Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:

12 June 2009 [shall come into force on 1 July 2009];

16 December 2010 [shall come into force on 1 January 2011].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*1 has adopted and

the President has proclaimed the following law:

**Law on the Management of Programmes for Objective 3 of the European Union Structural Funds “European Territorial Cooperation”**

**Chapter I**

**General Provisions**

**Section 1. Terms Used in the Law**

The following terms are used in the Law:

1) **verification of the conformity of expenses** – one hundred per cent verification of the activities implemented and the financing used within the scope of a project in the programmes for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” to be implemented with the support of the European Neighbourhood and Partnership Instrument;

2) **random verification**– a verification of the efficiency of the management and control system of a programme for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” to be implemented with the support of the European Neighbourhood and Partnership Instrument and verification of financial documents of randomly selected projects in accordance with a substantiated risk analysis within the scope of the relevant programme;

3) **national responsible institution**– an institution of the partner country of a programme for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” which ensures fulfilment of the obligations undertaken by such partner country in respect of the development of the programme document and the introduction and control thereof;

4) **national sub-committee**– a collegial body established in Latvia and involved in the management of programmes for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” which ensures advisory functions of the national responsible institution to all programmes;

5) **non-conformity**– any infringement of legal acts of the European Union or the Republic of Latvia which causes or might cause harm resulting in a request to cover an unjustified item of expenses from the general budget of the European Union;

6) **ineligible costs**– expenses applied for reimbursement from the financing for a programme for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” which are in conflict with financial conformity provisions and are not covered from the programme financing;

7) **second level financial control**– an examination of the efficiency of the management and control system of a programme for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” to be implemented with the support of the European Regional Development Fund and examination of financial documents of randomly selected projects in accordance with a substantiated risk analysis within the scope of the relevant programme;

8) **first level financial control**– one hundred per cent examination of the activities implemented and the financing used within the scope of a project in the programmes for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” to be implemented with the support of the European Regional Development Fund;

9) **programme document**– a document that is developed by the relevant partner countries of the programme for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” and approved by the European Commission and that determines the development strategy, the objectives and the set of priorities of the programme to be implemented with the support of the European Regional Development Fund or the European Neighbourhood and Partnership Instrument, and also the procedures and conditions for introduction of the programme and projects;

10) **partner country of the programme**– a European Union Member State or a state outside the territory of the European Union the regions of which have been included as an eligible territory in the programme for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” to be implemented with the support of the European Regional Development Fund or in the programme to be implemented with the support of the European Neighbourhood and Partnership Instrument;

11) **criteria for evaluation of project applications**– the criteria according to which project applications for programmes for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” are evaluated and the decision on the approval or rejection thereof is taken;

12) **group of auditors**– a collegial authority involved in the management of programmes for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” which consists of a representative from the partner country of the relevant programme and which helps the audit authority to fulfil the functions specified for it, and also ensures the second level financial control of programmes;

13) **agreement on the introduction of a programme**– an agreement by and between the national responsible institutions of the partner country and the managing authority for the programme for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” on the introduction of the programme, the rights and obligations of the authorities involved in the management of the programme, liabilities of partner countries, and also the decision-making process and conditions in relation to the financial management and control, infringements, the procedures for recovery of payments and non-conforming expenses.

**Section 2. Purpose of the Law**

The purpose of the Law is to determine effective and transparent management in Latvia of the programmes for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” (hereinafter – the programmes) which conforms to the financial management principles, insofar it is not determined by the directly applicable legal acts of the European Union.

**Section 3. Scope of Application of the Law**

(1) The Law shall be applicable to the management of the following programmes to be implemented with the support of the European Regional Development Fund:

1) Latvia–Lithuania Cross-Border Cooperation Programme;

2) Estonia–Latvia Cross-Border Cooperation Programme;

3) Central Baltic Sea Region Cross-Border Cooperation Programme;

4) Baltic Sea Region Transnational Cooperation Programme;

5) Inter-Regional Cooperation Programme INTERREG IVC;

6) Urban Development Network Programme URBACT II;

7) ESPON 2013 Programme (European Spatial Planning Observation Network);

8) programme for good administration of territorial cooperation programmes INTERACT II.

(2) The Law shall be applicable to the management of the following programmes to be implemented with the support of the European Neighbourhood and Partnership Instrument:

1) Estonia–Latvia–Russia Cross-Border Cooperation Programme;

2) Latvia–Lithuania–Belarus Cross-Border Cooperation Programme.

(3) The Law shall specify the authorities and persons involved in the management of the programmes in the 2007–2013 planning period, the rights and obligations thereof.

**Section 4. Provision of Programme Management**

(1) The management of the programmes referred to in Section 3, Paragraphs one and two of this Law in Latvia shall include the participation implemented in cooperation with partner countries of the relevant programme in the development of programme documents, the submission thereof to the Cabinet for approval, the participation in the introduction, supervision, and evaluation of the programme, in the performance of financial control and audit thereof.

(2) The management of the Latvia–Lithuania Cross-Border Cooperation Programme and the Estonia–Latvia–Russia Cross-Border Cooperation Programme, in addition to that specified in Paragraph one of this Section, shall include the submission of programme documents to the European Commission for approval, the establishment of systems for the management and supervision of programmes and the ensuring of activities thereof.

**Chapter II**

**Provision of Management of Programmes to be Supported Within the Scope of the European Regional Development Fund**

**Section 5. Authorities and Persons Involved in the Management of Programmes**

The management of programmes shall be ensured by the following authorities and persons:

1) the national responsible institution;

2) the national sub-committee;

3) the managing authority;

4) the certification authority;

5) the audit authority;

6) the monitoring committee;

7) the joint technical secretariat;

8) the beneficiary of the programme financing.

**Section 6. National Responsible Institution, its Obligations and Rights**

(1) The national responsible institution has the following obligations:

1) in relation to the programmes specified in Section 3, Paragraph one of this Law – in cooperation with partner countries of the relevant programme, to ensure participation in the development of programme documents and the submission thereof to the Cabinet for approval, participation in the monitoring and evaluation of programmes, the performance of financial control and audit thereof;

2) in relation to the Latvia–Lithuania Cross-Border Cooperation Programme – in addition to that specified in Paragraph one, Clause 1 of this Section, to ensure the submission of the programme document to the European Commission for approval and to initiate negotiations on the approval of the programme document;

3) to sign an agreement with the managing authority of the relevant programme on the participation of Latvia in the programme and on the introduction of the programme;

4) to represent the national interests of Latvia by delegating representatives and ensuring participation in the monitoring committees of the programmes referred to in Section 3, Paragraph one of this Law;

5) to ensure the work of the national sub-committee and approve the by-laws of the national sub-committee;

6) to ensure planning of the State budget financing for the co-financing of the technical assistance for the programmes referred to in Section 3, Paragraph one of this Law;

7) to ensure planning and granting of the State budget co-financing to the partners of Latvia within the scope of the approved projects of the programmes referred to in Section 3, Paragraph one, Clause 1, 2 or 3 of this Law;

8) to ensure the planning of financial resources in the State budget for the implementation of the programmes referred to in Section 3, Paragraph one of this Law and the performance of payments;

9) to determine the performer of the functions of an authority of the first level financial control for project partners of Latvia in the programmes referred to in Section 3, Paragraph one of this Law and to ensure the methodical management of the first level financial control;

10) to ensure participation in groups of auditors of the programmes referred to in Section 3, Paragraph one of this Law;

11) to provide information to the managing authority, certification authority, and audit authority of the relevant programme and also to the European Commission on the non-conformities detected in the introduction of the programmes referred to in Section 3, Paragraph one of this Law;

12) to ensure information and publicity measures by promoting project development and involvement of the partners of Latvia for participation in the programmes referred to in Section 3, Paragraph one of this Law;

13) in cooperation with the partner countries of the relevant programme, to perform evaluation of a programme related to the monitoring of the programme.

(2) The national responsible institution has the following rights:

1) to consult with the national sub-committee on the preparation of the national position in relation to the development and monitoring of programmes, the conformity of the projects submitted within the scope of programmes with the national and regional planning documents and the priorities thereof, and also the approval or rejection of project applications submitted by partners of Latvia within the scope of programmes for the receipt of the financing in the monitoring committee of the relevant programme;

2) upon request, to provide an opinion to the authorities and persons involved in the management of the programmes referred to in Section 3, Paragraph one of this Law on the conformity of partners of Latvia for participation in accordance with the project partner conformity criteria specified in the document of the relevant programme;

3) to express an opinion on the approval or rejection of the submitted project with participation of a partner of Latvia in the monitoring committees of the programmes referred to in Section 3, Paragraph one of this Law.

(3) The Ministry of Environmental Protection and Regional Development shall perform the functions of the national responsible institution.

(4) The Ministry of Environmental Protection and Regional Development shall ensure that the functions which it performs as the national responsible institution are separated from other functions thereof.

[*16 December 2010*]

**Section 7. National Sub-committee, its Obligations and Rights**

(1) The national sub-committee has the following obligations:

1) to provide consultations to the national responsible institution on the preparation of the national position in relation to the development and monitoring of the programmes referred to in Section 3, Paragraph one of this Law, to provide an opinion on the conformity of project applications submitted by partners of Latvia within the scope of programmes with the national and regional planning documents and the priorities thereof, and also to consult on the approval or rejection of project applications submitted by partners of Latvia within the scope of programmes for the receipt of the financing in the monitoring committee of the relevant programme;

2) within the competence thereof to promote the publicity of the programmes referred to in Section 3, Paragraph one of this Law.

(2) The national sub-committee has the following rights:

1) within the competence thereof to provide an opinion on the conformity of project applications submitted by partners of Latvia within the scope of the programmes referred to in Section 3, Paragraph one of this Law with the national and regional planning documents and the priorities thereof;

2) on the basis of the opinion issued, to propose the support or rejection of project applications submitted by partners of Latvia within the scope of programmes, or the putting forward of additional conditions.

(3) The national sub-committee the structure of which is approved by the national responsible institution shall include the following:

1) one representative from the Minister for Environmental Protection and Regional Development, the Ministry of Foreign Affairs, the Ministry of Economics, the Ministry of Finance, the Ministry of the Interior, the Ministry of Education and Science, the Ministry of Culture, the Ministry of Welfare, the Ministry of Transport, the Ministry of Health, the State Regional Development Agency;

2) one representative from Kurzeme planning region, Zemgale planning region, Latgale planning region, Vidzeme planning region, Rīga planning region, Rīga local government;

3) one representative from the Association of Local and Regional Governments of Latvia and the Association of Cities of Latvia.

[*12 June 2009; 16 December 2010*]

**Section 8. Managing Authority, its Obligations and Rights**

(1) The managing authority has the obligation to ensure the management of the programmes referred to in Section 3, Paragraph one of this Law, providing for the development and maintenance of an efficient and accurate operational system and financial management and control system.

(2) The managing authority has the right to request information necessary for ensuring the programme management from the certification authority, audit authority, authority of the first level financial control, beneficiary of financing, and also partner countries of the programme.

(3) The functions of the managing authority in respect of the Latvia–Russia Cross-Border Cooperation Programme shall be performed by the Ministry of Environmental Protection and Regional Development which determines the official responsible for the performance of the functions.

(4) The Ministry of Environmental Protection and Regional Development shall ensure that the functions which it performs as the managing authority in accordance with this Law are separated from other functions thereof.

[*16 December 2010*]

**Section 9. Certification Authority, its Obligations and Rights**

(1) The certification authority has the obligation to perform the management and control of the financial flow of the programmes referred to in Section 3, Paragraph one of this Law in order to ensure timely reimbursement of expenses and submission of payment applications to the European Commission.

(2) The certification authority has the right to request the information and documents necessary for the performance of financial control and the certification of expenses from the managing authority, audit authority, authority of the first level financial supervision, and beneficiary of financing.

(3) The functions of the certification authority in respect of the Latvia–Russia Cross-Border Cooperation Programme shall be performed by the Ministry of Environmental Protection and Regional Development which determines the official responsible for the performance of the functions.

(4) The Ministry of Environmental Protection and Regional Development shall ensure that the functions which it performs as the certification authority in accordance with this Law are separated from other functions thereof.

[*16 December 2010*]

**Section 10. Audit Authority, its Obligations and Rights**

(1) The audit authority has the obligation to evaluate the efficiency of the management and control system of the programmes referred to in Section 3, Paragraph one of this Law and, on the basis of appropriate selection, to examine the declared expenses of programmes.

(2) The audit authority shall establish and manage a group of auditors for the performance of the functions thereof, and also ensure the methodical management of the second level financial control.

(3) The audit authority has the right to request from the managing authority, certification authority, authority of the first level financial control, and beneficiary of financing the documents that are at the disposal thereof and to get acquainted with the financing, premises, and other material values thereof, and also to receive explanations and copies of documents in matters related to the second level financial control.

(4) The functions of the audit authority in respect of the Latvia–Lithuania Cross-Border Cooperation Programme shall be performed by the Ministry of Environmental Protection and Regional Development which determines the official responsible for the performance of the functions.

(5) The Ministry of Environmental Protection and Regional Development shall ensure that the functions which it performs as the audit authority in accordance with this Law are separated from other functions thereof.

[*16 December 2010*]

**Section 11. Monitoring Committee**

(1) The monitoring committee is a collegial authority which is involved in the management of programmes of partner countries of the programme and which operates in accordance with the by-laws approved thereby.

(2) Representatives of the national, regional, and local level of partner countries of the programme, and also the socio-economic cooperation partners shall be included in the composition of the monitoring committee that is established in accordance with the conditions of the programmes referred to in Section 3, Paragraph one of this Law.

(3) Upon receipt of information on the management of a programme from the managing authority, certification authority, and audit authority of the relevant programme, the monitoring committee has the obligation to verify the efficiency and quality of introduction of the programme, to take the decision on the approval or rejection of a project application, and also the decision on the necessity to recover the financing granted.

(4) The decisions taken by the monitoring committee shall be binding on the authorities and persons involved in the management of programmes in Latvia.

**Section 12. Joint Technical Secretariat**

In order to ensure the management of the programmes referred to in Section 3, Paragraph one of this Law, the managing authority shall establish a joint technical secretariat for each programme which provides support for the performance of functions of the managing authority and certification authority.

**Section 13. Beneficiary of the Programme Financing, its Rights and Obligations**

(1) A beneficiary of the programme financing shall be a State institution of direct or indirect administration of a partner country of the programme, a derived public person or a legal person governed by private law or an association of such persons registered in the eligible territory of a partner country of the programme the submitted project application of which for the receipt of financing has been approved by the monitoring committee of the relevant programme.

(2) The beneficiary of financing has the following obligations:

1) to ensure efficient and timely implementation of a project of the programme in conformity with the provisions of an agreement entered into on the implementation of the project;

2) to ensure accounting records separately for each project of the programme;

3) to provide the information on the implementation of a project and to ensure access for the representatives of the authorities involved in the management of programmes, and also for the representatives of authorities of the first level financial control to the originals of all the documents related to the implementation of the relevant project, and also to the implementation place of the relevant project.

(3) The beneficiary of financing has the following rights:

1) to request the State budget co-financing for the implementation of projects approved in the programmes referred to in Section 3, Paragraph one, Clause 1, 2 or 3 of this Law within the scope of the financing of the relevant State budget sub-programme;

2) to receive the information from the national responsible institution in relation to the programmes referred to in Section 3, Paragraph one of this Law;

3) to receive informative support for the preparation of a project from the relevant joint technical secretariat of the programmes referred to in Section 3, Paragraph one of this Law.

**Chapter III**

**Provision of the Management of Programmes to be Supported Within the Scope of the European Neighbourhood and Partnership Instrument**

**Section 14. Authorities and Persons Involved in the Management of Programmes**

The management of programmes shall be ensured by the following authorities and persons:

1) the national responsible institution;

2) the national sub-committee;

3) the joint managing authority;

4) the joint monitoring committee;

5) the joint technical secretariat;

6) the beneficiary of the programme financing.

**Section 15. National Responsible Institution, its Obligations and Rights**

(1) The national responsible institution has the following obligations:

1) in relation to the programmes referred to in Section 3, Paragraph two of this Law – in cooperation with partner countries of the relevant programme, to ensure participation in the development of programme documents and the submission thereof to the Cabinet for approval, participation in the monitoring and evaluation of programmes, the performance of financial control and audit thereof;

2) in relation to the Estonia–Latvia–Lithuania Cross-border Cooperation Programme – in addition to that specified in Paragraph one, Clause 1 of this Section, to ensure the submission of the programme document to the European Commission for approval and to initiate negotiations on the approval of the programme document;

3) to sign an agreement with the managing authority of the relevant programme on the participation of Latvia in the programme and on the introduction of the programme;

4) to represent the national interests of Latvia by delegating representatives and ensuring participation in the joint monitoring committees of the programmes referred to in Section 3, Paragraph two of this Law;

5) to ensure the work of the national sub-committee and approve the by-laws of the national sub-committee;

6) to ensure planning of the State budget financing for the co-financing of the technical assistance for the programmes referred to in Section 3, Paragraph two of this Law;

7) to ensure planning and granting of the State budget co-financing to the partners of Latvia within the scope of the approved projects of the programmes referred to in Section 3, Paragraph two of this Law;

8) to ensure the planning of financial resources in the State budget for the implementation of the programmes referred to in Section 3, Paragraph two of this Law and the performance of payments;

9) to determine the performer of verification functions of the conformity of expenses for project partners of Latvia in the programmes referred to in Section 3, Paragraph two of this Law and to ensure the methodical management of verification of the conformity of expenses;

10) to ensure participation in groups of auditors of the programmes referred to in Section 3, Paragraph two of this Law;

11) to provide information to the joint managing authority of the relevant programme and to the European Commission on the non-conformities detected in the introduction of the programmes referred to in Section 3, Paragraph two of this Law;

12) to ensure information and publicity measures by promoting project development and involvement of the partners of Latvia for participation in the programmes referred to in Section 3, Paragraph two of this Law;

13) in cooperation with the partner countries of the relevant programme, to perform evaluation of a programme related to the monitoring of the programme.

(2) The national responsible institution has the following rights:

1) to consult with the national sub-committee on the preparation of the national position in relation to the development and monitoring of programmes, the conformity of the projects submitted within the scope of programmes with the national and regional planning documents and the priorities thereof, and also the approval or rejection of project applications submitted by partners of Latvia within the scope of programmes for the receipt of the financing in the monitoring committee of the relevant programme;

2) upon request, to provide an opinion to the authorities and persons involved in the management of the programmes referred to in Section 3, Paragraph two of this Law on the conformity of partners of Latvia for participation in accordance with the project partner conformity criteria specified in the document of the relevant programme;

3) to express an opinion on the approval or rejection of the submitted project with participation of a partner of Latvia in the joint monitoring committees of the programmes referred to in Section 3, Paragraph two of this Law.

(3) The Ministry of Environmental Protection and Regional Development shall perform the functions of the national responsible institution.

(4) The Ministry of Environmental Protection and Regional Development shall ensure that the functions which it performs as the national responsible institution are separated from other functions thereof.

[*16 December 2010*]

**Section 16. National Sub-committee, its Obligations and Rights**

(1) The national sub-committee has the following obligations:

1) to provide consultations to the national responsible institution on the preparation of the national position in relation to the development and monitoring of the programmes referred to in Section 3, Paragraph two of this Law, to provide an opinion on the conformity of project applications submitted by partners of Latvia within the scope of programmes with the national and regional planning documents and the priorities thereof, and also to consult on the approval or rejection of project applications submitted by partners of Latvia within the scope of programmes for the receipt of the financing in the monitoring committee of the relevant programme;

2) within the competence thereof to promote the publicity of the programmes referred to in Section 3, Paragraph two of this Law.

(2) The national sub-committee has the following rights:

1) within the competence thereof to provide an opinion on the conformity of project applications submitted by partners of Latvia within the scope of the programmes referred to in Section 3, Paragraph two of this Law with the national and regional planning documents and the priorities thereof;

2) on the basis of the opinion issued, to propose the support or rejection of project applications submitted by partners of Latvia within the scope of programmes, or the putting forward of additional conditions.

(3) The national sub-committee the structure of which is approved by the national responsible institution shall include the following:

1) one representative from the Minister for Environmental Protection and Regional Development, the Ministry of Foreign Affairs, the Ministry of Economics, the Ministry of Finance, the Ministry of the Interior, the Ministry of Education and Science, the Ministry of Culture, the Ministry of Welfare, the Ministry of Transport, the Ministry of Health, the State Regional Development Agency;

2) one representative from Kurzeme planning region, Zemgale planning region, Latgale planning region, Vidzeme planning region, Rīga planning region, Rīga local government;

3) one representative from the Association of Local and Regional Governments of Latvia and the Association of Cities of Latvia.

[*12 June 2009; 16 December 2010*]

**Section 17. Joint Managing Authority, its Obligations and Rights**

(1) The joint managing authority shall consist of a division for the operational management of the programme, a division for financial management and certification, and an audit division.

(2) The joint responsible authority has the following obligations:

1) to ensure the management of the programmes referred to in Section 3, Paragraph two of this Law, providing for the development and maintenance of an efficient and accurate operational system and financial management and control system;

2) to perform the management and control of the financial flow of the programmes referred to in Section 3, Paragraph two of this Law in order to ensure timely reimbursement of expenses and submission of payment applications to the European Commission;

3) to ensure the evaluation of the efficiency of the management and control system of the programmes referred to in Section 3, Paragraph two of this Law and, on the basis of an appropriate selection, to examine the declared expenses of programmes, and also to establish and manage a group of auditors and ensure the methodical management of random verifications.

(3) The joint managing authority has the right to request from an authority for the verification of the conformity of expenses and the beneficiary of financing the documents that are at the disposal thereof and to get acquainted with the financing, premises, and other material values thereof, and also to receive explanations and copies of documents related to the random verifications and necessary for the provision of the management of the programmes referred to in Section 3, Paragraph two of this Law.

(4) The functions of the joint managing authority in respect of the Latvia–Russia Cross-Border Cooperation Programme shall be performed by the Ministry of Environmental Protection and Regional Development which determines the official responsible for the performance of the functions.

(5) The Ministry of Environmental Protection and Regional Development shall ensure that the functions which it performs as the joint managing authority in accordance with this Law are separated from other functions thereof.

[*16 December 2010*]

**Section 18. Joint Monitoring Committee**

(1) The joint monitoring committee is a collegial authority which is involved in the management of programmes of partner countries of the programme and which operates in accordance with the by-laws approved thereby.

(2) Representatives of the national, regional, and local level of partner countries of the programme, and also the socio-economic cooperation partners shall be included in the composition of the joint monitoring committee that is established in accordance with the conditions of the programmes referred to in Section 3, Paragraph two of this Law.

(3) Upon receipt of information on the management of a programme from the joint managing authority of the relevant programme, the joint monitoring committee has the obligation to verify the efficiency and quality of introduction of the programme, to take the decision on the approval or rejection of a project application, and also the decision on the necessity to recover the financing granted.

(4) The decisions taken by the joint monitoring committee shall be binding on the authorities and persons involved in the management of programmes in Latvia.

**Section 19. Joint Technical Secretariat**

In order to ensure the management of the programmes referred to in Section 3, Paragraph two of this Law, the joint managing authority shall establish a joint technical secretariat for each programme which provides support for the performance of the functions thereof.

**Section 20. Beneficiary of the Programme Financing, its Rights and Obligations**

(1) A beneficiary of the programme financing shall be a State institution of direct or indirect administration of a partner country of the programme, a derived public person or a legal person governed by private law or an association of such persons registered in the eligible territory of a partner country of the programme the submitted project application of which for the receipt of financing has been approved by the monitoring committee of the relevant programme.

(2) The beneficiary of financing has the following obligations:

1) to ensure efficient and timely implementation of a project of the programme in conformity with the provisions of an agreement entered into on the implementation of the project;

2) to ensure accounting records separately for each project of the programme;

3) to provide the information on the implementation of a project and to ensure access for the representatives of the authorities involved in the management of programmes, and also for the representatives of performers of verification functions of the conformity of expenses to the originals of all the documents related to the implementation of the relevant project, and also to the implementation place of the relevant project.

(3) The beneficiary of financing has the following rights:

1) to request the State budget co-financing for the implementation of projects approved in the programmes referred to in Section 3, Paragraph two of this Law within the scope of the financing of the relevant State budget sub-programme;

2) to receive the information from the national responsible institution in relation to the programmes referred to in Section 3, Paragraph two of this Law;

3) to receive informative support for the preparation of a project from the relevant joint technical secretariat of the programmes referred to in Section 3, Paragraph two of this Law.

**Chapter IV**

**Final Provisions**

**Section 21. Appealing of the Decisions of the Monitoring Committee or the Joint Monitoring Committee**

The decision of the monitoring committee or the joint monitoring committee on the approval or rejection of a project application, and also the decision on the necessity to recover the financing granted may not be appealed.

**Section 22. Procedures for the Settlement of Disputes**

(1) The disputes of authorities and persons involved in the management of the programmes referred to in Section 3, Paragraphs one and two of this Law shall be settled according to the procedures specified in the agreement of the relevant programme and pursuant to the contract that has been entered into for the implementation of the relevant project.

(2) The national responsible institution shall be responsible for the recovery of the programme financing from project partners of Latvia at national level.

**Section 23. State Fee for Turning to the Court**

Upon referring contract disputes to the court, the national responsible institution shall not pay the State fee.

**Section 24. Competence of the Cabinet in Ensuring the Programme Management**

(1) In order to ensure the management of programmes, the Cabinet shall issue regulations by which the following is approved:

1) an agreement on introduction of the Latvia–Lithuania Cross-Border Cooperation Programme;

2) an agreement on introduction of the Latvia–Estonia Cross-Border Cooperation Programme;

3) an agreement on introduction of the Central Baltic Sea Region Cross-Border Cooperation Programme;

4) an agreement on introduction of the Estonia–Latvia–Russia Cross-Border Cooperation Programme;

5) an agreement on introduction of the Latvia–Lithuania–Belarus Cross-Border Cooperation Programme;

6) an agreement on introduction of the Baltic Sea Region Transnational Cooperation Programme;

7) an agreement on introduction of the Inter-Regional Cooperation Programme INTERREG IVC;

8) an agreement on introduction of the Urban Development Network Programme URBACT II;

9) an agreement on introduction of the programme for good administration of territorial cooperation programmes INTERACT II;

10) an agreement on introduction of the ESPON 2013 Programme.

(2) In order to ensure the management of programmes, the Cabinet shall prescribe:

1) the procedures by which reports shall be provided on the non-conformities detected in the introduction of the projects financed by the programmes for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” and the non-conforming expenses shall be recovered;

2) the procedures by which the authorities involved in the management of programmes for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” in Latvia shall publish the information on the projects approved within the scope of programmes;

3) the procedures by which the State budget funds shall be granted to the beneficiaries of financing from the Republic of Latvia in programmes for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” and programmes of the European Neighbourhood and Partnership Instrument;

4) the procedures by which the funds shall be planned in the State budget for the implementation of programmes for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” and programmes of the European Neighbourhood and Partnership Instrument and payments shall be made;

5) the procedures by which the managing authority and the joint managing authority shall ensure the use of the information system for the Latvia–Lithuania Cross-Border Cooperation Programme and the Estonia–Latvia–Russia Cross-Border Cooperation Programme;

6) the procedures by which eligible and ineligible expenses of project partners of Latvia shall be determined for programmes for Objective 3 of the European Union Structural Funds “European Territorial Cooperation” and the first level financial control shall be provided.

**Transitional Provisions**

1. The Cabinet shall, by 1 February 2009, issue the regulations referred to in Section 24, Paragraph one, Clauses 1, 2, 3, 6, 7, 8, 9, and 10, and also in Paragraph two, Clauses 2, 3, 4, and 6 of this Law.

2. The Cabinet shall, by 31 March 2009, issue the regulations referred to in Section 24, Paragraph one, Clauses 4 and 5, and also in Paragraph two, Clauses 1 and 5 of this Law.

The Law shall come into force on the day following its proclamation.

The Law has been adopted by the *Saeima* on 4 December 2008.

President V. Zatlers

Rīga, 23 December 2008