



**Latvia – Russia
Cross Border Cooperation Programme
2014-2020**

**Guidelines
for Direct Award Project Applicants**

**VERSION 2
approved by the JMC on 5 May 2017**

NOTICE

These Guidelines for Direct Award Project Applicants (hereafter "Guidelines") are compiled to give particular assistance to the applicants elaborating the application documents (project summary and full application) for projects which shall be selected through direct award procedure within the Latvia–Russia Cross Border Cooperation Programme 2014-2020 (hereafter "the Programme").

The Guidelines provide an overview of the planning, filling in and submission of the project applications. The Guidelines include information on the process from the preparation of the project summary form till project contracting stage. They contain information on how to fill in the project summary form and the application form, what to annex to it and what procedures to follow.

In the event of translation of these Guidelines and annexes, the English version of the document shall prevail.

The relevant documents for the preparation of the direct award project summaries and full applications can be downloaded from the website: <http://latruscbc.eu>. Project summary form and application form shall be filled in English and submitted to the Managing Authority. Handwritten documents will not be accepted.

Please note that these Guidelines do not in any way replace the obligations and provisions set out in the respective EU and national legislation. In case of doubt, the provisions set there prevail.

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1. GENERAL INFORMATION ABOUT THE PROGRAMME

1.1 BACKGROUND

The Programme is implemented within the framework of the European Neighbourhood Instrument (ENI) and national legislation of the Republic of Latvia and the Russian Federation. The Programme is based on a single set of objectives as well as unified procedures for project full application and implementation, applicable to institutions from both the Republic of Latvia and the Russian Federation.

In addition to the calls for proposals, the participating countries have jointly identified projects, which will be selected and contracted through the direct award procedure.

It should be noted that before signing grant contract submitting parties are called "applicant" and "project partners", after signing grant contract "lead beneficiary" and "beneficiaries".

LEGAL FRAMEWORK

The following legal acts and working documents provide further detailed information on the implementation of the Programme:

Regulation No 236/2014	of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action
Regulation No 232/2014	of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (ENI Regulation)
Commission Implementing Regulation No 897/2014	of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument (Implementing Rules)
Programming Document 2014-2020 ENI CBC	The Programming document for European Union support to ENI cross-border cooperation for the period 2014-2020, No C(2014) 7172
Regulation (EU, EURATOM) No 966/2012	of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002
Commission Delegated Regulation (EU) No 1268/2012	of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union
Financing Agreement	Agreement on financing and implementation of the Cross Border Cooperation Programme "Latvia-Russia" 2014-2020 signed on 29 December 2016 between the European Union, the Russian Federation and the Republic of Latvia
Joint Operational Programme	Joint Operational Programme "Latvia-Russia 2014-2020" for the ENI Cross-Border Cooperation programme for the years 2014 – 2020 approved by EC on 18 December 2015, decision No C(2015) 9181 and governments of the Republic of Latvia and the Russian Federation

For the matters relevant to implementation of the direct award projects, which are not covered by the legal framework referred to in section 1.1 of the Guidelines, in these Guidelines and the Grant Contract, the national rules of the Republic of Latvia and the Russian Federation shall apply.

1.2 OBJECTIVES OF THE PROGRAMME AND PRIORITIES

The strategic goal of the Programme is to support joint efforts for addressing cross-border development challenges and promote sustainable use of existing potential of the area across border between Latvia and Russia.

In order to contribute to the achievement of the strategic goal the Programme addresses three thematic objectives (TO):

- Business and SME development (TO1)
- Environmental protection, climate change mitigation and adaptation (TO6)
- Promotion of border management and border security, mobility and migration management (TO10)

The thematic objectives, in turn, aim at supporting specific areas within each strategic objective:

TO1 Business and SME development

- Increasing SME development and entrepreneurship by fostering cross-border business contacts and the development of services and products
- Increasing SME competitiveness and entrepreneurship by fostering cooperation between public, private and R&D sectors
- Improving the business environment through the development of business support measures and infrastructure

TO6 Environmental protection, climate change mitigation and adaptation

- Improving the biodiversity of joint natural assets
- Improving the quality of shared water assets by reducing their pollution load, including improving wastewater treatment facilities, improving solid (household and industrial) waste management and relevant facilities, and reducing pollution that is caused by the agricultural sector
- Increasing awareness of environmental protection and efficient use of energy resources
- Fostering shared actions in risk management and a readiness to cope with environmental disasters

TO10 Promotion of border management and border security, mobility and migration management

- Increasing the throughput capacity of existing border crossing points through the development of BCP infrastructure and border management procedures
- Increasing the throughput capacity of existing border crossing points by refurbishing and improving border crossing roads and supporting infrastructure

1.3 PROGRAMME AREA

The Programme area is situated in the northern part of Europe, on the east of the Baltic Sea and covers the territory of 193 614 km², out of which 108 519 km² or 56% are the adjoining areas.

The Programme area includes northern and eastern parts of Latvia (50 966 km²) and western part of Russia (142 648 km²). The area is divided by the 276 km long border between Latvia and Russia.

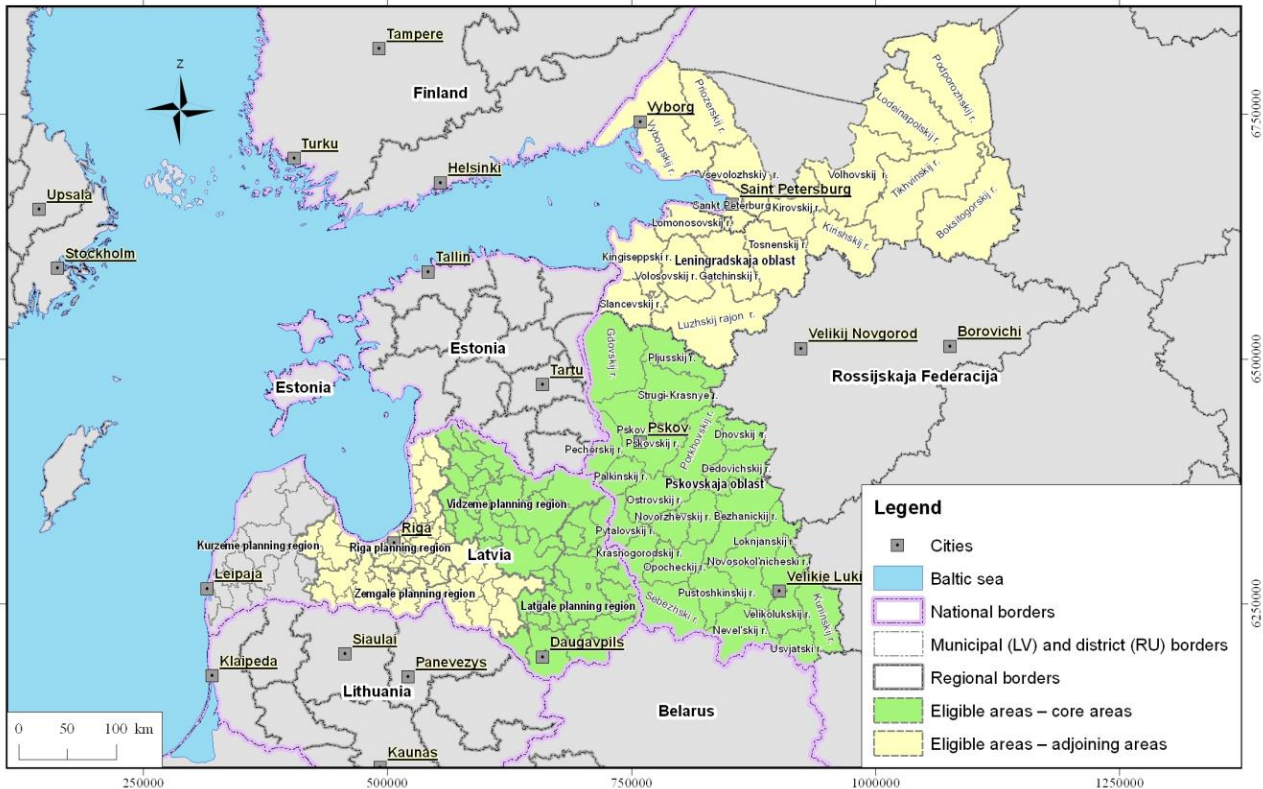


Figure 1: Programme area

Core area

The Programme core area includes Vidzeme and Latgale regions in Latvia (according to the EU Nomenclature of Territorial Units for Statistics by regional level classification (NUTS 3)) and Pskov region in Russia.

Adjoining area

Adjoining area of the Programme includes Pieriga and Zemgale regions in Latvia and Leningrad region in Russia. Participation of adjoining regions in the Programme should bring substantial added value for the core eligible area and it is essential for achieving cross-border cooperation impact in the core eligible area.

Major economic centres

Taking into account the share of the produced national gross domestic product and amount of population living in Riga and St.Petersburg they are considered as major economic centres of the Programme area.

1.4 PROGRAMME MANAGEMENT

Joint Monitoring Committee (JMC)

is the joint committee responsible for monitoring the implementation of the Programme. The JMC takes the final decision on projects to be supported and amounts granted to the projects. Members of the JMC are representatives from national and regional level partners from the Republic of Latvia and the Russian Federation.

Managing Authority (MA)

is the authority appointed by the participating countries as responsible for managing the programme. The MA is signing grant contracts with the lead beneficiaries of approved projects, approves project implementation reports and initiates payments. Ministry of Environmental Protection and Regional Development of the Republic of Latvia is the MA of the Programme.

Joint Technical Secretariat (JTS)

is a joint operational body set up by the participating countries to assist the programme bodies in carrying out their respective duties. The JTS is in charge of the day-to-day operational follow-up and financial management of the projects.

National Authorities (NA)

are national institutions appointed by each participating country bearing the ultimate responsibility for supporting the MA in the implementation of the programme on their own territories. NA functions are implemented by the Ministry of Environmental Protection and Regional Development of the Republic of Latvia and the Ministry of Economic Development of the Russian Federation.

Control Contact Point (CCP)

is a body supporting the MA in its control of the programme obligations, and in particular, assisting the MA during on-the-spot project verifications in the respective country.

Audit Authority (AA)

is a body which shall ensure that audits are carried out on the management and control systems, on an appropriate sample of projects and on the annual accounts of the Programme.

Group of Auditors (GoA)

is a body which comprises representatives from each participating country, and it assists the AA in fulfilment of its functions.

1.5 FINANCIAL ALLOCATION FOR DIRECT AWARD PROJECTS

The following projects are proposed for direct award in the Joint Operational Programme with the overall indicative amount of EUR 11 740 000 made available from the Programme:

Priority (TO)	Project title	Lead Beneficiary	Beneficiaries	Programme financing allocated for the project MEUR
Priority 1.2. (TO 1)	Preservation and promotion of the cultural and historical heritage in Latvia and Russia	Daugavpils City Council (LV)	Cesvaine Municipality Council (LV) State Joint Stock Company "State Real Estate" (LV) State Committee of the Pskov region for protection of the objects of cultural heritage and/or State Committee of the Pskov region on culture (to be confirmed) (RU)	3.12
Priority 2.3. (TO 6)	Pure water for programme regions	Municipal enterprise of the Pskov city "Gorvodokanal" (RU)	Administration of Latgale planning region (LV) Pskov region State Committee on Economic Development and Investment Policy (RU)	3.5
Priority 3.1. (TO 10)	Improvement of BCP Terehova - Burachki	State Joint Stock Company "State Real Estate" (LV)	Pskov region State Committee on Economic Development and Investment Policy (RU)	3.27
Priority 3.1. (TO 10)	Improvement of the border crossing approach road Lavri - BCP "Brunisevo"	Pskov region State Committee on Economic Development and Investment Policy (RU)	State Joint Stock Company "State Real Estate" (LV) State Committee of the Pskov region for road facilities (RU)	1.85

1.6 OFFICIAL LANGUAGE

The working language of the Programme is English. All the main documents (e.g. project summaries and full applications, reports, etc.) shall be drawn up in English. However, additional documents required together with the summary and application form and supporting documents for the reports can be submitted in the national languages of the applicants and project partners.

1.7 DURATION OF THE PROJECT

Maximum project duration is 30 months.

The latest date for signing the Grant Contract is 30 June 2019.

The project implementation time may not exceed the deadline 31 December 2022.

1.8 PROJECT TYPES

Nature of the projects can be of three following categories:

Integrated projects	where each beneficiary implements a part of the activities of the project on its own territory.
Symmetrical projects	where similar activities are carried out in parallel in both participating countries.
Single-country projects	where projects are implemented mainly or entirely in one of the participating countries but for the benefit of all or some of the participating countries and where cross-border impacts and benefits are identified.

2. ELIGIBILITY OF THE APPLICANT AND PROJECT PARTNERS

The following bodies can act as applicants and project partners:

- for the Republic of Latvia – **public authorities** understood as national institutions, regional and local authorities; for the Russian Federation – **public entities** understood as federal, regional or local authorities of the Russian Federation;
- public equivalent bodies meaning any legal entity governed by public or private law:
 - established for the specific purpose of meeting needs for the general interest and not having industrial or commercial character,
 - having legal personality, and:
 - either financed, for the most part, by the state, or regional or local authorities, or other bodies governed by public law; or subject to management supervision by those bodies,
 - or having an administrative, managerial or supervisory board, where more than half of the members are appointed by the state, regional or local authorities or by other bodies governed by public law;
- Non-governmental organisations constituting legal bodies that have been established for the specific purpose of meeting needs for the general interest and not having an industrial or commercial character, and having legal personality.

Prior to the submission of the proposal, each project shall designate one lead beneficiary responsible for management and coordination of the entire project and directly accountable to the MA for the operational and financial progress of all project activities. Prior to the signing of the grant contract, the lead beneficiary shall lay down the arrangements for its relations with other beneficiaries in a partnership agreement.

In addition to the general Programme requirements, an exclusive competence of the applicant and project partners has to be proved. According to the provisions of Implementing Rules, article 41(1), "Direct award", the grant can be awarded under the following conditions:

- the body to which a project is awarded enjoys a *de jure of de facto* monopoly;
- the project relates to actions with specific characteristics that require a particular type of body based on its technical competence, high degree of specialisation or administrative power.

The applicant and the project partner(s) must satisfy all criteria listed below:

- 1) be legal persons effectively established in the programme area and
- 2) comply with the eligibility criteria defined for each selection procedure;
- 3) be non-profit making (with exception of public equivalent entity participating as the applicant and the project partner) and
- 4) be directly responsible for the preparation and management of the project with their partner(s), and **not be** in any of the situations set out in the Article 106(1)¹ and Article 107² of Regulation (EU, Euratom) No 966/2012.

The following are **neither applicants (lead beneficiaries), nor project partners (beneficiaries)**, and are not subject to financial rules applied to the applicants and project partners, and do not have to sign the partnership statement:

- **associates** – may be involved in the project implementation if they play an actual role in the project. It is not eligible for associates to receive funding from the grant with the

¹ Article 106

Exclusion criteria applicable for participation in procurement procedures

1. Candidates or tenderers shall be excluded from participation in procurement procedures if:

- (a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) they or persons having powers of representation, decision making or control over them have been convicted of an offence concerning their professional conduct by a judgment of a competent authority of a Member State which has the force of *res judicata*;
- (c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify including by decisions of the EIB and international organisations;
- (d) they are not in compliance with their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed;
- (e) they or persons having powers of representation, decision making or control over them have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such illegal activity is detrimental to the Union's financial interests;
- (f) they are subject to an administrative penalty referred to in Article 109(1). Points (a) to (d) of the first subparagraph shall not apply in the case of the purchase of supplies on particularly advantageous terms from a supplier which is definitively winding up its business activities or from the receivers or liquidators of a bankruptcy, through an arrangement with creditors, or through a similar procedure under national law.

Points (b) and (e) of the first subparagraph shall not apply where the candidates or tenderers can demonstrate that adequate measures have been adopted against the persons having powers of representation, decision making or control over them, who are subject to a judgement as referred to in points (b) or (e) of the first subparagraph.

² Article 107

Exclusion criteria applicable to awards

1. A contract shall not be awarded to candidates or tenderers who, during the procurement procedure for that contract:

- (a) are subject to a conflict of interests;
- (b) are guilty of misrepresenting the information required by the contracting authority as a condition of participation in the procurement procedure or fail to supply that information;
- (c) find themselves in one of the situations of exclusion, referred to in Article 106(1), for the procurement procedure.

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning detailed rules on the exclusion criteria applicable during the procurement procedure, and the establishment of what evidence may be considered satisfactory to show that an exclusion situation does not exist. Furthermore, the Commission shall be empowered to adopt delegated acts in accordance with Article 210 concerning the duration of an exclusion.

exception of daily allowances, accommodation and travel costs for the events organized within the project by the beneficiaries. Associates do not have to meet the eligibility criteria referred to in this section. The associates have to be described and justified in the application form and each associate has to sign letter of endorsement (see Annex IX of the Guidelines).

- **subcontractors** – the grant beneficiaries have the possibility to award contracts to subcontractors. Subcontractors are neither project partners nor associates, and are subject to the procurement rules set out in section 7.5 of the Guidelines.

The Programme will finance activities within the projects selected through direct award procedure which have (is aimed to keep) a cross border character and involve at least two beneficiaries (the applicant and at least one project partner), of whom at least one beneficiary shall be from the Republic of Latvia and at least one beneficiary from the Russian Federation.

3. SUBMISSION AND EVALUATION OF PROJECTS

The direct award project summaries and full applications are submitted by applicants to the MA/JTS and are examined by the JMC with the assistance of the MA/JTS. All projects submitted by the applicants are evaluated according to the following **steps and criteria**:

3.1 STEP 1: IDENTIFICATION OF THE LIST OF DIRECT AWARD PROJECTS

A list of projects proposed for selection without a call for proposals is included in the Programme and it comprises following projects:

- Preservation and promotion of the cultural and historical heritage in Latvia and Russia (proposed lead beneficiary - Daugavpils City Council);
- Pure water for programme regions (proposed lead beneficiary - Municipal enterprise of the Pskov city "Gorvodokanal");
- Improvement of BCP Terehova – Burachki (proposed lead beneficiary - State Joint Stock Company "State Real Estate");
- Improvement of the border crossing approach road Lavry – BCP "Brunisevo" (proposed lead beneficiary - State Committee of the Pskov region on economic development and investment policy).

3.2 STEP 2: PROJECT SUMMARY

3.2.1 HOW TO APPLY AND THE PROCEDURES TO FOLLOW

Applicant from the list defined in the Programme in cooperation with its project partners shall prepare a project summary and submit it to the MA/JTS or its branch offices in paper form and electronically.

The project summary includes the following:

1. Project summary form, duly filled-in, signed and dated by the applicant. Detailed instructions on how to fill in the project summary form are provided in itself (Annex I to the Guidelines).
2. Declaration by the applicant.
3. Partnership statement by applicant and project partner(s).
4. Evidence of ownership by beneficiaries or access to the land (if possible).

The documents 1-3 should be submitted as originals and signed by the authorized person of the organisation.

3.2.2 WHERE AND HOW TO SUBMIT THE PROJECT SUMMARY

MA will send out the invitation letter together with the project summary form template to the potential applicant for the submission of the project summary. In the invitation letter the following information will be indicated:

- format of the electronic version of project summary form and its annexes;
- address where to submit the project summary;
- e-mail address for submission of electronic version of project summary;
- deadlines.

The complete project summary should be submitted in one package. The package must bear the following sentence: "Direct Award Project Summary for Latvia-Russia CBC Programme 2014-2020" together with the full name and address of the applicant.

The size limit for the email messages sent to e-mail address indicated in the invitation letter is 30 MB.

The project summary should be submitted by regular mail, courier service or by hand-delivery.

Project summary not fulfilling formal requirements described in the Annex II to the Guidelines can be rejected. Project summary form and its annexes have to be filled in English.

The MA/JTS may ask additional questions and clarifications to ensure that the project summary to be presented to the JMC is of the appropriate quality.

Based on the verification by the MA/JTS, the JMC shall approve a shortlist of projects to be selected through direct award on the basis of the project summaries.

The approved shortlist with the JMC's recommendations (see the Annex III to the Guidelines) accompanied by the project summaries shall be submitted for approval to the EC, Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR).

Projects approved by the EC shall form the final shortlist.

3.3 STEP 3: FULL APPLICATION

3.3.1 PREPARATION AND SUBMISSION OF FULL APPLICATION

After EC approval of the final shortlist with direct award projects summaries the MA will send out invitation letters to the applicants of the final shortlist to prepare the full applications and submit them to the MA/JTS. The submission deadline will be indicated in the invitation letters.

Until the submission deadline, the MA/JTS organises an information seminar, provides individual and group consultations to the applicants and project partners related to the preparation and submission of the project full applications.

Full applications shall be prepared in accordance with requirements of Article 43 of the Commission Implementing Regulation No 897/2014 and shall include the following documents:

1. **Application Form** (see **Annex VI** to the Guidelines), duly filled-in (instructions how to fill in the application form are provided in the application form template and in **Annex VII** to the Guidelines).
2. **Partnership Statement(s)** (see **Annex VIII** to the Guidelines) duly filled-in and signed by each of the project partner(s) (including the applicant).
3. **Letters of Endorsement by the Associates** (see **Annex IX** to the Guidelines) duly filled-in and signed by each of the associates (if applicable).
4. **Evidence of ownership or access to the land/ buildings.** (In case the applicant or partner is not the owner of the land/building the document which according to national law

proves the right to carry out the investment and other planned activities for the project implementation period and for at least 5 years of the project closure).

5. **Environmental Impact Assessment** for the certain objects (if required according to national legislation or European Parliament and Council Directive 2011/92/EU of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment and to the UN/ECE Espoo Convention on Environmental Impact Assessment in a Transboundary Context of 25 February 1991). If the environmental impact assessment is in national language, a summary in English has to be submitted. Where relevant, the outcomes of the public consultation conducted in the frame of the assessment of the environmental impact shall be provided, together with a justification of how the concerns have been addressed in the project.

6. **Feasibility Study or equivalent** carried out, including the options analysis, the results, and independent quality review as set in the Article 43 (2c) of the Commission Implementing Regulation No 897/2014. There can be a joint feasibility study drawn up for all infrastructure objects or a separate feasibility study for certain infrastructure object. If the feasibility study is in national language, a summary in English has to be submitted.

7. **The Statutes** of the applicant organisation and of each project partner organisation from Russia. **This obligation does not apply to public entities.**

8. For Applicants and project partners from Russia: Registration Certificates, Value Added Tax (VAT) payer's registration certificates or equivalents. **This obligation does not apply to public entities.**

9. For Applicants and project partners from Russia: statement from the national tax authority on absence of tax arrears issued no later than three month prior to submission of the full application. **This obligation does not apply to public entities.**

10. The building permit (according to the national legislation). The building permit shall be in stage of readiness in order to procure construction immediately after the project approval.

11. Technical **documentation** (according to the national legislation). The technical documentation shall be in stage of readiness in order to procure construction immediately after the project approval.

12. **Financial flow form** (see **Annex X** to the Guidelines).

By signing the application form, the applicant declares accepting, in case where it is awarded a grant, the contractual conditions as laid down in the grant contract.

The documents of the full application listed in points 1, 2, 3, 4, 5, 6, 9, 10, 11 and 12 above should be submitted as **originals and electronically**. The documents of the full application must be signed by the authorized person/ head of the applicant organisation and the project partner organisation, where applicable, having the right to making such decisions and assuming the financial obligations on behalf of the organisation.

The documents listed in points 7 and 8 should be submitted as **paper copies and electronically, if allowed by the legislation of the respective partner's country**.

Both the originals and copies of the said originals must show legible stamps (if applicable) and/or signatures and dates.

Before sending the full application please check that it complies with the requirements indicated in the checklist "Requirements for evaluation of full application" (see Annex IV).

The full application (application form with annexes) should be submitted as original in paper form and electronically. The package must bear the following: "Direct Award Application for Latvia- Russia CBC Programme 2014-2020" with indication of the full name and address of the applicant. The electronic version of the above-mentioned documents should be submitted to the MA/JTS according to the instructions stated in the invitation letter for submission of the full application.

The above-mentioned documents in paper form should be submitted by regular mail, courier service or by hand-delivery at one of the addresses below:

- 1) Joint Technical Secretariat (The Ministry of Environmental Protection and Regional Development of the Republic of Latvia, Peldu Street 25, Riga, LV-1494, Latvia)
- or
- 2) Joint Technical Secretariat Branch Office in Russia

a) Branch Office in Pskov (Russia)

Address: Sovetskaya Street 60a, entrance 3, 3rd floor, office room 44, Pskov, 180000 Russia;

b) Branch Office in Saint Petersburg (Russia):

Address: 14 Izmailovsky Prospect, office 314A; St. Petersburg, 198005, Russia.

3.3.2 EVALUATION OF FULL APPLICATION

After submission of the direct award project full applications the MA/JTS will carry out the evaluation of them on compliance to the requirements by filling the checklist "Requirements for evaluation of full application" (see Annex IV).

In case the full application does not fulfil all requirements, the MA/JTS may ask the applicant to provide additional information, documents and may ask updated full application to ensure that it is in line with the requirements. The submission deadline will be indicated in the MA/JTS request.

Based on the evaluation carried out by the MA/JTS the full applications with completed checklist for MAs for each direct award project (see Annex XIII to the Guidelines) shall be sent to the JMC for approval. The decision of the JMC shall have the form of a written recommendation (see Annex V to the Guidelines).

The written recommendation of the JMC accompanied by the approved full applications and completed checklist for MAs for each direct award project shall be submitted to the EC (DG NEAR) for approval not later than 31 December 2017.

Full applications approved by the EC shall form the final list of projects to be selected through direct award for financing.

4. AWARD PROCEDURE AND CONTRACTING

Once the project has been approved by the EC, the MA shall approach the applicant and request updated documents required for the signature of the grant contract (for example, updated timetable).

Grant contract is signed between the MA and the lead beneficiary - with the signature of the grant contract the contractual relations and responsibilities between the MA and the lead beneficiary emerge.

Before the MA signs the grant contract, the following procedures shall be carried out (but not limited to):

- applicant submits to the MA partnership agreement signed by all project partners. Partnership agreement has to lay down provisions for the distribution of tasks, responsibilities and financial contribution of all beneficiaries, including provisions guaranteeing financial management of the funds allocated to the project, including the arrangements for recovery of amounts unduly paid. Partnership agreement has to be concluded between the lead beneficiary and beneficiaries defining their rights and responsibilities, it will not be a part of or annex to the grant contract. The partnership

agreement serves as legal ground regulating relationship within the partnership. The MA/JTS will provide partnership agreement template.

- Applicants have to provide original of financial identification form (see **Annex XI** to the Guidelines) filled in by the bank with details of its banking account. In case the bank provides the documents in national language only, the form may be filled in and certified by the lead beneficiary, and supplemented by original bank statement containing all complying relevant and compliant data.

The MA reserves the right to require the applicant to provide any other documents relevant to signing of the grant contract.

During preparation of the grant contract JTS/MA may carry out monitoring visits.

Signing of the grant contract is a subject to the fulfilment of the above indicated procedures. Grant contracts shall be signed before 30 June 2019.

The MA sends the signed grant contract to the lead beneficiary indicating the deadline when the countersigned contract shall be returned to the MA.

5. PROJECT IMPLEMENTATION, MONITORING, REPORTING AND CONTROL

To ensure that all specific features of project implementation are taken into account already at the stage of elaboration of the full application, applicants and project partners are highly recommended to study the information in this section of the Guidelines before submission of the full application to the Programme.

Please note that detailed information on project implementation rules is stipulated in the grant contract as well as will be stipulated in the Practical Guidelines for Implementation of Projects.

5.1 ADMINISTRATIVE MANAGEMENT OF THE PROJECT

5.1.1 START AND END DATE OF THE PROJECT

Starting date of the project is important for calculating the **end date of the project**. The start date and the end date set the project duration (i.e. project implementation period), and they are indicated in the grant contract. Project starting date is agreed between the lead beneficiary represented the common decision of the partnership and the MA. It can be either:

- the day following that on which the last of the two parties signs the grant contract;
- a later date agreed in the grant contract and no later than 6 months after the signing of the grant contract;
- on project own risk before signing grant contract but not earlier than one day after EC decision on project approval.

The end date of the project is calculated by adding to the starting date the number of months indicated in the application form as the duration of the project.

5.1.2 MANAGEMENT OF THE PROJECT AND RESPONSIBILITIES WITHIN THE PARTNERSHIP

Each beneficiary (including the lead beneficiary) participating in the project has to sign a partnership statement (Annex VIII of the Guidelines) to be submitted with the application form and the partnership agreement to be submitted before signing of the grant contract. All projects must follow the **lead partner principle** in the project management. The principle

includes components outlined in this section below: after grant award decision the **lead beneficiary** is responsible for:

- assuming responsibility for ensuring implementation of entire project and coordination with all beneficiaries in project implementation according to the grant contract and the legal basis of the Programme;
- signing the partnership agreement with all beneficiaries defining rights and responsibilities of the parties that, inter alia, guarantee the sound financial management of the funds allocated to the project including the arrangements for recovery of funds unduly paid. The partnership agreement should cover all obligations arising from the grant contract between the MA and the lead beneficiary which are applicable to the beneficiaries;
- signing the grant contract with the MA;
- setting up and maintaining efficient and reliable project implementation system (strategic, daily and financial management), i.e. ensuring efficient use of the project resources; co-ordination of activities and tasks among the beneficiaries and ensuring that these tasks are subsequently fulfilled; ensuring proper communication within and outside the partnership, including communication to wider public;
- representing the project – the lead beneficiary serves as a contact point to the MA/JTS concerning project implementation, and should disseminate relevant information to the beneficiaries;
- progress of the project as far as its financial and physical execution is concerned, and in particular, for ensuring the delivery of outputs and results in line with the approved full application;
- timely and correct reporting to the MA in accordance with the provisions of the grant contract;
- requesting and receiving co-financing from the MA and ensuring that afterwards other project beneficiaries receive the total amounts of the grant as quickly as possible and in full further to the arrangements referred to in partnership agreement. No amount shall be deducted or withheld and no specific charge with equivalent effect shall be levied that would reduce these amounts for the beneficiaries;
- ensuring that the expenditures presented by the beneficiaries have been incurred for the purpose of implementing the project and corresponds to activities set in the contract and agreed between all beneficiaries;
- verifying that the expenditure presented by the beneficiaries has been examined by auditor;
- ensuring that each beneficiary, including oneself is legally and financially responsible for its part of project activities and for the share of its budget as defined in the application form;
- ensuring that the EU and national legislation concerning financial management and controls, public procurement, information and publicity and state aid rules and principles are respected and observed by the beneficiaries;
- observing of the project budget and ensuring project results are achieved in full;
- ensuring production and maintenance of all documentary evidence required for control and audit purposes on the lead beneficiary and other project beneficiaries' level;

- implementing of the project in accordance with the provisions of the partnership agreement and the grant contract;
- providing the beneficiaries with all the project relevant information, including the grant contract and amendments to it, application form and all its updated version;
- repayment to the MA any amounts paid in excess or amounts unduly paid and if relevant request the concerned beneficiary to repay.

After grant award decision, the **beneficiaries are** responsible for:

- signing the partnership agreement with all beneficiaries defining rights and responsibilities of the parties;
- implementation of the project in accordance with the provisions of the full application, the grant contract and the partnership agreement, in particular on financial management and controls, public procurement, information and publicity;
- timely carrying out the activities and reaching results for which it is responsible according to the approved full application;
- timely and correct reporting to the lead beneficiary according to the scheme agreed in the partnership agreement;
- ensuring that all project expenditures are made in strict compliance with the project budget and that all expenditures (1) are supported by invoices or accounting documents understandable to third parties; (2) have actually been paid out by the project within the reporting period for activities described in the approved full application; (3) that the products or services have actually been delivered; and (4) are verified by an independent auditor for the beneficiaries from Russia and by a public officer for the beneficiaries from Latvia;
- ensuring production and maintenance of all documentary evidence required for control and audit purposes;
- providing all necessary information on project implementation to the lead beneficiary for the purposes of monitoring, reporting and audits;
- assuming the responsibility for the irregularities in its declared expenditure and repayment to the lead beneficiary amounts unduly spent or unduly received.

Even though the beneficiaries are not parties to the grant contract and are not directly accountable to the MA, they are responsible for implementation of their own part of project activities and should actively assist the lead beneficiary in efficient implementation of the project in line with the requirements of the full application, the Programme and the partnership agreement and the grant contract.

Lead beneficiary has to appoint or to subcontract a **project manager**, who is responsible for setting up and maintaining the implementation system of the project as a whole. In order to ensure sound financial management, an experienced **financial manager** is to be appointed or subcontracted. The project implementation system should guarantee clearly identifiable costs and outputs of the project, proper and orderly payments and handling of the grant.

Each beneficiary has the option of either assigning a project manager and financial manager from the existing staff or subcontract these employees. The beneficiaries must ensure continuous, effective and transparent cooperation between these subcontracted staff and the lead beneficiary/beneficiary(ies).

The beneficiaries may involve other experts into project implementation proportional to the project implementation needs.

Please, note that it is recommended that the staff appointed by lead beneficiary/beneficiary(ies) remain in charge of the project for at least 6 months after the project end to enable a smooth closure of the project. Additionally, all the project beneficiaries (including the lead beneficiary) should ensure the storage of project related documents/information and succession of knowledge about the project within organisation for the control purposes, which may take place five years after the date of payment of the balance for the Programme. The MA will inform about this date.

Projects are recommended to establish a **steering group** consisting of the representatives of all project beneficiaries and other important stakeholders. The steering group is to be responsible for monitoring of project implementation in accordance with provisions of the grant contract, reviewing and approving project's work plans and reports.

Working groups, task forces and advisory groups may be established to coordinate daily running of activities, to fulfil specific tasks, to carry out certain activities, etc. However, the need for these project structures has to be duly justified both in terms of project budget and activities.

5.1.3 OWNERSHIP OF THE PROJECT RESULTS

The ownership, title, intellectual and industrial property rights to the project results, reports and other documents relating to it shall be vested in the beneficiaries of the project and may be transferred to local partners of the beneficiaries and final users of project results.

All beneficiaries grant the MA, the participating countries and the EC the right to use freely and as it sees fit; in particular, to store, modify, translate, display, reproduce by any technical procedure, publish or communicate by any medium all documents deriving from the project whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.

Any contract related to studies financed by the Programme shall include the right for the Russian Federation, the Republic of Latvia and the EC to use the study, to publish it or to disclose it to third parties.

In the event of transfer of ownership, industrial and intellectual property rights for outputs and results of the project during its implementation period and 5 years of the project closure, the lead beneficiary shall submit a justified notification to the MA to receive prior consent before the transfer takes place.

5.1.4 PUBLICITY AND INFORMATION REQUIREMENTS

The beneficiaries must take all necessary measures to distribute information about the fact that the project is financed by the Programme.

Every project, funded by the Programme must conduct communication and visibility activities in order to:

- ensure smooth operation of the project (due to efficient communication among the project partners);
- make the results of the project visible to the target groups concerned and to the public;
- emphasise the Programme contribution to development of the Programme territory on the whole, and the territory targeted by the project, in particular.

These measures must comply with the applicable rules laid down in Communication and Visibility Guidelines for Project Implementation by lead beneficiaries and beneficiaries (see **Annex XII** to the Guidelines).

In order to carry out effective, concise and consistent communication, the beneficiaries must plan communication and promotion activities already at the stage of drafting the full application and should plan these activities and needed funds and specify them in their full application.

The beneficiaries should work in close cooperation with the JTS information managers starting from the stage of drafting the full application.

During the project implementation period the lead beneficiary should inform the JTS about major or public events in due time (preferably 2 weeks before the event).

Use of the Programme logo

The use of the Programme logo is strictly compulsory on all communication materials and tools (both hard copy and electronic), as well as on project documents (for publications in the national and regional press, the use of the Programme logo is compulsory if allowed in accordance with national legislation) and outputs. If the Programme logo is used together with other logos or emblems, e.g., the logo of the lead beneficiary and beneficiaries, the Programme logo has to be at least the same size as the other logos or emblems being used and be the first from the left side of other logos/emblems. The Programme logo can be downloaded from the Programme website.

6. PROJECT BUDGET

The project budget is the total amount of financial resources planned for project implementation. It is defined in the application form and approved by the JMC when selecting projects for funding and stipulated by the MA in the grant contract.

6.1 CRITERIA OF ELIGIBLE COSTS

The 3E principle in the project budget

The project budget has to be used in line with sound financial management principles, namely in accordance with the principles of **economy**, **efficiency** and **effectiveness**³.

The principle of economy requires that the resources used by the institution for the pursuit of its activities shall be made in due time, in appropriate quantity and quality and at the best price.

The principle of efficiency is concerned with the best relationship between resources employed and results achieved.

The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

Co-financing rate

Grant to the project may not exceed 90% of the total eligible costs of the project.

Applicant and each project partner must contribute not less than 10% of its total eligible costs to financing of the project. Contribution by the applicant and project partners must derive from their own resources or from sources other than the EU budget.

³ Regulation (EU, EURATOM) No 966/2012 of 25 October 2012

Eligible costs

Only **eligible costs** can be taken into account for a grant. Note that only costs incurred⁴ during the project implementation are eligible but an exception is made to costs related to preparation of final reports. The categories of costs considered as eligible and non-eligible are indicated below. The budget is both a cost estimate and a ceiling for eligible costs.

Grants may not exceed an overall ceiling expressed as a percentage and an absolute value which is to be established on the basis of estimated eligible costs.

Requirements of eligibility of the expenditure of the Programme are stipulated in the Programme and regulated in Article 48 of the Commission Implementing Regulation No 897/2014, the Financing Agreement and the relevant national legal framework of the Programme participating countries.

Grants in the form of reimbursement of a specified proportion of the eligible costs referred to in Article 48 of the Commission Implementing Regulation No 897/2014 actually incurred shall be calculated on the basis of the eligible costs actually incurred by the beneficiaries, subject to a preliminary budget estimate as submitted with the proposal and included in the grant contract.

Grants shall not have the purpose or effect of producing a profit within the framework of the project. The exceptions set out in Article 125(4)⁵ of Regulation (EU, Euratom) No 966/2012 shall apply.

Eligible costs are costs actually incurred by the beneficiary which meet all of the following criteria:

1. they are incurred during the implementation period of the project. In particular:
 - costs relating to services and works shall relate to activities performed during the implementation period. Costs relating to supplies shall relate to delivery and installation of items during the implementation period. Signature of a contract, placing of an order, or entering into any commitment for expenditure within the implementation period for future delivery of services, works or supplies after expiry of the implementation period do not meet this requirement; cash transfers between the lead beneficiary and the other beneficiaries may not be considered as costs incurred;
 - costs should be paid before the submission of the final reports;
 - an exception is made for costs relating to final reports, including expenditure verification, audit and final evaluation of the project, which may be incurred after the implementation period of the project. They may be paid afterwards, provided they are planned in the budget of the project and are listed in the final report together with the estimated date of payment;
 - procedures to award contracts, as referred to in Article 52⁶ of the Commission Implementing Regulation No 897/2014 and following, may have been initiated, and

⁴ In these guidelines *costs incurred* means costs actually paid during the project implementation period with the exception to costs directly related to final report, including expenditure verification, audit and final evaluation of the project, which may be paid after the implementation period of the project under condition that they are listed in the final report together with the estimated date of payment

⁵ Grants shall not have the purpose or effect of producing a profit within the framework of the action or the work programme of the beneficiary ('no-profit principle')

⁶ Applicable rules

1. If the implementation of a project requires procurement of goods, works or services by a beneficiary, the following rules shall apply:

(a) where the beneficiary is a contracting authority or a contracting entity within the meaning of the Union legislation applicable to procurement procedures, it may apply national laws, regulations and administrative provisions adopted in connection with Union legislation or rules of paragraph 2;

(b) where the beneficiary is an international organisation, it may apply its own procurement rules if they offer guarantees equivalent to internationally accepted standards;

contracts that may be concluded by the project partners before the start date of the project, provided the provisions of Article 52 of the Commission Implementing Regulation No 897/2014 and following have been respected (for details, see Section 6.2 (Retroactive costs) of these Guidelines);

2. they are indicated in the project's estimated overall budget;
3. they are necessary for the project implementation;
4. they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the accounting standards and the usual cost accounting practices applicable to the beneficiary;
5. they comply with the requirements of applicable tax and social legislation;
6. they are reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency;
7. they are supported by invoices or documents of equivalent probative value.

The following direct costs of the beneficiaries shall be eligible:

- the costs of staff assigned to the project under the following cumulative conditions:
 - they relate to the costs of activities which the beneficiary would not carry out if the project was not undertaken;
 - they must not exceed those normally borne by the beneficiary unless it is demonstrated that this is essential to carry out the project;
 - they relate to actual gross salaries including social security charges and other remuneration-related costs;
- travel and subsistence costs⁷ of staff and other persons taking part in the project, provided they exceed neither the costs normally paid by the beneficiary according to its rules and regulations nor the rates published by the EC at the time of the mission if reimbursed on the basis of lump sums, unit costs or flat rate financing;
- purchase or rental costs for equipment (new or used) and supplies specifically for the purpose of the project, provided they correspond to market prices;
- the cost of consumables specifically purchased for the project;
- costs entailed by contracts awarded by the beneficiaries for the purposes of the project;
- costs deriving directly from requirements imposed by the Commission Implementing Regulation No 897/2014, Financing Agreement and the project (such as information and visibility operations, evaluations, external audits, translations) including financial service costs (such as costs of bank transfers and financial guarantees).

(c) where the beneficiary is a public authority of a CBC partner country whose co-financing is transferred to the Managing Authority, it may apply national laws, regulations and administrative provisions, provided that the financing agreement allows it and the general principles set out in point (a) of paragraph 2 are respected.

2. In all other cases the following obligations shall be complied with:

(a) the contract is awarded to the tender offering best value for money, or as appropriate, to the tender offering the lowest price, while avoiding any conflict of interests;

(b) for contracts with a value of more than EUR 60 000, the following rules shall also apply:

(i) an evaluation committee shall be set up to evaluate applications and/or tenders on the basis of the exclusion, selection and award criteria published by the beneficiary in advance in the tender documents. The committee must have an odd number of members with all the technical and administrative capacities necessary to give an informed opinion on the tenders/applications;

(ii) sufficient transparency, fair competition and adequate ex-ante publicity must be ensured;

(iii) equal treatment, proportionality and non-discrimination shall be ensured;

(iv) tender documents must be drafted according to best international practice;

(v) deadlines for submitting applications or tenders must be long enough to give interested parties a reasonable period to prepare their tenders;

(vi) candidates or tenderers shall be excluded from participating in a procurement procedure if they fall within one of the situations described in Article 106(1) of Regulation (EU, Euratom) No 966/2012. Candidates or tenderers must certify that they are not in one of these situations. In addition, contracts may not be awarded to candidates or tenderers which, during the procurement procedure fall within one of the situations referred to in Article 107 of Regulation (EU, Euratom) No 966/2012;

(vii) procurement procedures set out in Articles 53 to 56 shall be followed.

3. In all cases, the rules of nationality and origin set forth in Articles 8 and 9 of Regulation (EU) No 236/2014 shall apply.

⁷ Subsistence costs are calculated as costs of accommodation, local transport within the place of travel and daily allowances.

Project and its activities must be located and take place in the Programme area. If it is necessary for the project implementation and for the benefit of the Programme territory, in duly justified cases up to 20% of the total budget of the project may be spent for implementation of the project soft activities outside the Programme area. These costs have to be clearly indicated, specified and justified in the application form and approved by the JMC. If during the project implementation partners discover that it is necessary to organise an activity or its part outside of the Programme area, the lead beneficiary has to receive a prior approval of the MA with the notice of the JMC members.

6.2 RETROACTIVE COSTS AND PREPARATORY COSTS

A grant may be awarded retroactively for costs for the development of application form and other documents - information and communication plan, environmental impact assessment, feasibility study, technical documentation for infrastructure component of the project etc.

- Retroactive costs: costs for the development of studies and of documentation that are directly related to infrastructure development (investment project, technical project, environmental impact assessment etc.) for each infrastructure and works object, are covered as real costs up to 7% of the relevant, planned in the project infrastructure and works object's costs.
- Preparatory costs: costs for travel, translation and other costs for preparation of project full application. They are covered as a lump sum of EUR 2000 (Programme financing) per project and shall be indicated in the full application. They will be paid to lead beneficiaries that have signed grant contract.

Retroactive activities and costs and preparatory costs have to be listed in the project summary and in the application form. They are eligible only if payments are made no earlier than 18 December 2015 and not later than one day before the approval of full application by the JMC.

No grant may be awarded retroactively for projects already completed.

Only lead beneficiaries and beneficiaries of the approved direct award projects (upon approval of the full application by the EC) will be able to claim the reimbursement of the retroactive costs and preparatory costs once grant contract for implementation of the project is signed. Reimbursement of costs will be made together with the first payment from the MA to the lead beneficiary.

6.3 NON-ELIGIBLE COSTS

According to the Article 49⁸ of the Commission Implementing Regulation No 897/2014 and Programme document the following costs of the beneficiary(ies) **are not eligible**:

- 1) debts and debt service charges (interest);

⁸ Non-eligible costs

1. The following costs relating to the implementation of the project shall not be considered eligible:

- (a) debts and debt service charges (interest);
 - (b) provisions for losses or liabilities;
 - (c) costs declared by the beneficiary and already financed by the Union budget;
 - (d) purchases of land or buildings for an amount exceeding 10 % of the eligible expenditure of the project concerned;
 - (e) exchange-rate losses;
 - (f) duties, taxes and charges, including VAT, except where non-recoverable under the relevant national tax legislation, unless otherwise provided in appropriate provisions negotiated with CBC partner countries;
 - (g) loans to third parties;
 - (h) fines, financial penalties and expenses of litigation;
 - (i) contributions in kind as defined in Article 14(1).
2. Pursuant to Article 4 a programme may declare other categories of costs as ineligible.

- 2) provisions for losses or liabilities;
- 3) costs declared by the beneficiary and already financed by the European Union budget or Programme budget and other international financial instruments;
- 4) purchases of land or buildings;
- 5) exchange-rate losses;
- 6) duties, taxes and charges, including VAT, except where non-recoverable under the relevant national tax legislation, unless otherwise provided in the Financing Agreement;
- 7) loans to third parties;
- 8) fines, financial penalties and expenses of litigation;
- 9) contributions in kind as defined in Article 14 of the Commission Implementing Regulation No 897/2014.

6.4 DESCRIPTION OF THE BUDGET HEADINGS

The project budget is divided between seven budget headings and further detailed into budget lines.

The detailed breakdown of the project budget as well as its division per project partners (i.e. lead beneficiary and beneficiaries) should be provided in the worksheets XI, XII, and XIII of the application form and shall consist of the Programme's grant and the applicant's and the project partners' co-financing (contribution).

All expenditures included into the budget breakdown should comply with the rules on eligibility of costs. The following costs can be included into the project budget as eligible:

Budget Heading 1 – Staff costs

Expenditure on staff costs consists of gross employment costs of staff employed by the beneficiary organisation, which are engaged in the project activities. Staff costs should be reported based on real costs method, when real expenditure is reported and justified with the supporting documents.

Staff costs include costs of employees in line with the employment/work contract (wages, employment taxes, social security charges, health insurance and other remuneration related costs due in the respective country).

Please note that both the employment/work contract and an appointment decision/contract of natural persons working for the beneficiary organisation and receiving salary payments are hereinafter referred to as employment document.

Project staff can be hired by the beneficiary in one of the following ways:

- Full-time;
- Part-time

Budget Heading specific rules:

- staff costs must relate to activities which the beneficiary organisation would not carry out if the project was not undertaken;
- overheads and any other office and administration costs cannot be included under this budget heading, should be included in budget heading 7;
- daily allowances and any other travel and accommodation costs cannot be included under this budget heading, should be included in budget heading 2;
- in case the staff member is working part-time for the project and part-time for other tasks in the beneficiary organisation, the actual salary rate must be used, when calculating his/her costs in the project budget;

- staff member, who is working for the project and remunerated from staff costs, cannot conclude any service contracts that are financed within the same project;
- staff costs cover real costs paid out based on a payslip or a document of equivalent probative value.

If the beneficiary's organisation does not have the necessary human resources to ensure implementation of project, these specialists can be employed on the basis of the service contracts. In this case their costs have to be budgeted under the budget heading 3 "External expertise and services costs".

Contributions in kind are not eligible. The cost of staff assigned to a project shall not be considered as contribution in kind but may be considered part of the minimum 10% co-financing based on real costs paid by beneficiaries.

Budget Heading 2 - Travel and accommodation costs

Travel and accommodation costs are costs of employees of the beneficiaries' organisations and related to their participation in project meetings, seminars or events and supported by the documentary evidence for travel. Only travel costs (public transport, including ferry, plane, train, bus and taxi, rented vehicles, travel and car insurance, fuel, car mileage, toll and parking fees), accommodation costs (including city taxes), visa costs (if relevant) and daily allowances are eligible under this budget heading.

Budget Heading specific rules:

- sound financial management principles (economy, efficiency and effectiveness) should apply to the choice of transport and accommodation;
- any expenditure item defined as travel costs, accommodation costs, costs of meals or visa costs that is already covered by a daily allowance, cannot be eligible in addition to the daily allowance, i.e. no double-financing is allowed;
- travel and accommodation costs of staff of the organisations involved in the project as associates may be eligible, as long as they are planned in the budget of the project and finally incurred by any of the beneficiary organisation;
- in well-justified and documented cases, the project partners have a possibility to cover travel and accommodation costs of guests/target group (e.g. speaker of a conference, teacher (if not reported under budget heading "External expertise and services costs"), member of a project steering group outside of the project partner's organisation, etc.) and driver of the project partner organisation and report them under this budget heading, as long as they are planned in the budget of the project and finally incurred by any of the beneficiary;
- travel and accommodation costs of external experts and service providers cannot be included under this budget heading; they must be calculated and included in relevant service contracts and reported under budget heading 3 "External expertise and services costs";
- travel and accommodation costs related to activities outside the Programme area are eligible if planned and justified in the full application. In case travelling outside the Programme area is foreseen in the project, costs shall be planned under separate budget line within this budget heading. Please specify in the project budget the planned travels;
- maximum rates for travel and subsistence costs of staff and other persons taking part in the project shall be respected, provided they exceed neither the costs normally paid by the beneficiary according to its rules and regulations (which are in accordance with national legislation) nor the rates published by the EC at the time

of the mission if reimbursed on the basis of lump sums, unit costs or flat rate financing;

- travel and accommodation costs should be properly documented in line with the national legislation or internal policy of the beneficiary's organisation. In exceptional cases national rules concerning missing/lost documents may be accepted.

Budget Heading 3 – External expertise and services costs

Under this budget heading, the costs of an external service provider, an expert or consultant provided by a public or private entity or a natural person have to be reported.

The following costs are eligible under this budget heading:

- studies or surveys (e.g. evaluations, strategies, concept notes, design plans, handbooks);
- training;
- translations;
- IT systems and website development, modifications and updates;
- promotion, communication, publicity or information linked to a project;
- financial management;
- services related to the organization and implementation of events or meetings (including rent, catering or interpretation). Please note that costs for lunch are eligible for a minimum six hours meeting and costs for dinner can be included for events taking place more than one day;
- participation in events (e.g. registration fees);
- legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;
- intellectual property rights;
- expenditure verification for the beneficiaries from Russia;
- the provision of guarantees by a bank or other financial organisation where required (by EU or national law or the programme manual);
- travel and accommodation for external experts, speakers, chairpersons of meetings and service providers;
- insurance for equipment and infrastructure;
- other specific expertise and services needed for the project.

Budget Heading specific rules:

- the work by external experts and service providers must be essential to the project and specified in the application form;
- all costs are subject to applicable public procurement rules and each beneficiary organisation is responsible for ensuring that these rules have been respected;
- subcontracting other project beneficiary organisations or employees of other beneficiary organisations, who already work for the project based on an employment contract, is not allowed.

Budget Heading 4 - Equipment costs

Purchases or rent of equipment (new or used) is eligible under budget heading 4 "Equipment

costs" only in case such equipment is necessary for reaching project results and guaranteeing their durability.

A cross border character and relevance of the investments in equipment should be evident and in line with the project objective. Investments in equipment should form a part of an overall cooperation strategy implemented by the beneficiaries.

The equipment budgeted under this budget heading can be:

- office equipment;
- IT hardware and software;
- furniture and fittings;
- laboratory equipment;
- machines and instruments;
- tools or devices;
- other specific equipment needed for projects.

Budget Heading specific rules:

- equipment has not been supported from any EU funds or by other international, national, regional and/or local funds;
- all costs are subject to applicable public procurement rules and each beneficiary organisation is responsible for ensuring that these rules have been respected;
- equipment cannot be purchased or rented from another project beneficiary;
- for equipment rented for a certain period during the project lifetime rental costs for the respective period are eligible, if necessity for renting of equipment is properly justified and costs are planned in the application form;
- expenditure for insurance of the equipment permanently installed in the project is eligible for the project duration period. Justification for equipment insurance shall be provided in the application form and costs for insurance must be planned and reported under budget heading 3 "External expertise and service costs".
- The applicant is asked to provide a breakdown (cost estimation) of costs for equipment in the application form. Therefore please make sure that all cost items of equipment are listed.

Equipment costs directly related to the installation of infrastructure cannot be included under this budget heading and must be indicated under the budget heading 5 "Infrastructure and works".

Budget Heading 5 – Infrastructure and Works

Budget Heading 5 "Infrastructure and works" covers costs related to investments in infrastructure. This includes costs for site preparation, delivery of materials, handling, installation, renovation, (re)construction and their supervision and other costs related to investments in infrastructure.

Retroactive costs for development of documents that are directly related to infrastructure development specified in the Section 6.2 of the Guidelines have to be included in budget heading 6 "Retroactive and preparatory costs".

Budget Heading specific rules:

- costs for infrastructure works are eligible if they have not been supported from any EU funds or by other international, national, regional and/or local funds;
- full costs of investments in infrastructure incurred within the project duration are eligible, i.e. no depreciation is eligible;
- documents specifying the evidence of ownership or access to the land/ buildings where the works will be carried out must be provided to the MA/JTS together with the application form;
- all compulsory requirements set by the applicable EU and/or national legislation related to the respective investment in infrastructure must be fulfilled (e.g. environmental impact assessments, feasibility studies, building permit, etc.);
- expenditure for insurance of the infrastructure created in the project is eligible for the project duration period. Justification for infrastructure insurance shall be provided in the application form and costs for insurance must be planned and reported under budget heading 3 "External expertise and service costs".

Budget Heading 6 – Retroactive and preparatory costs

Retroactive costs as specified in Section 6.2 of the Guidelines for development of documents that are directly related to infrastructure development and costs for actual works have to be shown under this budget heading. They are covered as real costs up to 7% of the relevant, planned in the project infrastructure and works object's costs. Justification for these costs as well as supporting documents serving as evidence that costs included under this budget heading have actually been made must be submitted together with the full application.

Preparatory costs should also be included under this budget heading. Such costs are limited to travel and subsistence costs of staff and other persons taking part in the project, provided they do not exceed the costs normally paid by the beneficiary according to its rules and regulations and do not exceed EUR 2000 of Programme financing per project.

Retroactive and preparatory costs are eligible only if payments are made no earlier than 18 December 2015 and not later than one day before the approval of full application by the JMC.

Please note that total amount of financing on the basis of lump sums, unit costs and flat rate financing within budget headings from 1 to 6 may not exceed EUR 60 000 per project.

Budget Heading 7 - Office and administration costs

Office and administration costs cover running costs and administrative expenses of the beneficiary organisation implementing project activities.

Indirect costs under "Office and administration costs" are calculated as a flat-rate of up to 7% of eligible direct costs, excluding costs incurred in relation to the provision of infrastructure, provided that the rate is calculated on the basis of a fair, equitable and verifiable calculation method.

When using the flat rate, the beneficiary does not need to document that the expenditure has been incurred and paid or to prove that the reported amount using the flat rate would correspond to the real costs for office and administration.

MA may request to demonstrate the provisional breakdown/specification of the Office and administration costs as part of clarifications prior to start of the grant contract signing process.

Indirect administrative costs are related to:

- office rent;

- insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, theft insurances);
- utilities (e.g. electricity, heating, water);
- office supplies;
- archives;
- maintenance, cleaning and repairs;
- security;
- IT systems (operating/administrative IT services of general nature that support delivery of the project. This includes maintenance costs of IT systems, e.g. costs related to the maintenance of a computer used by the project manager to administrate the project);
- communication (e.g. telephone, internet, postal services, business cards);
- bank charges for opening and administering the account or accounts where the implementation of a project requires a separate account to be opened;
- charges for transnational financial transactions.

Please note that the indirect costs declared under this budget heading cannot be declared under any other budget heading of the project.

7. FINANCIAL MANAGEMENT OF THE PROJECT

7.1 PAYMENTS TO THE PROJECT

The total amount to be paid by the MA to the **lead beneficiary** may not exceed the maximum grant laid down in the grant contract neither in terms of absolute amount nor in percentage of the total eligible project budget. If the total eligible costs of the project at the end of the project are less than the estimated total eligible costs, the MA contribution will be proportionally reduced, except preparatory and retroactive costs as referred to in section 6.2 of the Guidelines.

The following payments are foreseen for the projects: (1) initial pre-financing instalment (after signing of the grant contract); (2) further pre-financing instalments (during the project implementation); (3) balance (upon completion of the project).

The following payment procedure will be applied to the projects

The initial pre-financing instalment will be 40% of the forecast budget for the first 12 months of the project. It will be transferred to the account of the lead beneficiary within 30 days after signing the grant contract and submission the request for advance.

The MA shall pay further pre-financing instalment for each twelve-month period of implementation of the project after approval of the 6-monthly interim reports. Further pre-financing instalment may only be given if the part of the expenditure actually incurred which is financed by the MA (by applying the percentage set out in the grant contract) stands at least at 70% of the previous payment (and at 100% of any previous payments) as supported by the corresponding interim report and expenditure verification report.

If the consumption of the previous payment is less than 70%, the amount of the further pre-financing instalment shall be reduced by the unused amounts of the previous payment. The total sum of the pre-financing (initial pre-financing instalment and further pre-financing instalments) may not exceed 80% of the grant costs.

The MA will pay the balance within 45 days following the approval of the final report.

7.2 USE OF EURO

Payments to the project will be made in Euro only.

For the reporting of real costs borne in **national currencies** (other than Euro) the conversion into Euro shall be done at the monthly accounting exchange rate of the EC in the month during which that expenditure was incurred, as stipulated in Article 67(1) (a) of the Commission Implementing Regulation (EU) No 897/2014, http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/index_en.cfm and Section 6.12 of Latvia–Russia Cross Border Cooperation Programme 2014-2020.

Please, note that any exchange losses are not eligible costs and must be covered by the beneficiaries. The expenditure in national currency (other than Euro) must be converted into Euro with an accuracy of four digits after the comma (e.g. 0.1234).

7.3 KEEPING THE PROJECT ACCOUNTS

The beneficiaries shall keep accurate and regular accounts of the implementation of the project using an appropriate accounting and double-entry bookkeeping system. In order to ensure it the beneficiaries involved in the implementation of the project and receiving funds from the Programme must maintain:

- a separate accounting system or
- a suitable accounting code

for all transactions related to the project without prejudice to national accounting rules. In this way all project related expenditure and receipts should be clearly identified.

Accounts and expenditures relating to the project must be easily identifiable and verifiable.

7.4 BUDGET REALLOCATION, CHANGES IN THE PROJECT

Please note that the lead beneficiary must inform the MA/JTS on changes in the project. Changes in the project will be regulated by the Practical Guidelines for Implementation of Projects and the grant contract.

The MA can modify the concluded grant contract as long as the purpose, outputs and results of the project are not altered and there are no consequences on the eligibility or the results of the project.

Examples of changes in the project to be introduced by the addendum are:

- 1) changes in the project budget, detailed information will be provided in the Practical Guidelines for Implementation of Projects;
- 2) dropping out, addition or replacement of the beneficiaries of the project including the lead beneficiary;
- 3) changes in activities, which affect the basic purpose of the project, but do not put into question the grant award decision and do not oppose the principle of equal treatment.

In duly justified cases the MA can decide on extension of the project implementation period up to 6 months and extension of the date by which interim and final reports have to be presented

by the lead beneficiary. The extension of the project implementation period cannot go beyond 31 December 2022.

In case of minor changes in the approved project (e.g. changes in the address, bank account), lead beneficiary should inform the MA/JTS immediately.

The MA reserves the right to require that the auditor of the lead beneficiary and/or the beneficiaries from the Russian Federation is replaced if considerations, which were unknown when this contract was signed, cast doubt on the auditor's independence or professional standards.

7.5 COMPETITION AND PUBLIC PROCUREMENT

The procurement of goods, supplies, works and services carried out in the framework of project should comply with the following rules.

- For procurement carried out by lead beneficiaries and beneficiaries located in the **Russian Federation**,
 - which are **public entities** or **legal entities subject to national procurement legislation** should apply the legislation of the Russian Federation.
 - which are **private entities** should follow provisions of the document "Award of procurement contracts by Russian private beneficiaries" (Annex II of Financing Agreement).

Lead beneficiaries and beneficiaries located in the Russian Federation should ensure that services, works and goods that are not originating from the Russian Federation receive the same treatment as compared to its own services, works and goods in accordance with Rules of nationality and origin. Failure to comply with the above may lead to ineligibility of incurred expenditures.

- For procurement carried out by lead beneficiaries and beneficiaries located in **the Republic of Latvia** – in accordance with national public procurement legislation, irrespective of their legal status, as compliant with EU directives applicable to procurement procedures.

The general rule for all contracts is that they should be awarded to the tender offering best value for money or as appropriate to the tenderer offering the lowest price. The beneficiary shall avoid any conflict of interests and respect the principles of equal treatment, non-discrimination, fair competition, transparency.

Rules of origin and nationality

In all cases the rules of nationality and origin set forth in Articles 8 and 9 of Regulation (EU) No 236/2014 and of the Financing Agreement shall apply.

Participation in the award of procurement contracts shall be also open to

- all natural persons, who are nationals of, and
- legal persons, which are effectively established

in countries eligible under the applicable legislation the Republic of Latvia and of the Russian Federation.

All purchased supplies financed by the Programme shall originate from an eligible country. However, they may originate from any country when the amount of the supplies to be purchased is below EUR 100 000. National preferences are prohibited, except for contracts

with a value not exceeding EUR 20 000 in order to promote local capacities, markets and purchases under condition that it is allowed by the national legislation.

7.6 REVENUE IN THE PROJECT

The project co-financed by the Programme may not result in production of profit for any of the beneficiaries of the project.

In the case of a grant, profit is defined as a surplus of receipts over the costs incurred by the beneficiaries when the request for final payment is made. The profit must be deducted from the total project budget.

Any interest or equivalent benefits accruing from pre-financing paid by the MA to the lead beneficiary should be treated as revenue and be subject for indication in the final report. Any such revenues from the pre-financing shall be assigned to the project and deducted from the final payment.

7.7 STATE AID RULES AND PRINCIPLES

The EU state aid rules are applicable for beneficiaries from Latvia in all cases where assistance from public funds is involved. State Aid is regarded as incompatible with the Common Market if it distorts or has the potential to distort competition within the European Union. The EU rules on state aid limit the support, which may be provided from public funding to assist projects in the commercial sector.

7.8 DOUBLE FINANCING

No single project and activity may be financed by more than one EU grant. The project activities duplicated those already financed from any EU fund; international, national, regional and/or local funds are not eligible as this is considered double-financing. The MA shall carry out measures (including consultations with the NAs and the EC) to prevent duplication of activities among projects funded by Programme.

8. REPORTING, MONITORING AND CONTROL

8.1 REPORTING REQUIREMENTS AND DEADLINES

After the projects have been approved and the grant contract between the MA and the lead beneficiary has been signed, the implementation of activities must be carried out in accordance with the conditions of the grant contract.

The lead beneficiary must draw up **interim report(s)** and **the final report**. All reports will be drafted in English. They will be submitted to the JTS.

The Interim report has to be submitted each 6 months.

The Interim Report consist of a technical report and a financial report, including **expenditure verification report** and **request for pre-financing instalment** (if applicable).

Each interim report must provide a full account of all aspects of the project's implementation for the period covered.

Reports have to be submitted not later than 2 month after the end of each reporting period. The MA and JTS may request additional information and this information must be supplied within 30 days of the request.

The **final report** is a prerequisite for requesting the balance payment. The final report consists of a technical report and a financial report and expenditure verification reports of all the beneficiaries. The final report shall contain a detailed description of the conditions, in which the project was carried out, information on the steps taken to ensure the visibility of national and EU financing, information with which to evaluate the project impact, including factual and analytical information on indicators set in the application form, the proof of the transfers of ownership and a final statement of all the eligible costs of the project, plus a full summary statement of the project's income and expenditure and payments received. The final report has to be submitted to the JTS no later than 3 months after the finalization of the project implementation.

8.2 AUDIT AND FINANCIAL CONTROL

The controls and audits referred in this section can be performed at any stage of the project implementation and for five years from the date of payment of the balance for the Programme.

As a general rule, the beneficiaries are responsible for and should allow auditor to carry out expenditure verification on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the project as well as on-spot-checks. The beneficiaries shall give access to all documents and databases concerning the technical and financial management of the project.

All supporting documents must be available in a documentary form, whether paper or electronic, must be available in the form of original documents rather than photocopies or facsimiles.

The beneficiaries must keep all documents of the project and supporting documents for all expenditures (contracts, receipts, invoices, payment documents etc.). Originals of these documents must be kept in the accountancy files of the beneficiaries for **five years** from the date of payment of the balance for the Programme. Copies of accountancy do not need to accompany the financial report unless specifically requested by the MA/JTS.

Expenditure verification

All projects implemented within the Programme are subject to expenditure verification for projects, and the compliance of such expenditure with the provisions of the grant contract signed between the MA and the lead beneficiary. For beneficiaries from the Republic of Latvia expenditure verification will be carried out by the Investment Supervision Department of the Ministry of Environmental Protection and Regional Development of the Republic of Latvia, for beneficiaries from the Russian Federation expenditure verification will be carried out by auditors approved by the CCP in the Russian Federation. The selection procedure of an auditor in the Russian Federation will be provided in the "Practical Guidelines for Implementation of Projects". The designated public officers/auditors will examine, whether costs declared by the beneficiary are real, accurately recorded and eligible in accordance with the grant contract.

Beneficiaries from the Russian Federation are required to subcontract the auditor, who is a member of the national accounting or auditing body, which, in its turn, is member of the International Federation of Accountants (IFAC) or subcontract an auditor who is a member of the national accounting or auditing body and who commits itself to undertake the assignment in accordance with the IFAC standards.

The public officer/auditor is entitled to perform the controls and on-the-spot checks in locations of the beneficiaries receiving Programme funding and where activities of the particular project take place. The public officer/auditor examines whether the costs declared by the beneficiaries are real, accurately recorded and eligible in accordance with the grant contract, the submitted accounts (income and expenditure) are accurate, reliable and justified by adequate supporting documents. In accordance with programme requirement the public

officer/auditor must verify 100% of documents related to project implementation expenditures.

Requirements for expenditure verifications in addition to mentioned above are:

- 1) expenditure should be identifiable, verifiable and recorded in the accounting records of the beneficiaries;
- 2) expenditure must be easily identifiable and verifiable and traced to and within the lead beneficiary's/beneficiary(-ies) accounting and bookkeeping systems.

Based on the results of the performed check, the public officer/auditor issues an expenditure verification report.

As set above, each beneficiary is separately responsible for having its expenditures validated by the public officer/auditor. Each beneficiary is required to submit to the lead beneficiary the expenditure verification report for its part, produced by the auditor. The lead beneficiary is responsible for collecting all expenditure verification reports of the beneficiaries, drafting the financial section of report for the respective project implementation period of the whole project.

Costs for the expenditure verification in the Russian Federation shall be included in the project budget.

Expenditure verification reports shall be attached to any request for an interim payment for the projects, as well as to any request for balance payment and shall be submitted to the JTS.

The expenditure verification report accompanying a request for the balance payment covers all expenditures, which were not covered by any of the previous expenditure verification reports.

Based on the expenditure verification report the MA determines the total amount of eligible expenditure, which may be deducted from the final payment or the sum total of pre-financing under the grant contract (clearance). The lead beneficiary and beneficiaries shall grant the auditor all access rights.

Audits (sample checks) in the projects

Audits shall be conducted by examining the documents and conducting on-the-spot checks of a sample of projects selected by the AA of the Programme in consultation with the GoA established in the Programme. The audit verifications will be carried out by the AA and the GoA or by the auditors authorized by them. The audits shall be performed in the projects selected based on a random sampling method taking account of internationally recognized audit standards, in particular having regard to risk factors related to the projects' value, type of projects, type of beneficiary or other relevant elements. The sample checks will be carried out on annual basis, according to the annual plan.

The sample checks should cover projects representing as a minimum 5% of Programme funding granted to projects.

The lead beneficiary and beneficiaries shall be informed in case the project is selected for the sample check before the check is performed.

Any further controls

The NAs may conduct additional checks on the use of Programme financing each on its respective territory. If the NAs, MA, JTS or the EC, the European Anti-Fraud Office, Court of Auditors and any external auditor authorised by these institutions or bodies carries out or commissions evaluation or a monitoring mission, the lead beneficiary and beneficiaries should

undertake to provide access to the premises, documents and information irrespective of the medium in which they are stored.

Furthermore, the lead beneficiary and beneficiaries should allow the European Anti-Fraud Office to carry out verifications in accordance with the procedures set out in the EU legislation for the protection of the financial interests of the EU against fraud and other irregularities. The verifications shall be performed in accordance with the provisions of the Financing Agreement.

The MA, and the AA, with the support of the GoA and, where required, with assistance of the CCPs, may conduct documentary and on-the-spot checks of the projects and carry out a full audit on the basis of supporting documents of accounts, accounting documents and any other documents relating to the financing of the Programme/projects, throughout the duration of the Programme and for the period of record-keeping.

8.3 MONITORING OF THE PROJECT BY THE JOINT TECHNICAL SECRETARIAT

The monitoring of implementation of the project shall be carried by the MA and the JTS. The practical monitoring of project implementation is carried out by the JTS.

The main tools to be used during monitoring are interim reports, final report and on-the-spot checks, as well as during the result-oriented monitoring performed by the MA in addition to the day-to-day monitoring in accordance to the Article 78(3) of the Commission Implementing Regulation (EU) No 897/2014. Moreover, regular communication between the JTS and the lead beneficiary is to be ensured during the project implementation. The beneficiaries are requested to inform the JTS about any major upcoming event in advance.

Interim reports and final report are the key source for monitoring the progress of the project implementation. The interim reports and final report together with the request for pre-financing/balance instalment are the basis for transferring the payments to the lead beneficiary.

In order to monitor the progress of project implementation, the JTS will also carry out on-the-spot checks, it will also monitor the delivery of outputs and results. If needed, the authorized external auditor might carry the task on behalf of JTS. Upon necessity also involvement of construction expert shall be ensured.

If the information delivered in the reports is insufficient, the JTS will ask for further information or clarification from the lead beneficiary that must be provided within 30 days, unless otherwise specified. If necessary, the JTS/ MA or its authorized third parties may also ask the lead beneficiary to provide more in-depth documentation, such as the checklist on the controls performed at the level of the project, the documents listed in the expenditure verification report, copies of invoices, timesheets, etc. The lead beneficiary should provide the answers to the JTS within the set timeframe. If there are no further questions concerning the respective report or other outstanding issues regarding the project, the report and request for the payment shall be considered approved by the JTS and transferred to the MA for the payment procedure.

The MA may suspend the time-limit for approval of a report by notifying the lead beneficiary that the report cannot be approved and that it finds it necessary to carry out additional checks. Suspension is to take effect when the modification is sent by the MA. In such cases, the MA may request clarification, alteration or additional information, which must be produced within 30 days of the request. The time-limit starts running again on the date the required information is received.

8.4 RECOVERY

As a general rule, the recovery procedure is regulated by the Financing Agreement and articles 74 and 75 of Commission Implementing Regulation (EU) No 897/2014.

If any amount is unduly paid to the lead beneficiary, or if recovery is justified under the terms of grant contract, the lead beneficiary undertakes to repay the MA these amounts together with any interest on late payments. The lead beneficiary shall repay its own amounts unduly spent and/or to assist the MA in recovering the unduly spent amounts from the beneficiaries of the project. In latter case the beneficiary(ies) should repay the lead beneficiary the amounts unduly paid in accordance with the partnership agreement.

The repayment to the MA should be done within 45 days of the issuing of the written debit note, by which the MA requests the amount owed by the lead beneficiary or by other beneficiaries of the project. If the lead beneficiary does not succeed in securing repayment from the beneficiary(ies), the MA will formally notify the latter to repay to the lead beneficiary. Should the lead beneficiary or beneficiaries fail to make repayment within the set deadline, the MA shall increase the amounts due by adding interest.

If the MA is not able to recover the funds from any of the project beneficiaries, it will ask the relevant participating country to proceed with recovering of the amounts unduly spent.

Where a claim **against the beneficiary(ies) established in the Republic of Latvia**, NA will cover the due amount to the MA and claim it back from the beneficiary in accordance with its national procedures on the basis of a complete file of the MA.

Where the recovery relates to a beneficiary(ies), which is **public entity established in the Russian Federation**, the NA shall reimburse the amounts unduly spent to the MA and recover the funds back from the concerned beneficiaries in accordance with its national procedures on the basis of a complete file of the MA.

The EC may recover any amounts due to the MA on behalf of the latter by any means, including offsetting and forced recovery before the competent courts, in particular, **from any beneficiary established in the Russian Federation with the exception for public entities**, and **from any beneficiaries established in the Republic of Latvia**.

According to the Article 39(3) of the Commission Implementing Regulation (EU) No 897/2014 any project including an infrastructure component shall repay the Programme contribution if, within five years of the project closure or within the period of time set out in state aid rules, where applicable, it is subject to a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives. Sums unduly paid in respect of the project shall be recovered by the MA in proportion to the period for which the requirement has not been fulfilled.

8.5 CLOSING OF THE PROJECT

All projects should close their activities within the timeframe (implementation period) stated in the grant contract. Costs relating to final report, expenditure verification and evaluation of the project can be incurred not later than the date of submission of the final report and have to be included into its financial part.

All project related documents are to be kept for **five years** from the date of payment of the balance for the Programme.

With regards to the project closure, it is important to be aware of the following:

- the Programme rules on information and publicity must be respected for all items produced with the Programme assistance, including the time after the closure of the project;
- the lead beneficiary must appoint the contact person for at least six months after the end of the project to enable a smooth closure of the project and communication with the Programme management bodies;
- the beneficiaries are at all times obliged to retain all files, documents and data about the project on standard data storage media in a safe and orderly manner for control and audit purposes for five years from the date of payment of the balance for the Programme.

9 LIST OF ANNEXES

DOCUMENTS TO BE COMPLETED

1. Summary Form (Annex I);
2. Application Form (Annex VI);
3. Partnership Statement (Annex VIII);
4. Letter of Endorsement by the Associate (Annex IX);
5. Financial Flow Form (Annex X);
6. Financial Identification Form (Annex XI);

DOCUMENTS FOR INFORMATION

7. Requirements for evaluation of project summary (Annex II);
8. Written recommendation of the JMC for the shortlist of projects to be selected through direct award procedure (Annex III);
9. Requirements for evaluation of full application (Annex IV);
10. Written recommendation of the JMC for the final list of projects selected through direct award procedure (Annex V);
11. Instructions how to fill in the application form (Annex VII);
12. Communication and visibility guidelines for project implementation by lead beneficiaries and beneficiaries (Annex XII);
13. Checklist for MA submitting direct award full project applications to the EC (Annex XIII).