

Republic of Latvia  
Cabinet  
Regulation No.1492  
Adopted 12 December 2009

## **Regulations of the Open Tender *Development of Technologies Reducing Greenhouse Gas Emissions* for Projects Financed by the Climate Change Financial Instrument**

*Issued pursuant to  
Section 10, Paragraph three, Clause 1 of  
the Law On Participation of the Republic of Latvia  
in the Flexible Mechanisms of the Kyoto Protocol*

### **I. General Provisions**

1. These Regulations prescribe the regulations of the open tender *Development of Technologies Reducing Greenhouse Gas Emissions* (hereinafter – tender) for the projects financed by the climate change financial instrument (hereinafter – financial instrument), evaluation criteria and the procedures for project application, examination, approval and granting of financing.
2. The objective of the tender is to promote the availability of products and technologies reducing greenhouse gas (hereinafter – GHG) emissions in Latvia, thereby ensuring the reduction of GHG emissions.
3. The authority responsible for implementation of the tender shall be the Ministry of Environment (hereinafter – responsible authority).
4. The financing available within the framework of the tender (hereinafter – financing) shall be LVL 1 757 010. The financing shall be formed by the financial instrument.
5. Financing within the framework of the tender shall be granted in accordance with Commission Regulation (EC) No.800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General block exemption regulation) (hereinafter – Commission Regulation No.800/2008) (Official Journal of the European Union, No.L214/3 of 9 August 2008).
6. The projects approved within the framework of the tender shall be implemented until 1 December 2011.
7. The efficiency indicator for GHG emission reduction (hereinafter – efficiency indicator), which characterises the relationship of the reduction of carbon dioxide emission to the financing requested for the project, shall be calculated in accordance with Annex 1 to these Regulations.
8. The procedures for the preparation, entering into, amending and termination of contracts regarding implementation of the projects financed by the financial instrument (hereinafter – project contract), examination of project implementation reports and the procedures for

project implementation control are determined by the regulatory enactments regarding the implementation of projects financed by the financial instrument, submission and examination of reports thereof.

9. Such products or technologies shall be supported within the framework of the tender, the implementation of which shall promote the reduction of GHG emissions and experimental development, i.e., acquisition, combination, adaptation and utilisation of scientific findings, technological, commercial or other relevant knowledge and abilities, in order to carry out and document:

- 9.1. development, testing and demonstration of a new product or technology; and
- 9.2. improvement, testing and demonstration of a current product or technology.

10. Experimental development, which includes performing regular or common alterations to products, production lines, manufacturing processes, current services or other operations in the investigatory process, shall not be supported within the framework of the tender, even if these alterations mean improvements.

11. The technical economic substantiations, drawings, plans and other forms of documentation prepared within the framework of the experimental development, as well as demonstrations shall not be utilised for commercial purposes.

12. Within the framework of the tender in accordance with Article 1(3) of Commission Regulation No.800/2008 the implementation of projects shall not be supported in any of ineligible sectors.

13. The project shall be implemented in the territory of the Republic of Latvia.

## **II. Project Applicant and Co-operation Partner**

14. A submitter of the project application (hereinafter – project applicant) shall be a direct or indirect administrative institution of the Republic of Latvia, or a derived public person or an enterprise registered in the Republic of Latvia.

15. A project applicant has the right to submit a project application with several activities.

16. A project applicant shall implement the project independently or together with one or several project co-operation partners (hereinafter – co-operation partner). A co-operation partner shall be a direct or indirect administrative institution of the Republic of Latvia or of foreign states, a derived public person or an enterprise.

17. A project applicant and co-operation partner, if it is an enterprise, shall comply with the category of micro, small or medium-sized enterprise in accordance with Annex 1 of Commission Regulation No. 800/2008. Large enterprises, which comply with the definition given in Article 2(8) of Commission Regulation No.800/2008, may not be project applicants or co-operation partners.

18. A co-operation partner in a project may be both, a direct co-operation partner, which is directly involved in implementation of the project, and a financial co-operation partner, which participates in financing of the project.

19. The mutual relationship between a project applicant and a co-operation partner is determined by a written agreement regarding the liabilities of the parties in introduction of the

project, amount of investments and the ownership rights of the intellectual and material benefits used and created during the course of implementation of the project.

20. Financing for implementation of a project may not be applied for, if a project applicant:

20.1. has been declared as insolvent by a court adjudication, including rehabilitation, legal protection measures, or its commercial activity has been terminated or in accordance with information available in the Commercial Register it is in the process of liquidation;

20.2. has not paid taxes in accordance with the procedures and within time periods specified by regulatory enactments;

20.3. has not made the mandatory payments of State social insurance in accordance with the procedures and within time periods specified by regulatory enactments;

20.4. has been found guilty by a court adjudication that has come into effect regarding violation of the regulatory enactments regulating the relevant sector or violation of environmental protection, competition or employment rights;

20.5. complies with the definition of an enterprise in difficulties referred to in Article 1(7) of Commission Regulation No.800/2008;

20.6. has come into the situation, that from other state support programmes or individual support projects a claim has been directed against it regarding the recovery of funds; or

20.7. regarding eligible costs for a tender this project has received or provides for receiving co-financing within the framework of other financing programmes from other financial instruments, European Union or foreign financial aid, including resources from European Union Structural Funds, intended for Sub-activity 2.1.2.2.1. "Development of New Products and Technologies" or Sub-activity 2.1.2.2.3. "Development of New Products and Technologies – support for registration of industrial property rights" of the Activity 2.1.2.2 "Development of New Products and Technologies" of Appendix "Entrepreneurship and Innovations" to the activity programme, as well as for Activity 2.1.1.1. "Support for Science and Research" of the Appendix "Entrepreneurship and Innovations".

21. A project applicant may not apply for financing for implementation of a project, if its co-operation partner:

21.1. is a legal person, which has been declared as insolvent by a court adjudication, including rehabilitation, legal protection measures, its commercial activity has been terminated or in accordance with information available in the Commercial Register it is in the process of liquidation;

21.2. has not fulfilled duties in relation to the payment of taxes, which arise from the regulatory enactments regulating the co-operation partner's state taxation system;

21.3. has been found guilty by a court adjudication that has come into effect regarding violation of the regulatory enactments regulating the relevant sector, violation of environmental protection, competition, employment rights or professional activities in accordance with the regulatory enactments of the state of the co-operation partner;

21.4. complies with the definition of an enterprise in difficulties referred to in Article 1(7) of Commission Regulation No.800/2008; or

21.5. has come into the situation, that from other state support programmes or individual support projects a claim has been directed against it regarding the recovery of funds.

### **III. Project Financing**

22. The minimum financing available within the framework of the tender for one project shall be LVL 30 000, the maximum financing – LVL 150 000.

23. Within the framework of the tender the available financing aid intensity from the total eligible costs of the project shall not exceed:

23.1. 45% – for micro and small enterprises;

23.2. 35% – for medium-sized enterprises; and

23.3. 25% - for direct or indirect administrative institutions, derived public persons.

24. The aid intensity determined in Paragraph 23 of these Regulations may be increased by additional 15 %, if at least one of the following requirements is fulfilled:

24.1. the project provides for co-operation between at least two independent enterprises, of which at least one is a small or medium-sized enterprise, and none of the enterprises involved in the project covers more than 60 % of the total eligible costs of the project; or

24.2. the project provides for co-operation between the enterprise and research organisation and the research organisation covers at least 10 % of the total eligible costs of the project, and it has the right to publish the results of the research carried out by it within the framework of the project.

25. Within the framework of the tender the available maximum aid intensity shall not exceed 60 % of the total eligible costs of the project.

26. The total co-financing of a project applicant and co-operation partner (if a financial co-operation partner is involved in the project) shall not be less than 40 % of the total eligible costs of the project. The total co-financing shall be provided by the financial resources of both the project applicant and the co-operation partner.

27. If during the course of project implementation the total eligible costs of the project exceed the financing granted for the project, the difference shall be covered by the financial resources of a project applicant or a co-operation partner.

### **IV. Eligible and Ineligible Costs Within the Framework of the Tender**

28. The following costs shall be eligible within the framework of the tender:

28.1. remuneration for the workforce - the personnel involved in the implementation of a project – management, researchers, research technical staff and auxiliary staff – salary, sick-pay (sick-leave certificate A, which is paid for by the employer), annual leave. Utilising the latest available data of the Central Statistics Bureau, the remuneration for the workforce shall not exceed the average remuneration determined for the employee of the relevant profession;

28.2. the mandatory payments of State social insurance made by the employer for the personnel involved in the implementation of the project – management, researchers, research technical staff and auxiliary staff;

28.3. foreign business trip (work trips) costs for the workforce involved in the implementation of the project – management, researchers, research technical staff and auxiliary staff – in accordance with the norms determined in regulatory enactments – daily allowance, expenses for hotels (lodgings), economy class travel (transport) costs, baggage costs, economy class public transport costs, local transport costs (public transport, taxi, leasing of cars), fuel costs, if private or service motor transport is utilised;

28.4. costs for external services, which were necessary, in order to achieve the objective of the project (i.e., legal services, accounting services, construction costs), including market costs for contract research obtained from external sources, technical knowledge and patents or licences, if the transaction has been carried out under competition conditions, without a secret agreement. If the duration of the validity period of licences and patents exceeds the time, that is necessary to implement the activities referred to in Paragraph 9 of these Regulations, only licence and patent amortization costs, which have been calculated in accordance with the regulatory enactments regulating accounting records, shall be considered as eligible costs;

28.5. purchase costs of equipment and technological systems (new or used), if they conform with the average market prices and their purchase is necessary to attain the objectives of the project. If the utilisation time period of the necessary equipment and technological systems, including instruments, in the project does not cover all the period of useful life of the instruments and technological systems, those depreciation costs shall be considered as eligible costs, which comply with the term of the project, and which shall be calculated in accordance with the regulatory enactments regulating accounting records;

28.6. material and raw material costs, if they conform with the average market prices and their purchase is necessary to attain the objectives of the project;

28.7. the costs related to information and publicity measures for the implementation of the project; and

28.8. other especially substantiated costs, which have occurred as a direct result of research for attaining the project objectives, exclusive of the costs, which have been recorded under other balance items. The sum of the costs shall not exceed 7% of the total eligible costs of the project (these costs are ineligible costs for enterprises).

29. The costs shall be deemed eligible if they:

29.1. comply with the costs referred to in Paragraph 28 of these Regulations;

29.2. are necessary for implementation of the project and have been included in the project application;

29.3. have been incurred after the tender was announced, but not later than by the end of the project implementation term;

29.4. have actually been performed and have been performed taking into account the principles of financial management, economy and efficiency;

29.5. are indicated in the accounting records of a project applicant, are identifiable, separated from other costs, can be checked, as well as are attested with originals of the relevant corroborative documents; and

29.6. are indicated in the interim report or final report of the project, appending copies of the documents (for contracts entered into within the framework of the project, the deeds of transfer and acceptance of works, invoices, payment orders).

30. The following costs shall be ineligible within the framework of the tender:

30.1. the costs which do not comply with the requirements referred to in Paragraphs 28 or 29 of these Regulations;

30.2. payments of value added tax, if they can be recovered in any manner from the State budget;

30.3. costs, which are covered from other financial sources;

30.4. payment for examination, drawing up and reservation of a loan, interest payments, penalty interest, payments for money transfers, commission, losses due to currency exchange and other direct financial expenses;

30.5. costs, which are not associated with achieving of GHG emission reduction; and

30.6. project application preparation costs.

## **V. Procedures for Announcement of the Tender**

31. The tender shall be announced within 15 working days after the coming into force of these Regulations for the whole financing specified in Paragraph 4 of these Regulations.

32. The tender advertisement shall indicate the title of the tender, the deadline for submission of the project applications (date and time), place (address of the responsible authority) and the e-mail address.

33. The responsible authority shall announce the tender, by placing an advertisement in the newspaper *Latvijas Vēstnesis* [official Gazette of the government of the Republic of Latvia] and on the website of the responsible authority ([www.vidm.gov.lv](http://www.vidm.gov.lv)) (hereinafter – website of the responsible authority).

34. The term for submission of the project applications shall be two months from the day when the tender was announced. Project applications shall be submitted not earlier than 30 days after the tender announcement day until the end of the term for submission of the project applications, which has been indicated in the tender advertisement.

## **VI. Content of Project Application and Procedures for Submission Thereof**

35. The responsible authority shall ensure the development of the regulatory enactments and guidelines necessary for preparation of a project application and publication thereof on the website of the responsible authority not later than by the announcement of the tender.

36. In order to apply for receipt of tender financing, a project applicant shall prepare and submit to the responsible authority a project application, which shall consist of a project application form (Annex 2) and the documents to be submitted additionally referred to in Paragraph 37 of these Regulations. The electronic version of the project application form shall be available on the website of the responsible authority, and its electronic version shall be completed in a *DOC* or *DOCX* format.

37. List of documents to be submitted additionally:

37.1. in relation to a project applicant:

37.1.1. the project applicant's certification (Annex 3);

37.1.2. a copy of the statutes or regulations of the project applicant;

37.1.3. for a legal person – a copy of the registration certificate, for a direct or indirect State administrative institution - a certified copy of the registration certificate of the co-operation partner or the copy of a document equivalent thereto;

37.1.4. a copy of the annual report of the project applicant (profit or loss account and report (balance) regarding the previous accounting year). Newly established enterprises, for which reports have not yet been approved, shall submit the data for the current financial year:

37.1.5. an extract from the decision of the project applicant, regarding implementation of the project, in which the total eligible costs of the project and the amount of co-financing of the project applicant shall be indicated;

37.1.6. a guarantee letter regarding the ensuring of the necessary co-financing from the co-operation partner or institution, which after approval of the project shall provide the required credit resources or other financial resources for implementation of the project, if it is intended to involve these, indicating the amount of financing granted;

37.1.7. a statement from the State Revenue Service, which certifies, that a project applicant does not have tax debts on the day when the project application is submitted,

or a letter from the project applicant agreeing that the responsible authority shall request such a statement from the State Revenue Service regarding the project applicant (Annex 4);

37.1.8. descriptive resumes (*Curriculum Vitae*) of the personnel involved in the development, administration and implementation of the project;

37.1.9. declaration of conformity of the enterprise to a small (micro) or medium-sized enterprise, which has been completed in accordance with the regulatory enactments regarding the declaration procedures of enterprises in accordance with a small (micro) or medium-sized enterprise; and

37.1.10. authorisation, regarding the right to sign of the authorised person of the project applicant, if it is applicable;

37.2. in relation to the co-operation partner, if the project intends to involve the co-operation partner in the implementation or financing of the project:

37.2.1. for a legal person – a copy of the registration certificate, for a direct or indirect State administrative institution - a certified copy of the taxpayer registration certificate of the co-operation partner or the copy of a document equivalent thereto; and

37.2.2. a statement from the State Revenue Service, which certifies, that the co-operation partner does not have tax debts on the day when the project application is submitted, or a letter from the co-operation partner agreeing that the responsible authority shall request such a statement from the State Revenue Service regarding the co-operation partner (Annex 4), if the co-operation partner is registered in the Republic of Latvia;

37.3. the agreement signed by the project applicant and the co-operation partner regarding the liabilities of the parties in implementation of the project, amount of investments and the ownership rights of the intellectual and material benefits used and created during the course of implementation of the project.

38. If a document to be submitted additionally is not in Latvian, in accordance with the procedures specified in regulatory enactments a certified Latvian translation of the document shall be appended thereto.

39. A project applicant shall submit the completed project application form and the documents referred to in Paragraph 37 of these Regulations in two copies (the original and copy, which has been certified in accordance with the procedures specified in regulatory enactments), appending the project application form in electronic form. The electronic form of the project application form shall be sent to the e-mail address of the responsible authority, which was indicated in the tender advertisement.

40. A project applicant, in drawing up a project application, shall observe the following conditions:

40.1. the project application shall be prepared and drawn up in accordance with the regulatory enactments regulating record keeping;

40.2. the project application form shall be prepared, using computer typing in Latvian, except Sub-paragraph 3.2.2 of the project application form;

40.3. the currency – lat – shall be used in all calculations of the project application form;

40.4. the project application shall be completed without unstipulated deletions, erasures, block-outs, corrections and additions;

40.5. the originals of documents to be submitted additionally or copies certified in accordance with the procedures specified in regulatory enactments shall be appended to the project application;

40.6. the project application shall be signed by the official of the authority of the project applicant with the right to sign or the authorised representative thereof;

- 40.7. if the project application is submitted in printed form:
- 40.7.1. the project application form shall be identical with the project application form appended to the project application in electronic form; and
  - 40.7.2. the project application form in an electronic form shall be developed in *DOC* or *DOCX* file format;
- 40.8. if the project application is submitted in the form of an electronic document:
- 40.8.1. it shall be drawn up in accordance with the regulatory enactments regarding the preparation, drawing up, storage and circulation of electronic documents;
  - 40.8.2. the project application form shall be developed in *DOC* or *DOCX* file format; and
  - 40.8.3. the project application form shall be signed with a secure electronic signature, the originals of the documents to be submitted additionally shall each be signed individually with a secure electronic signature and attested with a time-stamp before the end of the deadline for acceptance of project applications. If the documents to be submitted additionally are copies of documents, they shall be attested with a secure electronic signature of the project applicant and a time-stamp before the end of the deadline for acceptance of project applications.

41. A project applicant shall submit the project application to the responsible authority personally or send it electronically to the e-mail address of the responsible authority, which was indicated in the tender advertisement, or send it by mail in a sealed package, specifying the following on the envelope:

- 41.1. the addressee – The Ministry of Environment of the Republic of Latvia, Peldu iela 26/28- Office 202, Riga, LV-1494, Latvia;
- 41.2. the title of the tender – “Development of Technologies Reducing Greenhouse Gas Emissions” ;
- 41.3. the name and address of the project applicant; and
- 41.4. the instruction “Do not open prior to commencement of evaluation” .

42. The responsible authority shall examine those project applications, which have been submitted to the responsible authority or have been handed over to a post office (postmark) until the end of the deadline for submission of the projects.

43. If the project application is received after the end of the deadline for submission of the project applications, the responsible authority shall inform the project applicant regarding the place and time, when the unopened project application can be received back.

44. The responsible authority shall register the project applications received and assign identification numbers thereto at the time of receipt thereof.

## **VII. Assessment of a Project Application and Taking of a Decision Regarding Granting of Financing**

45. The responsible authority shall establish a project assessment commission (hereinafter – assessment commission) for examination and assessment of project applications.

46. The composition and by-law of an assessment commission shall be approved by the Minister for Environment.

47. An assessment commission shall include three representatives from the responsible authority, and one representative each from the Ministry of Economics and Ministry of Education and Science.

48. If during the assessment period of the projects the assessment commission determines, that the project applicant or co-operation partner has knowingly or due to negligence provided false information, the responsible authority shall have the right to take a decision regarding rejection of the project application.

49. The administrative assessment of project applications shall be performed in accordance with the administrative assessment criteria specified in Annex 5 to these Regulations. Conformity with administrative assessment criteria shall be evaluated with a “Yes” or “No” (“Yes” – conforms, “No” – does not conform).

50. An assessment commission shall evaluate applications in accordance with the administrative assessment criteria, determining, whether the project application conforms to the specified requirements and may be advanced for assessment in accordance with the quality assessment criteria.

51. If non-conformity is determined with one or more of the administrative assessment criteria, the responsible authority shall in writing offer a project applicant in a specified term to provide additional information and adjust the project application accordingly. The term for submitting additional information and adjusting the project application shall not be longer than five working days from the day, when the written request by the responsible authority to submit the additional information was received.

52. If the project applicant submits the additional information and accordingly adjusted project application within the term specified by the responsible authority, the assessment commission shall reassess project application pursuant to the administrative assessment criteria.

53. If a project applicant fails to submit an adjusted project application within the time period specified by the responsible authority or the project application fails to comply with one or several administrative assessment criteria after the reassessment, the responsible authority shall take a decision regarding the non-conformity of the project application with the administrative assessment criteria and a refusal of the project application.

54. The responsible authority shall, within 10 working days after taking the decision regarding refusal of the project application, send the refusal by mail to the project applicant, indicating the reasons for the refusal. Enterprises may appeal a decision regarding the refusal of the project application in a district administrative court.

55. The project applications, which comply with the administrative assessment criteria, shall be assessed by the assessment commission in accordance with the quality assessment criteria, which are specified in Annex 6 to these Regulations. The maximum number of points to be granted to one project shall be 74 points.

56. Independent experts may be invited for assessment of the project applications pursuant to the quality assessment criteria.

57. After assessment of project applications in conformity with the quality assessment criteria, the assessment commission shall arrange the project applications in descending order according to the number of points obtained. If two or more project applications have obtained the same number of points, the preference shall be given to the project application with greater efficiency indicator.

58. The responsible authority shall take a decision regarding approval of project applications, which comply with all the administrative assessment criteria, and which within the framework of the financing available for the tender, on comparing the project applications in conformity with the number of points gained, have obtained the greatest number of points.

59. If, upon arranging the project applications in conformity with the number of points obtained, a project application has not obtained a sufficient number of points, in order to receive the financing available for the tender, it shall be refused. The responsible authority shall, within 14 working days after taking the decision regarding refusal of the project application, send a letter by mail to the project applicant, regarding the refusal of the project application.

60. In order to ensure introduction of projects in conformity with the requirements of these Regulations, the responsible authority may take a decision regarding approval of the project application on a condition that has to be fulfilled, in order that the project applicant can enter into a project introduction contract in the term specified in Paragraph 65 of these Regulations:

60.1. the timetable for introduction of the project shall be specified;

60.2. financial calculations of the project shall be specified;

60.3. costs shall be excluded from the eligible costs of the project, which have been determined as ineligible in Paragraph 30 of these Regulations; and

60.4. additional information shall be provided, if the information included in the project application is incomplete, or the included information is unclear.

61. After adjusting the requirements referred to in Paragraph 60 of these Regulations the assessment of the project application in the point scale shall not be changed, and the amount of financing to be granted for the project shall not be increased.

62. The responsible authority shall, within 10 working days after taking of a decision regarding the approval of the project application, send a decision to a project applicant regarding the approval of a project application and invite the project applicant to enter into a project contract.

63. A project applicant after receipt of the decision regarding approval of the project application, but not later than by entering into the project contract, shall submit to the responsible authority the decision regarding credit resources or other financial resources, if it is intended to involve these, to be granted to the project and the amount of the financing to be granted for the project specified therein. If so required, the project applicant after receipt of the letter regarding approval of the project application, but not later than by entering into the project introduction contract, shall submit to the responsible authority the adjustments referred to in Paragraph 60 of these Regulations.

64. A project applicant shall, within 10 working days after receipt of the decision regarding approval of the project application, open a current account in the Treasury (hereinafter – project account).

65. A project applicant shall, within 30 days after receipt of the letter from the responsible authority regarding the approval of the project application, enter into a project contract with the responsible authority. If the project applicant does not enter into the project contract with the responsible authority within 30 days or does not submit the document referred to in Paragraph 63 of these Regulations until entering into the project contract, the project applicant shall lose the right to enter into the referred to contract.

66. If due to the reasons referred to in Paragraph 65 of these Regulations a project contract is not entered into with a project applicant, the responsible authority shall approve the project application, which has obtained the next highest number of points pursuant to the quality assessment criteria. If two or more project applications have obtained the same number of points, preference shall be given to the project application which has greater efficiency indicator.

### **VIII. Conditions for Introduction of Project Contract**

67. A project applicant, which has entered into a project contract with the responsible authority (hereinafter – beneficiary), not later than one month after entering into the project contract shall submit to the responsible authority a procurement plan regarding the procurements to be announced within the framework of the project implementation.

68. The regulatory enactments regarding public procurement shall apply to a beneficiary and the co-operation partner.

69. A co-operation partner may not apply for the procurements announced within the framework of the project by the beneficiary.

70. If a beneficiary has not announced procurement before entering into a project contract, the first procurement shall be announced within six months after entering into the project contract. If the procurement is not announced within the referred to time period, the responsible authority is entitled to take a decision regarding discontinuation of the project contract.

71. In order to ensure the project publicity, a beneficiary shall:

71.1. place the information regarding the project implementation, utilisation of the financing and the achieved GHG emission reduction on his or her website, if such exists; and

71.2. during implementation of the project, organise at least one event, during which he or she informs the society regarding the project activities and results, including the impact on the environment and GHG emission reduction.

72. During the validity period of the project contract for each three month period (hereinafter – quarter) until the twentieth date of the month following the quarter the beneficiary shall submit a report to the responsible authority regarding the progress of project implementation (hereinafter – interim report), which has been prepared in conformity with the form appended to the project contract.

73. Within a period of one month after the end of the project implementation term the beneficiary shall submit to the responsible authority a report regarding project implementation on the whole (hereinafter – final report), which has been prepared in conformity with the form appended to the project contract.

74. If a beneficiary has not implemented the activities provided for in the project contract until 1 December 2011, he or she may request the responsible authority to extend the project contract by submitting a relevant application in which the objective circumstances suspending the implementation of the contract are indicated. If the responsible authority recognizes the indicated conditions as substantiated, it shall extend the contract, but not more than once and not more than by one year.

## **IX. Payments Available to a Beneficiary and Procedures for Payment**

75. The following types of payments shall be available for a beneficiary:

75.1. an advance payment up to 15% of the total amount of financing approved for the project, if the requirements of Paragraph 76 of these Regulations are being observed;

75.2. one or several interim payments, the total amount of which is not greater than 75% of the total amount of financing approved for the project, and the amount of each separate interim payment shall not be greater than 25% of the total financing approved for the project; and

75.3. a final payment, which taking into account the advance payment and the interim payments disbursed to the beneficiary, the total amount of which is not greater than 90% of the total financing approved for the project, shall not exceed the amount of total financing approved for the project.

76. A beneficiary may receive an advance payment if he or she:

76.1. has entered into a project contract with the responsible authority;

76.2. has submitted a request to the responsible authority for the advance payment; and

76.3. has submitted a bank guarantee to the responsible authority regarding the amount, which conforms with the financing requested by the beneficiary, and the term of the bank guarantee is not shorter than the project implementation term.

77. A beneficiary may receive interim payments not more than once per quarter. An interim payment may be received by the beneficiary if: 77.1. he or she has fulfilled the conditions referred to in Sub-paragraph 76.1 of these Regulations; 77.2. he or she has submitted a request for the interim payment to the responsible authority; 77.3. he or she has submitted an interim report regarding the previous quarter and has appended copies of documents attesting the performance of works (for example, contracts, deeds of transfer and acceptance of works, invoices, bills of lading); 77.4. the costs included in the request for interim payment are eligible and comply with the requirements referred to in Paragraph 29 of these Regulations; and 77.5. all the payments connected with the project he or she has performed and received in the project account. 78. A beneficiary may receive the final payment if: 78.1. he or she has fulfilled the conditions referred to in Sub-paragraph 76.1 of these Regulations; 78.2. he or she has submitted a request for the final payment to the responsible authority; 78.3. he or she has submitted a final report to the responsible authority and appended the documents attesting the performance of works (contracts, the deeds of transfer and acceptance of works, invoices, bills of lading); 78.4. the costs included in the request for final payment are eligible and comply with the requirements referred to in Paragraph 29 of these Regulations. 78.5. all the payments connected with the project he or she has performed and received in the project account; and 78.6. he or she has completely attained the objective of the project.

Prime Minister

V. Dombrovskis

Acting for the Minister for Environment,  
Minister for Agriculture

J. Dūklavs