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

9 November 2023 [shall come into force on 6 December 2023].

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

and the President has proclaimed the following law:

**Law on Implementation and Monitoring of Connecting Europe Facility and trans-European Transport Network Projects**

[*9 November 2023*]

**Section 1. Terms Used in the Law**

The following terms are used in the Law:

1) **beneficiary** – an institution of direct or indirect State administration, another State institution, a derived public entity, a legal person registered in Latvia or an association of such persons which, in accordance with Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (Text with EEA relevance) (hereinafter – Regulation No 1316/2013) and Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014 (hereinafter – Regulation No 2021/1153), has been selected to receive European Union funding in accordance with the procedures laid down in the work programme specified in Article 17 of Regulation No 1316/2013 and Article 20 of Regulation No 2021/1153;

2) **call for proposals of the European Commission** (hereinafter also – the call for proposals) – a call for proposals announced by the European Commission for receipt of funding under the Connecting Europe Facility;

3) **grant agreement** – an agreement concluded between the beneficiary and the European Commission on awarding a grant under the Connecting Europe Facility for project implementation in transport, energy or telecommunications sector;

4) **implementing body** – an institution of direct or indirect State administration, another State institution, a derived public entity, a legal person registered in Latvia or an association of such persons which implement the project by performing the functions of the beneficiary delegated in accordance with Section 8, Paragraph two of this Law;

5) **project of common interest** (hereinafter – the project) – the project to which Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU (Text with EEA relevance) (hereinafter – Regulation No 1315/2013) or Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009 (Text with EEA relevance) (hereinafter – Regulation No 347/2013), or Regulation (EC) No 283/2014 of the European Parliament and of the Council of 11 March 2014 on guidelines for trans-European networks in the area of telecommunications infrastructure and repealing Decision No 1336/97/EC (Text with EEA relevance) (hereinafter – Regulation No 283/2014) applies;

6) **applicant of a project** – an institution of direct or indirect State administration, another State institution, a derived public entity, a legal person registered in Latvia or an association of such persons which prepares and submits a project application for receipt of funding;

7) **project application** – an application with its annexes and other documents prepared in conformity with the rules of the call for proposals announced by the European Commission for receipt of funding under the Connecting Europe Facility necessary for the project;

8) **performer of a project** – a natural person or a legal person or an association of such persons in any combination thereof who has acquired the right to provide services, supply goods or perform construction works for the implementation of the project;

9) **cross-border project of the trans-European transport network** – a project of the single network of rail, inland waterway, road, sea, air, and multimodal transport of the European Union covering a cross-border section between two or more Member States.

[*9 November 2023*]

**Section 2. Purpose of this Law**

The purpose of the Law is to ensure efficient and transparent monitoring of projects in transport, energy, or telecommunications sector for the implementation of which the funding is granted in accordance with Regulation No 1316/2013 and Regulation No 2021/1153, and also in conformity with Regulation No 347/2013 or Regulation No 1315/2013, or Regulation No 283/2014, and also organising and monitoring of the procedures for granting permits for projects in transport sector in order to promote the introduction of the trans-European transport network.

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

Insofar as it is not laid down in Regulation No 1316/2013 and Regulation No 2021/1153, the Law shall provide for the procedures for the preparation and approval of projects in transport, energy, or telecommunications sector funded under the Connecting Europe Facility, the provision of monitoring, and also the functions of the beneficiary and project implementation managing authorities.

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**Section 4. Project Implementation Managing Authorities**

(1) By performing the obligations of the Member State set out in Regulation No 1316/2013, the implementation of projects financed by the Connecting Europe Facility shall be monitored by the following authorities:

1) the Ministry of Transport – projects in the transport sector, and also projects in the field of broadband networks in the telecommunications sector;

2) the Ministry of Economics – projects in the energy sector.

(2) The functions of the competent authority in accordance with the requirements of Regulation No 347/2013 shall be performed by the Ministry of Economics.

**Section 5. Functions of Project Implementation Managing Authorities**

(1) The managing authority shall perform the following functions:

1) inform the potential applicants of a project regarding the calls for proposals of the European Commission and the procedures for submitting the projects;

2) assess and approve the project application;

3) check and certify the compliance of the expenditure effected within the framework of the project with Article 8 of Regulation No 1316/2013 and requirements of the grant agreement;

4) give opinion on the draft grant agreement and its amendments if the State budget co-financing has been granted for implementation of the project;

5) check the Actual Status Report prepared by beneficiary, requests for interim and final payments, and also carry out on-the-spot checks;

6) upon a request of the European Commission, provide information on the implementation of projects, investments for their implementation and other relevant information that the European Commission needs to assess the use of the granted funding for achieving objectives of the projects in conformity with Articles 22 and 27 of Regulation No 1316/2013;

7) if the State budget co-financing has been granted for implementation of the project:

a) plan project funding in conformity with the cash flow in an individual State budgetary programme (sub-programme);

b) prepare payment orders and submit them to the paying authority so that the beneficiary would carry out payments in conformity with the activities provided for in the grant agreement;

8) prepare payment orders for reimbursement to the European Commission of the unused and inappropriately used funds of the Connecting Europe Facility and submit these orders to the paying authority, except where the European Commission settles payments directly with the beneficiary;

9) provide the public with information regarding the use of the funding granted to projects.

(2) The Cabinet shall determine:

1) the procedures by which the managing authority gives an opinion on the draft grant agreement and its amendments if the State budget co-financing has been granted for implementation of the project;

2) the procedures for the monitoring of project implementation;

3) the procedures for the organising and monitoring of the procedures for granting permits for projects of the trans-European transport network.

(3) The Ministry of Transport and the Ministry of Economics shall ensure that the functions which they, in accordance with this Law, fulfil as managing authorities are separated from the other functions thereof, and also from functions which they fulfil as beneficiaries.

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**Section 6. Decisions and Opinions regarding Projects in Energy Sectors**

(1) The projects in the energy sector may qualify for receipt of funding from Connecting Europe Facility if they meet the criteria and conditions of Articles 4 and 14 of Regulation No 347/2013.

(2) In respect of projects in the energy sector the competent authority shall ensure the coordination of decision taking and opinion provision in conformity with the procedures laid down in Articles 10(1)(a) and (b) of Regulation No 347/2013 and within the time period specified in Articles 10(1) and (2) thereof, and also in accordance with the collaborative scheme referred to in Article 8(3)(c) of this Regulation. The relevant institutions shall take decisions and provide opinions in conformity with the law On Environmental Impact Assessment, law On Pollution, Chemical Substances Law, and Construction Law, and also in relation to the report prepared by the applicant of a project regarding the measures to be carried out in conformity with Article 9 of Regulation No 347/2013 in respect of public participation.

(3) The applicant of a project shall notify the competent authority of the wish to receive the decisions and opinions regarding the project referred to in Paragraph two of this Section in writing, appending to the document the information regarding the project and the project implementation plan in conformity with Article 5(1) of Regulation No 347/2013. The competent authority shall approve the initiation of decision taking and opinion provision process and shall inform the applicant of a project thereof.

(4) The competent authority shall, within two months from the day of approving the initiation of decision taking and opinion provision process, in consultation with the applicant of a project and the relevant institutions who take decisions and provide opinions in conformity with Paragraph two of this Section, determine the project implementation schedule referred to in Article 10(4)(b) of Regulation No 347/2013.

**Section 7. Paying Authority**

(1) The functions of the paying authority shall be performed by the Treasury.

(2) The paying authority shall make payments on the basis of payment orders submitted by the managing authority and shall ensure an account statement in accordance with the laws and regulations regarding the procedures by which the Treasury ensures the provision of payment services.

**Section 8. Beneficiary**

(1) The beneficiary shall ensure the fulfilment of conditions of a grant agreement and perform the following functions:

1) ensure that the funding granted for project implementation is used in accordance with the principles of sound financial management, including the principles of economy, efficiency and effectiveness;

2) ensure accounting of the project;

3) ensure rational utilisation and maintenance of the project results in conformity with the requirements of the laws and regulations;

4) open an account in the Treasury for the receipt of funding from the State budget and Connecting Europe Facility if the State budget co-financing has been granted for implementation of the project;

5) submit to the managing authority for approval draft grant agreement and its amendments if the State budget co-financing has been granted for implementation of the project;

6) immediately inform the managing authority regarding the non-conformities detected during project implementation and measures for prevention thereof;

7) inform the managing authority regarding the measures taken in order to prevent the deficiencies in project implementation detected in examinations of all levels;

8) organise a procurement procedure for the project implementation in conformity with the requirements of the laws and regulations governing public procurements and with the procedures laid down therein;

9) enter into a procurement contract with the performer of a project regarding the provision of services, supply of goods or construction works and make payments in conformity with the provisions of such contract;

10) ensure preparation of the Actual Status Report, requests for interim and final payment and submission thereof to the European Commission in conformity with the grant agreement;

11) organise information and publicity measures regarding project implementation.

(2) The beneficiary may delegate the fulfilment of functions referred to in Paragraph one, Clauses 8, 9, 10, and 11 of this Section to the implementing body.

**Section 9. Submission and Approval of Project Applications**

(1) The applicant of a project shall, in conformity with the provisions of this Law and the rules of the call for proposals announced by the European Commission, prepare and submit a project application.

(2) Prior to submitting the project application to the European Commission, the applicant of a project shall submit it to the managing authority for approval within the time period specified by the managing authority. The Cabinet shall determine the procedures by which the applicant of a project shall submit the project application to the managing authority for approval and the procedures by which the managing authority shall perform the approval of the project application.

(3) If it is planned to attract the State or local government budget co-financing for the project, the applicant of a project shall, upon submitting the project application to the managing authority for approval, append to it the initial evaluation of the Ministry of Finance in conformity with Section 10 of Law on Control of Aid for Commercial Activity.

(4) Upon submitting to the managing authority the project application in energy sector, the applicant of a project shall append thereto also a document which contains a reference to the publication of a decision of Public Utilities Commission adopted in accordance with Article 12 of Regulation No 347/2013. The applicant of a project shall also append to the project application relating to the electricity transmission infrastructure a document containing a reference to such publication of a decision of Public Utilities Commission by which the 10 Year Electricity Transmission System Development Plan has been approved.

**Section 10. Agreement of a Member State for the Submission of a Project to the European Commission**

(1) The Ministry of Transport shall provide an agreement to the project application in transport sector prior to the submission thereof to the European Commission in accordance with Article 11(6)(1)(b) of Regulation No 2021/1153.

(2) In relation to the amounts transferred from the Cohesion Fund, the Ministry of Transport shall, on priority basis, support transport infrastructure projects which provide for the establishment of cross-border and missing links of the North Sea–Baltic Corridor of the trans-European transport core network in accordance with Article 4(8) and Part III of Annex to Regulation No 2021/1153 and to which the status of an object of national interest has been granted.

(3) In case of the Transport Military Mobility call for proposals, the Ministry of Defence shall, in accordance with Article 11(6)(1)(b) of Regulation No 2021/1153, provide a certification on the conformity of the project application in transport sector with the military transport infrastructure network of the European Union and also with the criteria of dual-use transport infrastructure in accordance with Article 1 of Commission Implementing Regulation (EU) 2021/1328 of 10 August 2021 specifying the infrastructure requirements applicable to certain categories of dual-use infrastructure actions pursuant to Regulation (EU) 2021/1153 of the European Parliament and of the Council.

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**Section 11. Public Procurement in Cross-border Projects of the trans-European Transport Network**

(1) If a public procurement in cross-border projects of the trans-European transport network in the new Rail Baltic line to be fully interoperable with the European track gauge (1435 mm), Via Baltica Corridor, and cross-border projects which are part of the sections of corridors of the trans-European transport core network in accordance with Article 44(1) of Regulation No 1315/2013 and the total costs of which exceed EUR 300 000 000 (except for cross-border projects which are related only to telematic applications, new technologies and innovation within the meaning of Articles 31 and 33 of Regulation No 1315/2013) is performed by a joint subject established by the contracting authorities involved, the public procurement provisions of one Member State involved in the cross-border projects of the trans-European transport network shall be applied to the public procurement. The contracting authorities involved shall, by a decision of the competent authority of the joint subject, determine that the public procurement provisions of such Member State involved in the cross-border project of the trans-European transport network shall be applied to the public procurement in which the legal address of the joint subject is registered unless it is not determined otherwise by the agreement of the Member States involved in the cross-border project of the trans-European transport network.

(2) In relation to a public procurement which, in the projects referred to in Paragraph one of this Section, is performed by the subsidiary of the joint subject referred to in Paragraph one of this Section, the public procurement provisions of one Member State involved in the cross-border project of the trans-European transport network shall be applied. In entering into a mutual agreement, the Member States involved in the cross-border project of the trans-European transport network may determine that the subsidiary of the joint subject applies the public procurement provisions of such Member State of the cross-border project of the trans-European transport network which are applied by the joint subject.

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**Section 12. Storage of Project Documentation**

The documents that are related to the preparation, implementation and monitoring of the project shall be stored in conformity with the requirements of the laws and regulations of Latvia and grant agreement and time periods.

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**Transitional Provisions**

[*9 November 2023*]

1. The Cabinet shall issue the regulations referred to in Section 5, Paragraph two and Section 9, Paragraph two of this Law by 30 September 2017.

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2. Section 11 of this Law shall not be applied to the joint subject or the subsidiary of the joint subject which has been established before 9 August 2021 if the public procurement procedures of the abovementioned joint subject or subsidiary of the joint subject are implemented in accordance with the laws and regulations governing the field of public procurements which are applicable to the procurement on the abovementioned date.

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**Informative Reference to European Union Directive**

[*9 November 2023*]

The Law contains legal norms arising from Directive (EU) 2021/1187 of the European Parliament and of the Council of 7 July 2021 on streamlining measures for advancing the realisation of the trans-European transport network (TEN-T).

The Law has been adopted by the *Saeima* on 6 April 2017.

President R. Vējonis

Rīga, 19 April 2017