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

9 August 2010 [shall come into force on 9 September 2010];

10 February 2011 [shall come into force on 24 February 2011];

12 September 2013 [shall come into force on 1 January 2014].

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:

**Latvian-Swiss Cooperation Programme Management Law**

**Chapter I. General Provisions**

**Section 1. Terms Used in the Law**

The following terms are used in the Law:

1) **framework agreement**– the framework agreement between the Government of the Republic of Latvia and the Swiss Confederation Council concerning the implementation of the Latvian-Swiss Cooperation Programme to reduce economic and social disparities within the enlarged European Union;

2) **cooperation programme**– financial contribution of the Swiss Confederation granted to Latvia on the basis of the framework agreement to reduce economic and social disparities within the enlarged European Union;

3) **individual project**– project activities to be implemented independently for which the requested cooperation programme co-financing is not less than the equivalent in euros of one million Swiss francs according to the euro reference exchange rate published by the European Central Bank or, where there is none, according to a periodical of financial sector recognised in the global financial market or according to the Swiss franc to euro exchange rate published by the Swiss National Bank. In certain cases the coordination unit may reach an agreement with the competent authorities of Switzerland regarding another amount of cooperation programme co-financing;

4) **programme**– a set of individual project activities having a common objective for which the requested cooperation programme co-financing is not less than the equivalent in euros of four million Swiss francs according to the euro reference exchange rate published by the European Central Bank or, where there is none, according to a periodical of financial sector recognised in the global financial market or according to the Swiss franc to euro exchange rate published by the Swiss National Bank. In certain cases the coordination unit may reach an agreement with the competent authorities of Switzerland regarding another amount of cooperation programme co-financing;

5) **sub-project**– activities to be implemented within the framework of the block grant;

6) **intermediate body**– an institution of direct administration or a derived public person in Latvia that is responsible for the implementation of the block grant or programme and a project outline and a project proposal regarding implementation of the block grant or programme of which have been approved by the competent Swiss authorities or, in the case of the Scholarship Fund, by the Rectors’ Conference of Swiss Universities (CRUS);

7) **submitter of individual project**– an institution of direct administration, a derived public person, or a State capital company that submits to the coordination unit a project outline regarding implementation of the individual project and a project proposal regarding implementation of the individual project;

8) **project outline**– a written document of a project submitter or the intermediate body submitted to the coordination unit in order to apply for receipt of the cooperation programme co-financing necessary for the implementation of the individual project, programme or block grant;

9) **project proposal**– a written document of a submitter of the individual project or the intermediate body prepared by submitters of the individual project or intermediate bodies, if the competent authorities of Switzerland have approved the project outline submitted by the relevant submitter of the individual project or the intermediate body, and submitted to the coordination unit;

10) **individual project implementer**– a submitter of the individual project the project proposal regarding the implementation of the individual project of which has been approved by the competent authorities of Switzerland;

11) **sub-project submitter**– within the framework of the block grant, an institution of direct administration, a derived public person or a legal person registered in the Republic of Latvia submitting a sub-project proposal to the intermediate body unless the intermediate body, upon agreement with the competent authorities of Switzerland, has restricted the range of submitters of sub-project proposals;

12) **sub-project implementer**– a sub-project submitter the sub-project proposal of which has been approved by the intermediate body;

13) **sub-project proposal**– a written document of the sub-project submitter submitted to the intermediate body in order to apply for the receipt of the co-financing from the relevant block grant necessary for the implementation of the sub-project;

14) **block grant**– a type of project which complies with the conditions of the framework agreement regarding the block grant and represents a set of several sub-projects for the implementation of which the intermediate body grants the cooperation programme co-financing;

15) [10 February 2011];

16) **participating authority of the Scholarship Fund** – a higher education institution if it implements at least one doctoral study programme or a scientific institution registered with the Register of Scientific Institutions of the Republic of Latvia if it has an employment relationship with at least one young scientist;

17) [10 February 2011].

[*9 August 2010; 10 February 2011; 12 September 2013*]

**Section 2. Purpose of the Law**

The purpose of the Law is to prescribe the management of the cooperation programme in order to promote efficient and transparent implementation of the cooperation programme in Latvia which complies with the principles of financial management.

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

The Law prescribes the authorities and persons involved in the management of the cooperation programme, the rights and obligations thereof, the procedures for taking decisions and appeal thereof, and also other issues associated with the cooperation programme management.

**Section 4. Cooperation Programme Management**

(1) Cooperation programme management shall include the establishment of a cooperation management system, the preparation and approval of project outlines and project proposals, the implementation of individual projects, programmes, block grants, sub-projects and special forms of support, and also the financial control, monitoring, audit, evaluation of the cooperation programme, notification regarding the irregularities determined and recovery of unsuitably used funds.

(2) Provision of the cooperation programme management in respect of the special forms of support shall be prescribed by this Law, except for Sections 8, 10, and 12 as well as Chapter III thereof.

**Chapter II. Provision of Cooperation Programme Management**

**Section 5. Authorities and Persons Involved in Cooperation Programme Management**

Cooperation programme management shall be ensured by the following authorities and persons involved in the cooperation programme management:

1) the coordination unit;

2) the paying authority;

3) the intermediate body;

4) the steering committee;

5) the institution coordinating the Scholarship Fund;

6) an individual project implementer;

7) a sub-project implementer;

8) [10 February 2011].

[*10 February 2011*]

**Section 6. Obligations and Rights of the Coordination Unit**

(1) The coordination unit has the following obligations:

1) to ensure the examination and submission of project outlines and project proposals to the embassy of the Swiss Confederation in the Republic of Latvia;

2) to ensure the monitoring, financial management, control and evaluation of implementation of individual projects, programmes and block grants;

3) to ensure the use of the co-financing of the cooperation programme in accordance with the conditions of the framework agreement;

4) to ensure the conclusion of the project agreement and the implementation agreement;

5) to ensure the control of reports and payment claims submitted by the individual project implementer and the intermediate body;

6) to ensure that reports on the implementation of individual projects, programmes and block grants are provided on regular basis to the competent authorities of Switzerland;

7) to ensure the implementation of publicity measures of the cooperation programme in Latvia.

(2) The coordination unit has the following rights:

1) to initiate and perform the control and audit of the cooperation programme;

2) to request the information from the authorities and persons involved in the management of the cooperation programme which is necessary for the provision of management of the cooperation programme.

(3) The functions of the coordination unit shall be performed by the Ministry of Finance and the Central Finance and Contracting Agency. The Ministry of Finance shall be responsible for the general management and coordination of the cooperation programme. The Cabinet shall prescribe the functions performed by the Central Finance and Contracting Agency as the coordination unit.

(4) The Ministry of Finance or the Central Finance and Contracting Agency shall ensure that the functions which they perform as the coordination unit in accordance with this Law are separated from other functions of the Ministry or the Agency.

**Section 7. Paying Authority, Obligations and Rights Thereof**

(1) The paying authority has the following obligations:

1) to open and maintain co-financing accounts of the cooperation programme;

2) to check the compliance of the received payment claims with the requirements of the framework agreement and the relevant legal acts, to approve and submit them to the competent authorities of Switzerland;

3) to perform payments after receipt of the co-financing from the Swiss Confederation;

4) to ensure the reimbursement of the unused funds or unsuitably performed expenditure to the Swiss Confederation.

(2) The paying authority has the right to request the information from the authorities and persons involved in the management of cooperation programme which is necessary for approval of payment claims and submission thereof to the competent authorities of the Swiss Confederation.

(3) The functions of the paying authority shall be performed by the Treasury. The Treasury shall ensure that the functions which it performs as the paying authority in accordance with this Law are separated from other functions of the Treasury.

**Section 8. Obligations of the Intermediate Body**

(1) The intermediate body has the following obligations:

1) to introduce a block grant or a programme in accordance with the requirements of the project agreement and the implementation agreement;

2) to establish and maintain the internal control system in accordance with the laws and regulations governing establishment of the internal control system;

3) if a block grant is being implemented:

a) to develop a regulation for an open tender of sub-projects and ensure announcing the tender;

b) to ensure the selection and evaluation of sub-project proposals;

c) to take decisions on the approval or rejection of sub-project proposals;

d) to develop a draft agreement for implementation of a sub-project and conclude it with a sub-project implementer;

4) to prepare and submit the requested information on the implementation of the block grant or the programme to the coordination unit;

5) to ensure separate accounting for each block grant or programme;

6) to recover and reimburse unsuitably performed expenditure;

7) to ensure the fulfilment of publicity requirements for the block grant or programme.

(2) The intermediate body shall ensure that the functions which it performs in accordance with this Law are separated from other functions of this body.

**Section 9. Steering Committee**

(1) The steering committee is a collegial authority involved in the cooperation programme management which, in accordance with the framework agreement, is established and managed by the coordination unit. The steering committee shall act in accordance with the by-law approved by the head of the coordination unit.

(2) The composition of the steering committee shall be approved by the head of the coordination unit. One representative with the right to vote from each the Central Finance and Contracting Agency and from sectoral ministries involved in the sub-priority fields specified in the framework agreement and two representatives from the Ministry of Finance shall be included in the composition of the steering committee. Representatives with advisory rights from the paying authority, the embassy of the Swiss Confederation in the Republic of Latvia, an association or foundation representing non-governmental organisations, and also from a planning region shall participate in the work of the steering committee.

(3) The steering committee has the following obligations:

1) to coordinate the project outlines and project proposals before the submission thereof to the embassy of the Swiss Confederation in the Republic of Latvia;

2) to approve the sample of the draft implementation agreement and amendments thereto;

3) to monitor the implementation of individual projects, programmes and block grants and to co-ordinate essential amendments to the individual project, programme or block grant.

(4) The steering committee has the right to request additional information on the implementation of individual projects, programmes and block grants from any authority and person involved in the management of the cooperation programme.

**Section 10. Obligations of the Individual Project Implementer and Sub-project Implementer**

(1) The individual project implementer has the following obligations:

1) to ensure the implementation of the individual project in accordance with the implementation agreement;

2) to ensure separate accounting for each individual project;

3) to provide information on the implementation of the individual project and ensure access to the originals of all documents related to the implementation of the individual project, and also to the place of implementation of the relevant individual project for the representatives of competent authorities of the Swiss Confederation or for the auditors representing these authorities, the representatives of the State Audit Office and the authorities involved in the management of the cooperation programme;

4) to prepare and submit reports on the implementation of the individual project in accordance with the conditions of the implementation agreement and laws and regulations governing the cooperation programme management;

5) to implement instructions of the authorities involved in the cooperation programme management that apply to the implementation of individual project;

6) to ensure the fulfilment of publicity requirements of the individual project.

(2) The sub-project implementer has the following obligations:

1) to ensure the implementation of the sub-project in accordance with the sub-project implementation agreement;

2) to ensure separate accounting for each sub-project;

3) to provide information on the implementation of the sub-project and ensure access to the originals of all documents related to the implementation of the sub-project, and also to the place of implementation of the relevant sub-project for the representatives of competent authorities of the Swiss Confederation or for the auditors representing these authorities, the representatives of the State Audit Office and the authorities involved in the management of the cooperation programme;

4) to implement instructions of the authorities involved in the cooperation programme management that apply to the implementation of sub-project;

5) to ensure the fulfilment of publicity requirements of the sub-project.

**Section 11. Competence of the Cabinet**

In order to ensure the cooperation programme management, the Cabinet shall prescribe:

1) the procedures for ensuring the management of the cooperation programme;

2) open tender regulations for sub-project proposals, including the criteria for evaluation of proposals therein;

3) [10 February 2011].

[*10 February 2011*]

**Section 12. Concluding an Agreement**

(1) If the competent authorities of Switzerland approve the individual project, programme or block grant, the coordination unit shall, in accordance with the conditions of the framework agreement, conclude a project agreement with the Swiss Confederation Council regarding the implementation of each individual project or programme and with the Swiss Confederation Council and the intermediate body regarding the implementation of each block grant. The project agreement shall be signed by the head of the coordination unit. If it is necessary for ensuring the implementation of the individual project or programme, additionally one or several contracting parties shall be engaged.

(2) After signing of the project agreement, the Central Finance and Contracting Agency shall, on behalf of the coordination unit in accordance with the conditions of the framework agreement, conclude an implementation agreement with the individual project implementer or the intermediate body for the implementation of the individual project or programme. In case of a block grant, the Central Finance and Contracting Agency shall conclude the implementation agreement with the intermediate body.

(3) Upon concluding the agreement referred to in Paragraph two of this Section, an institution of direct administration through which institutional subordination is implemented with respect to the institution of direct administration that is the individual project implementer or intermediate body, or an institution of direct administration that is a holder of capital shares in a State capital company which is the individual project implementer may be invited as the contracting party.

(4) If the intermediate body takes the decision on the approval of a sub-project proposal, the intermediate body and the sub-project submitter shall conclude an implementation agreement of the sub-project. If the sub-project submitter is a natural person or a legal person registered in the Republic of Latvia, this agreement shall be considered as a contract governed by the civil law.

[*9 August 2010*]

**Chapter III. Decisions and Appeal Thereof**

**Section 13. Decisions of the Intermediate Body**

(1) The intermediate body shall take the decision on the approval or rejection of a sub-project proposal submitted within the framework of the block grant.

(2) If the cooperation programme co-financing granted has been disbursed to a sub-project implementer but it has not been used in accordance with the requirements of respective laws and regulations or the provisions of the sub-project implementation agreement, the intermediate body shall take the decision on the recovery of the co-financing granted to the sub-project implementer.

**Section 14. Types of Decisions of the Intermediate Body**

(1) The intermediate body shall issue an administrative act or take an administrative decision in accordance with the legal status of the sub-project submitter.

(2) If the sub-project submitter is a legal person governed by private law and registered in the Republic of Latvia, the decision of the intermediate body shall be an administrative act.

(3) If the sub-project submitter is an institution of direct administration or a derived public person, the decision of the intermediate body shall be an administrative decision.

(4) The administrative decision referred to in Paragraph three of this Section shall be issued in writing and it shall contain the following parts:

1) the name and address of the intermediate body;

2) the addressee – the sub-project submitter;

3) the finding of facts;

4) the justification of the administrative decision;

5) a separate list of legal rules applied;

6) a decision on the granting or refusal of rights.

**Section 15. Time Period for Taking a Decision**

The intermediate body shall take the decision on the approval or rejection of a sub-project proposal not later than within four months after the end date for the submission of sub-project proposals.

**Section 16. Appeal of Decisions**

The decisions referred to in Section 13 of this Law may be appealed to the court if the addressee of the decision is the person referred to in Section 14, Paragraph two of this Law. The appeal of the decision shall not suspend the operation thereof.

**Chapter IV. Special Types of Support**

**Section 17. Instruments of Special Types of Support**

Special types of support shall be those types of projects the implementation of which is provided for in the framework agreement. The special types of support shall be the following:

1) the Technical Assistance Fund;

2) the Project Preparation Facility;

3) the Scholarship Fund.

**Section 18. Technical Assistance Fund and Project Preparation Facility**

(1) The coordination unit shall ensure the implementation of the Technical Assistance Fund and the Project Preparation Facility in accordance with the mutual agreement which is concluded by and between the coordination unit and the authority authorised by the Swiss Federal Council. The agreement shall be signed by the head of the coordination unit.

(2) The authorities involved in the cooperation programme management shall cooperate in accordance with the procedures specified in the State Administration Structure Law in order to ensure the implementation of the Technical Assistance Fund and the Project Preparation Facility.

(3) The recipients of the Technical Assistance Fund financing shall be determined by the framework agreement and the agreement referred to in Paragraph one of this Section. The recipients of the Project Preparation Facility financing may be an individual project submitter and the intermediate body if the competent authorities of Switzerland support granting of the financing to them within the framework of the Project Preparation Facility.

**Section 19. Scholarship Fund**

(1) The Scholarship Fund shall constitute a special form of support for the cooperation programme in the framework of which the scientific work of doctoral students or new scientists of the participating authorities of Latvia in Switzerland and the short-term visits of the academic staff or scientists involved in such scientific work in Switzerland and Latvia are financed. The Scholarship Fund activities shall be implemented by the intermediate body of the Scholarship Fund in cooperation with the institution coordinating the Scholarship Fund.

(2) The coordination unit shall enter into an agreement with the competent Swiss authority to ensure implementation of the Scholarship Fund activities.

(3) The agreement on the Scholarship Fund shall:

1) indicate the intermediate body of the Scholarship Fund and the institution coordinating the Scholarship Fund in Latvia;

2) determine the aim of the Scholarship Fund, the amount and distribution of financing, the procedures for making payments, the obligations, rights, and responsibility of the contracting parties, the general implementing provisions and specific implementing provisions of the Scholarship Fund in Latvia.

(4) Upon concluding the agreement on the Scholarship Fund, the institution coordinating the Scholarship Fund in Latvia shall enter into a separate covenant with the intermediate body of the Scholarship Fund regarding cooperation in the implementation of the Scholarship Fund activities.

(5) The intermediate body of the Scholarship Fund shall announce open call for proposals for the Scholarship Fund and take the decision to approve a proposal and grant the Scholarship Fund financing or to reject a proposal.

[*10 February 2011*]

**Chapter V. Procedures for Settlement of Disputes Regarding the Granted Financing**

**Section 20. Procedures for the Settlement of Disputes**

Disputes regarding the granted financing of the cooperation programme shall be settled in accordance with the procedures specified in the Administrative Procedure Law, the Civil Procedure Law, and other laws and regulations.

**Section 21. Decision on the Recovering of the Granted Financing**

The decision on the recovery of the granted financing shall be taken in accordance with the procedures specified in the Administrative Procedure Law if the granted financing has been disbursed to the recipient thereof but it has not been used in accordance with the requirements of the relevant laws and regulations or the provisions of an agreement, and compulsory enforcement may be applied to the recipient of financing.

**Section 22. Settlement of Disputes in Accordance with Civil Legal Procedures**

(1) If the procedures for recovery of financing specified in Section 21 of this Law are not applicable or the application thereof is not useful, the granted financing shall be recovered or the dispute regarding the disbursement of the financing or continuation of disbursement shall be settled in accordance with civil legal procedures.

(2) The Cabinet shall determine the procedures for recovery of the granted financing, and also the procedures for settlement of a dispute regarding the disbursement or continuation of disbursement of the granted financing if the recipient of financing is an institution of direct administration or a derived public person.

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

Upon referring to the court regarding a contractual dispute, the intermediate body or the institution coordinating the Scholarship Fund shall not pay the State fee.

**Chapter VI. Final Provisions**

**Section 24. Updating of a Sub-project Proposal**

(1) It shall be prohibited to update a sub-project proposal, except for the case referred to in Paragraph two of this Section.

(2) If a sub-project proposal fails to comply with the administrative evaluation criteria specified in the open call regulations, the intermediate body shall request once in writing that the submitter of the relevant proposal update the relevant proposal or submit additional information within five working days after sending of the request.

(3) Hearing of a sub-project submitter within the meaning of the Administrative Procedure Law shall be implemented by carrying out the activities referred to in Paragraph two of this Section.

[*10 February 2011*]

**Section 25. Right of Access to a File**

(1) A sub-project submitter has the right to have access to the file of his or her proposal, except for evaluation materials, at any stage of the process.

(2) A sub-project submitter has the right to have access to the evaluation materials of his or her sub-project only after the decision to approve or reject the sub-project proposal has entered into effect.

(3) Information on the persons who have evaluated a sub-project proposal shall not be disclosed to a sub-project submitter while he or she has access to the file of the relevant proposal.

[*10 February 2011*]

**Section 26. Freedom of Information**

(1) A file of a sub-project proposal shall be restricted access information and accessible in accordance with the Freedom of Information Law.

(2) The following information shall be considered generally accessible:

1) the sub-project implementer (for a legal person – the name and legal address; for a natural person – the given name and surname);

2) the title of the sub-project;

3) the amount of the granted financing;

4) the place of sub-project implementation;

5) a summary of the measures to be taken within the framework of the financed sub-project activities.

(3) The information referred to in Paragraph two of this Section shall only be available after the decision of the intermediate body to approve the sub-project proposal has entered into effect.

(4) Information on the persons who will evaluate or have evaluated the sub-project proposal shall not be disclosed.

[*10 February 2011*]

**Transitional Provisions**

1. The Cabinet shall, by 1 March 2009, issue the regulations referred to in Section 6, Paragraph three, Section 11, Clause 1 and Section 22, Paragraph two of this Law.

2. The Cabinet shall approve the regulations of an open call developed by the intermediate body and referred to in Section 11, Clause 2 of this Law within the time periods for the announcement of open calls laid down in the approved block grant.

[*10 February 2011*]

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

The Law has been adopted by the *Saeima* on 23 October 2008.

President V. Zatlers

Rīga, 7 November 2008