

**AGREEMENT**  
**on Financing and Implementation**  
**of Cross Border Cooperation Programme**  
**"Latvia-Russia" 2014-2020**

Preamble

The European Commission, hereinafter referred to as "the Commission",  
acting on behalf of the European Union, hereinafter referred to as "the EU",

the Government of the Russian Federation, acting on behalf of the Russian  
Federation, hereinafter referred to as "the Russian Federation"

and

the Government of the Republic of Latvia, acting on behalf of the Republic  
of Latvia, hereinafter referred to as "the Member State"

hereinafter collectively referred to as "the Parties"

have agreed as follows:

**Special Conditions**

Article 1

Purpose of this Agreement

This Agreement sets out the conditions for financing and implementation of  
the Cross Border Cooperation Programme "Latvia-Russia" 2014-2020, hereinafter  
referred to as "the Programme", as described in the Joint Operational Programme  
adopted by the Commission (CRIS Decision number: 2015/039-067).

## Article 2

## Total Estimated Budget and Financial Contributions to the Programme

2.1 The total budget of the Programme is estimated at EUR 24,812,082, which corresponds to the EU financial contribution, the financial contribution of the Russian Federation and the Member State's financial contribution. Further financing will be provided by the beneficiaries at project level.

2.2 The maximum EU financial contribution to the Programme is set at EUR 15,875,028.

The EU financial contribution to the Programme is provided under the European Neighbourhood Instrument and the European Regional Development Fund.

2.3 The financial contribution of the Russian Federation to the Programme is set at EUR 7,937,514.

The financial contribution of the Russian Federation to the Programme is provided under the Federal Budget of the Russian Federation.

2.4 The maximum financial contribution of the Member State to the Programme is set at EUR 999,540.

The financial contribution of the Member State to the Programme is provided under the State Budget of the Member State.

2.5 The annual breakdown of the Parties' financial contributions is shown in the budget included in the Joint Operational Programme.

2.6 The Russian Federation shall transfer its financial contribution to the Programme through the European Bank for Reconstruction and Development hereinafter referred to as EBRD. The modalities of its transfer to the Programme shall be stipulated in an agreement between the Russian Federation and EBRD, in compliance with Article 2 of Annex I (General Conditions).

Article 3

Implementation

This Programme shall be implemented under shared management in accordance with the terms and the conditions set out in this Agreement, the Parties' applicable legislation, the Joint Operational Programme and the document describing the Management and Control Systems.

Article 4

Execution Period

The period of execution of this Agreement as defined in Article 5 of Annex I (General Conditions) shall commence on the entry into force of this Agreement and end at 31 December 2024 at the latest.

Article 5

Communications

All communications concerning the implementation of this Agreement shall be in writing, shall refer expressly to this Programme as identified in Article 1 of this Agreement (Special Conditions) and shall be sent to the following addresses:

a) for the Commission  
European Commission  
Directorate-General Neighbourhood and Enlargement Negotiations – (DG NEAR)  
Mr. Mathieu Bousquet  
Head of Unit Georgia, Moldova & Neighbourhood Cross-Border Cooperation (C1)  
Office L-15 04/058  
Avenue du Bourget, 1  
B-1049 Brussels  
Belgium

b) for the Russian Federation

Ministry of Economic Development of the Russian Federation

1-ya Tverskaya-Yamskaya, D.1,3,

125993, GSP-3, A-47, Moscow

Russian Federation

c) for the Member State

Ministry of Environmental Protection and Regional Development of the Republic of Latvia

Mr. Sandis Cakuls

Head of the Managing Authority of the Latvia-Russia Cross Border Cooperation Programme 2014-2020

Peldu street, 25

Riga, LV1494

Latvia

#### Article 6

#### Cooperation with OLAF

For the purposes of Article 17 of Annex I (General Conditions), the contact point of the Russian Federation to cooperate with the European Anti-Fraud Office (OLAF) in order to facilitate OLAF's operational activities shall be: Russian National Authority.

#### Article 7

#### Annexes

7.1 This Agreement is composed of:

(a) these Special Conditions;

(b) Annex I: General Conditions;

(c) Annex II: Award of procurement contracts by Russian private beneficiaries.

7.2. In the event of a conflict between, on the one hand, the provisions of the Annexes and, on the other hand, the provisions of this Agreement (Special Conditions), the latter shall take precedence. In the event of a conflict between the provisions of Annex I (General Conditions) and those of Annex II (Award of procurement contracts by Russian private beneficiaries), the provisions of Annex I (General Conditions) shall take precedence.

#### Article 8

##### Provisions derogating from or supplementing Annex I (General Conditions)

The following shall supplement Annex I (General Conditions):

The Russian Federation and the Member State may conduct additional checks on the use of Programme financing under this Agreement each on its respective territory.

#### Article 9

##### Consultations

9.1 The Parties shall consult each other in order to resolve any disagreement relating to the implementation or interpretation of this Agreement.

9.2 Where any of the Parties becomes aware of problems in carrying out procedures relating to management of this Agreement, it shall establish all necessary contacts with the other Parties and the Managing Authority to remedy the situation and may take any steps that are necessary.

9.3 The consultation may lead to the amendment, suspension or termination of this Agreement.

Article 10

Amendment of this Agreement

10.1 Any amendment of this Agreement shall be made in writing, including the possibility of an exchange of letters upon agreement of the Parties.

10.2 The Party requesting the amendment shall submit the request to the other Parties at least three months before the amendment is intended to enter into force, except in cases which are duly justified by the requesting Party and accepted by the others.

Article 11

Suspension of this Agreement

11.1 The Agreement may be suspended in the following cases:

- Each Party may suspend the implementation of this Agreement if one of the other Parties breaches an obligation under this Agreement.

- Each Party may suspend this Agreement in case of breach by one of the other Parties of an international legal obligation relating to respect for human rights, democratic principles and the rule of law and in serious cases of corruption as defined in Article 18.3 of Annex I (General Conditions).

- This Agreement may be suspended in cases of force majeure, as defined below.

"Force majeure" shall mean any unforeseeable and exceptional situation or event beyond the Parties' control which prevents either of them from fulfilling any of their obligations, not attributable to error or negligence on their part (or the part of their contractors, agents or employees) and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial difficulties cannot be invoked as force majeure. A Party faced with force majeure shall inform the other Parties

without delay, stating the nature, probable duration and foreseeable effects of the problem, and take any measure to minimise possible damage.

- None of the Parties shall be held liable for breach of its obligations under this Agreement if it is prevented from fulfilling them by force majeure, provided that it takes measures to minimise any possible damage and that the other Parties are duly informed.

11.2 Each Party may take any appropriate precautionary measure before suspension takes place.

11.3 When the suspension is notified, the consequences for the ongoing procurement and grant contracts and for such contracts to be signed shall be indicated.

11.4 Irrespective of the Parties' right to suspend the Agreement, each Party that co-finances the Programme may suspend all or part of their payments in duly justified cases after having given the Managing Authority the opportunity to present its observations.

11.5 Each Party shall resume the implementation of the Agreement once the conditions allow with prior mutual written approval. This is without prejudice to any amendments to this Agreement which may be necessary to adapt the action to the new implementing conditions, including, if possible, the extension of the implementation period, or the termination of this Agreement in accordance with Article 12 of this Agreement (Special Conditions).

## Article 12

### Termination of this Agreement

12.1 If the issues which led to the suspension of this Agreement have not been resolved within a maximum period of 180 days, each Party may terminate this Agreement at 30 days' notice.

12.2 When the termination is notified, the consequences for the ongoing procurement and contracts and for such contracts to be signed shall be indicated.

12.3 Where the Programme cannot be implemented due to problems arising in relations between Participating Countries and in other duly justified cases, the Commission may decide to discontinue the Programme before the expiry date of the period of execution at the request of the Joint Monitoring Committee or on its own initiative after having consulted the Joint Monitoring Committee.

### Article 13

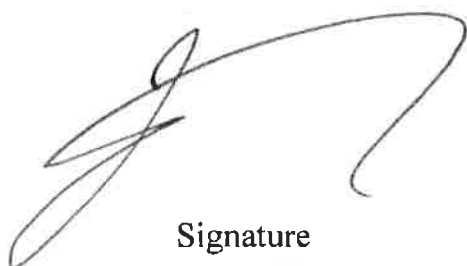
#### Entry into force

This Agreement shall enter into force on the first day of the second month following the date on which the Commission receives the last notification from the Russian Federation or the Member State confirming the completion of the internal procedures necessary for its entry into force. The Commission shall inform the Russian Federation and the Member State of the date of receipt of this notification.

Done in three copies, each in Russian and English, one for each Party, all the texts having equal legal effect.

FOR THE EUROPEAN  
COMMISSION

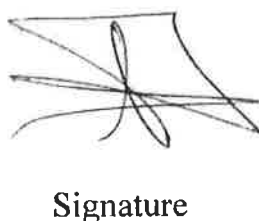
Lawrence Meredith  
Director Neighbourhood  
East



Signature


FOR THE  
GOVERNMENT OF THE  
RUSSIAN FEDERATION

Alexey Gruzdev  
Deputy Minister of  
Economic Development of  
the Russian Federation



Signature

FOR THE  
GOVERNMENT OF THE  
REPUBLIC OF LATVIA



Kaspars Gerhards  
Minister of Environmental  
Protection and Regional  
Development  
of the Republic of Latvia

Signature