euro (MoW, SF)
Increasing the scientific competitiveness
Strengthening the capacity for innovation
Increasing the business competitiveness
SCIENCE
Latvian economic growth
BUSINESS
EDUCATION
Reduction of HE study programme fragmentation, strengthening the capacity of HE academic personnel, improving the HE management 65.15 million euro (MoES, SF)
HE infrastructure development in STEM fields 44.64 million euro (MoES, SF)
Infrastructure development in colleges in STEM fields 14.2 million euro (MoES, SF)
Education based in the work environment, practical training in vocational education 21.93 million euro (MoES, SF)
Development of the infrastructure of vocational, including in STEM fields, 104.7 million euro (MoES, SF)
EDUCATION FUNDING