The *Saeima*1 has adopted and

the President has proclaimed the following law:

**Law on Management of the Internal Security Fund, the Asylum, Migration and Integration Fund, and the Instrument for Financial Support for Border Management and Visa Policy for the 2021-2027 Programming Period**

**Chapter I**

**General Provisions**

**Section 1. Terms Used in this Law**

The following terms are used in this Law:

1) **open project application selection regulations**– an aggregate of documents where information on the submission of project applications, the open project application selection and evaluation, and also the project application evaluation criteria, a draft project contract, and other information related to the open project application selection is included;

2) **eligible State budget co-funding**– a part of the State budget funding which is planned in addition to the funding of the European Union funds to cover the eligible expenditure of a project;

3) **beneficiary**– in conformity with Article 24 of Regulation (EU) 2021/1147 of the European Parliament and of the Council of 7 July 2021 establishing the Asylum, Migration and Integration Fund (hereinafter – Regulation No 2021/1147), Article 20 of Regulation (EU) 2021/1148 of the European Parliament and of the Council of 7 July 2021 establishing, as part of the Integrated Border Management Fund, the Instrument for Financial Support for Border Management and Visa Policy (hereinafter – Regulation No 2021/1148), and Article 19 of Regulation (EU) 2021/1149 of the European Parliament and of the Council of 7 July 2021 establishing the Internal Security Fund (hereinafter – Regulation No 2021/1149):

a) an institution of direct or indirect administration, a derived public entity, another State institution the project application of which has been approved in accordance with the procedures laid down in this Law;

b) a legal person governed by private law registered in the Republic of Latvia in accordance with laws and regulations or an association of persons (hereinafter – the legal person) the project application of which has been approved in accordance with the procedures laid down in this Law;

c) an international organisation which conforms to the objectives of the fund (hereinafter – the international organisation) and the project application of which has been approved in accordance with the procedures laid down in this Law;

4) **funds**– the Asylum, Migration and Integration Fund (for the 2021–2027 programming period) which has been established in accordance with Regulation No 2021/1147, the Internal Security Fund (for the 2021–2027 programming period) which has been established in accordance with Regulation No 2021/1149, and the Instrument for Financial Support for Border Management and Visa Policy (for the 2021–2027 programming period) which has been established in accordance with Regulation No 2021/1148;

5) **fund report**– an annual report of the fund programme performance, and also other report related to the introduction of the fund;

6) **planning documents**– a national programme of the fund and the implementation plan thereof;

7) **project application**– a form and its annexes which are filled out and submitted by a project applicant in order to apply for the financing of the fund necessary for the project;

8) **project file**– a project application, evaluation documents of the project application, civil legal contract or agreement on the project implementation, and other documents related to the project;

9) **project contract**– a civil legal contract or agreement on the project implementation which is entered by the managing authority or the authority referred to in Section 9, Paragraph one of this Law (hereinafter – the delegated authority) with a beneficiary;

10) **project**– a project application which meets the project application evaluation criteria and which has been approved by the managing authority or delegated authority;

11) **project application selection**– a process from the day of sending a notification of call for open project application selection or a call for submitting a project application in a restricted project application selection until the time when the decision to approve or refuse a project application or an opinion on the performance of the conditions included in the decision to approve a project application with a condition has entered into effect;

12) **project application selection methodology**– a document which contains a description regarding the types of the project application evaluation criteria, the development thereof, the principles for project application evaluation and selection;

13) **project application evaluation criteria**– conditions according to which a project application is assessed and a decision is taken to approve it, to approve with a condition, or to refuse it;

14) **project application evaluation committee**– a collegial body which is established by the managing authority or delegated authority for the project application evaluation.

**Section 2. Purpose of the Law**

The purpose of this Law is to ensure efficient, transparent, and correct introduction of funds in Latvia conforming to the principles of sound financial management.

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

The Law prescribes the rights and obligations of the authorities involved in the management of funds and the beneficiary, the conditions for the allocation of funding, the procedures for taking, contesting, and appeal of the decisions taken by the authorities involved in the management of funds, and also the procedures for the settlement of disputes.

**Section 4. Management of Funds**

Management of funds shall be the preparation, harmonisation, and approval of the necessary planning documents, the establishment of a management and control system of funds, the development of the project application evaluation criteria, the selection of project applications, the entering into project contracts, the control, auditing, monitoring, and evaluation of projects, the approval of expenditure made within the scope of projects, the preparation and submission of reports to the European Commission, and also the development and maintenance of the information system for the management of funds.

**Section 5. Rights to Receive Funding of the European Union Funds**

Submission of a project application in accordance with this Law shall not impose any obligation for the authority involved in the management of funds to allocate funding to a project applicant for the project implementation.

**Section 6. Horizontal Principle**

The authorities responsible for the coordination of the horizontal principle referred to in Article 9 of Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (hereinafter – Regulation No 2021/1060), their rights and obligations shall be determined by the Cabinet.

**Chapter II**

**Ensuring the Management of Funds and Project Implementation**

**Section 7. Authorities Involved in the Management of Funds**

(1) The management of funds shall be ensured by:

1) the managing authority;

2) the delegated authority;

3) the audit authority;

4) the monitoring committee.

(2) In order to achieve the purpose of this Law, the authorities involved in the management of funds shall develop methodological materials and cooperate with other authorities in accordance with the procedures laid down in the State Administration Structure Law.

(3) In order to perform efficiently the obligations referred to in Section 9, Paragraph two and Section 10, Paragraph two of this Law, the managing authority, the delegated authority, and the audit authority may enter into an interdepartmental agreement.

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

(1) The functions of the managing authority specified in conformity with Article 71(1) of Regulation No 2021/1060 shall be fulfilled by the Ministry of the Interior.

(2) The managing authority has the following obligations:

1) to ensure efficient management of funds;

2) to establish a performance framework for a fund programme in accordance with Article 16 of Regulation No 2021/1060;

3) to ensure the development and submission of a fund programme for approval to the European Commission in accordance with Article 21(1) and (2) of Regulation No 2021/1060;

4) to establish the monitoring committee in accordance with Article 38(1) of Regulation No 2021/1060;

5) to organise performance review meetings for a fund programme in accordance with Article 41(1) and (2) of Regulation No 2021/1060;

6) to electronically transmit cumulative data to the European Commission and to publish them on the website referred to in Clause 8 of this Paragraph in accordance with Article 42 of Regulation No 2021/1060;

7) to develop an evaluation plan and to evaluate a fund programme in accordance with Article 44 of Regulation No 2021/1060;

8) to carry out the responsibilities specified in Article 49 of Regulation No 2021/1060, including to ensure establishment of a website in accordance with Article 49(1) of Regulation No 2021/1060;

9) to develop the procedures referred to in Article 69(6) of Regulation No 2021/1060 in conformity with the competence thereof;

10) to ensure operation of the electronic data exchange information system in accordance with Article 69(8) of Regulation No 2021/1060;

11) to ensure entry of data in the electronic data exchange information system established by the European Commission on regular basis in accordance with Article 69(9) of Regulation No 2021/1060;

12) to submit forecasts of the amount for fund payment applications to be submitted for the current and subsequent calendar year in accordance with Article 69(10) of Regulation No 2021/1060;

13) to develop the description of the fund management and control system and submit it to the audit authority in accordance with Article 69(11) of Regulation No 2021/1060;

14) to report on irregularities in the operation of funds in accordance with Article 69(12) of Regulation No 2021/1060;

15) to carry out supervision of the fulfilment of the functions of the delegated authority in accordance with Article 72(1)(d) of Regulation No 2021/1060;

16) to ensure technical support management of funds and the efficiency thereof;

17) in accordance with Article 72(1)(a) of Regulation No 2021/1060, to develop the project application selection methodology and, on the basis of Article 40(2)(a) of Regulation No 2021/1060, to submit it for approval to the monitoring committee;

18) to develop the strategy for the prevention of fraud and for combating corruption in relation to funds in accordance with Article 72(1)(b) of Regulation No 2021/1060;

19) to implement the function of accounting of funds in accordance with Article 72(3) of Regulation No 2021/1060;

20) to develop and approve a project application form and the annexes thereto;

21) to ensure the selection of project applications;

22) to consult project applicants on the preparation and submission of project applications;

23) to enter into a project contract with a beneficiary;

24) to consult beneficiaries on the project implementation;

25) to ensure monitoring and control of project implementation;

26) to carry out pre-control of the project procurement documentation and progress of the procurement procedure, and also to ensure the examination of eligibility of expenditure made within the scope of projects;

27) to ensure communication with the European Commission on the fund implementation issues;

28) to develop the procedures for the fulfilment of the obligations of the managing authority;

29) to carry out other obligations specified in this Law.

(3) The managing authority has the following rights:

1) to request and receive information from other authorities involved in the management of funds and the beneficiaries which is necessary for the fulfilment of the obligations thereof;

2) to request and obtain direct access to the data included in the State information systems to such extent which is necessary for the fulfilment of the obligations thereof;

3) to temporarily suspend declaration of the expenditure made within the scope of a project to the European Commission.

(4) Having regard to Article 71(4) of Regulation No 2021/1060, the Ministry of the Interior shall ensure that the functions which it performs in accordance with this Law as the managing authority are separated from the other functions thereof.

**Section 9. Delegated Authority, Obligations and Rights Thereof**

(1) The functions of the delegated authority specified in accordance with Article 71(3) of Regulation No 2021/1060 for the implementation of the objective of the Asylum, Migration and Integration Fund – integration of third country nationals – shall be fulfilled by the Ministry of Culture.

(2) The delegated authority has the following obligations:

1) to establish a performance framework for a fund programme in accordance with Article 16 of Regulation No 2021/1060;

2) to participate in the development of the national programme of the Asylum, Migration and Integration Fund;

3) to carry out the responsibilities specified in Article 49 of Regulation No 2021/1060, including to ensure establishment of a website in accordance with Article 49(1) of Regulation No 2021/1060;

4) to publish the cumulative data electronically sent to the European Commission on the website referred to in Clause 3 of this Paragraph;

5) to develop the procedures referred to in Article 69(6) of Regulation No 2021/1060 according to the competence thereof;

6) to ensure entry of data in the electronic data exchange information system in accordance with Article 69(8) of Regulation No 2021/1060;

7) to ensure entry of data of the Asylum, Migration and Integration Fund in the electronic data exchange information system of the European Commission on regular basis in accordance with Article 69(9) of Regulation No 2021/1060;

8) to report on the violations of operation of the Asylum, Migration and Integration Fund in accordance with Article 69(12) of Regulation No 2021/1060;

9) to develop the description of the fund management and control system of the Asylum, Migration and Integration Fund and submit it to the audit authority in accordance with Article 69(11) of Regulation No 2021/1060;

10) in accordance with Article 72(1)(a) of Regulation No 2021/1060, to develop project application selection methodology and, on the basis of Article 40(2)(a) of Regulation No 2021/1060, to submit it for approval to the monitoring committee;

11) to develop and approve a project application form and the annexes thereto;

12) to ensure the selection of project applications;

13) to consult project applicants on the preparation and submission of project applications;

14) to enter into a project contract with a beneficiary;

15) to consult beneficiaries on the project implementation;

16) to ensure monitoring and control of project implementation;

17) to carry out pre-control of the project procurement documentation and progress of the procurement procedure, and also to ensure the examination of eligibility of expenditure made within the scope of projects;

18) to develop the procedures for the fulfilment of the obligations of the delegated authority.

(3) The delegated authority has the following rights:

1) to request and receive information from other authorities involved in the management of the Asylum, Migration and Integration Fund and the beneficiary which is necessary for the fulfilment of the obligations thereof;

2) to request and obtain direct access to the data included in the State information systems to such extent which is necessary for the fulfilment of the obligations thereof.

(4) The delegated authority shall, when fulfilling the obligations specified for it, be under functional subordination of the Minister for the Interior which is implemented in the form of subordination. The Minister for the Interior shall implement the subordination with the intermediation of an authorised official (the head of the managing authority).

(5) In accordance with Article 71(4) of Regulation No 2021/1060, the Ministry of Culture shall ensure that the functions which are performed thereby in accordance with this Law as the delegated authority are separated from the other functions thereof.

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

(1) The functions of the audit authority specified in accordance with Article 71(1) of Regulation No 2021/1060 shall be fulfilled by the Ministry of Finance.

(2) The audit authority has the following obligations:

1) to carry out system audits, audits on operations, and audits of accounts in accordance with Article 77(1) of Regulation No 2021/1060;

2) to prepare and submit to the European Commission an annual audit opinion, annual control report, and system audit reports in accordance with Article 77(3) and (5) of Regulation No 2021/1060;

3) to prepare the strategy for system audit and audit of operations in accordance with Article 78(1) of Regulation No 2021/1060.

(3) The audit authority has the following rights:

1) to request and receive information from other authorities involved in the management of funds and the beneficiaries which is necessary for the fulfilment of the obligations thereof;

2) to request and obtain direct access to the data included in the State information systems to such extent which is necessary for the fulfilment of the obligations thereof.

(4) Having regard to Article 71(4) of Regulation No 2021/1060, the Ministry of Finance shall ensure that the functions which are performed thereby in accordance with this Law as the audit authority are separated from the other functions thereof, including from the functions fulfilled thereby as a beneficiary.

**Section 11. Monitoring Committee and the Composition Thereof**

(1) The composition of the monitoring committee shall be approved by the managing authority in conformity with the provisions of Article 39 of Regulation No 2021/1060.

(2) The monitoring committee shall carry out the obligations specified in Article 40 of Regulation No 2021/1060.

(3) The head of the monitoring committee shall be the head of the managing authority.

(4) In accordance with Article 39(1) of Regulation No 2021/1060, the list of the members of the monitoring committee shall be published on the website referred to in Section 8, Paragraph two, Clause 8 of this Law.

(5) The managing authority shall ensure the fulfilment of the functions of the secretariat of the monitoring committee.

(6) The monitoring committee shall adopt its rules of procedure in accordance with Article 38(2) of Regulation No 2021/1060.

**Section 12. Obligations and Rights of the Beneficiary**

(1) The beneficiary has the following obligations:

1) to ensure project implementation in accordance with the directly applicable legal acts of the European Union, the laws and regulations of the Republic of Latvia, and the project contract;

2) to ensure a separate analytical accounting for expenditure of each project or corresponding accounting code system in respect of all the transactions related to the project;

3) to provide reports and information on the project implementation and to ensure the representatives of the authorities involved in the management of the European Commission and of funds with access to all the originals of the documents related to the project implementation and to the accounting system, and also to the place of implementation of the relevant project;

4) to ensure that the funding allocated for the project is used according to the principle of sound financial management, taking into account the principles of economy, usefulness, and efficiency;

5) to ensure that the expenditures made within the scope of the project are directly related to achievement of the project objectives and conform to the conditions for the use of the funding allocated for the project implementation;

6) to inform the managing authority or delegated authority immediately of any changes and circumstances that may negatively affect the project implementation;

7) to ensure retention and sustainability of the project results, and also keeping of audit certificates, taking into account the conditions and time periods specified in the project contract;

8) to ensure the accumulation of the data and information in relation to the implemented projects necessary for the assessment of investments.

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

1) to receive funding if the project is implemented in accordance with the directly applicable legal acts of the European Union, the laws and regulations of the Republic of Latvia, and the project contract;

2) to attract and implement the project together with a cooperation partner having regard to the provisions laid down in accordance with Section 13, Clause 1 of this Law;

3) to receive the information necessary for the project implementation from the authorities involved in the management of funds.

**Section 13. Competence of the Cabinet in Ensuring the Management of Funds**

In order to ensure the management of funds, the Cabinet shall determine:

1) the procedures for ensuring introduction of funds by the authorities involved in the management of funds, including the development of planning documents, the project application selection, the content of the project application selection regulations, the procedures for the development of the project application evaluation criteria and the methodology for the application thereof, the requirements for project applicants, the procedures for the evaluation of the conformity of a project application with the conditions for the refusal of project applications referred to in Section 15 of this Law, the content of a project contract and the procedures for entering into thereof, and also the conditions for the attraction of project cooperation partners;

2) the requirements for the establishment of the management and control system of funds;

3) the procedures for the implementation of technical assistance of funds;

4) the procedures for the planning of resources in the State budget for project implementation and for the making of payments related thereto, and also the conditions and procedures for the project financing;

5) the conditions for eligibility of project costs of funds;

6) the procedures by which the non-conformities established in the implementation of funds shall be reported;

7) the procedures for the writing-off, withholding, or recovery of the expenditure made incorrectly;

8) the procedures for the monitoring and evaluation of the introduction of funds;

9) the procedures for the preparation, approval and submission of fund reports to the European Commission;

10) the conditions and procedures for the application of simplified costs;

11) the procedures for the publication of information on projects and ensuring compliance with the requirements of publicity, communication, and visual identity of funds;

12) the procedures for the use of the electronic data exchange information system of the European Commission;

13) the procedures for ensuring the functions of the audit authority in the management of funds;

14) the procedures for the use of the electronic data exchange information system by the authorities involved in the management of funds and the beneficiaries;

15) the procedures by which the managing authority shall carry out the monitoring of the fulfilment of the functions transferred to the delegated authority.

**Chapter III**

**Project Application Selection and Decision-making**

**Section 14. Project Application Selection**

(1) The project application selection may be:

1) open – if equal competition among project applicants takes place for approval of the project application and allocating the funding of funds;

2) restricted – if the range of project applicants is previously known – an institution of direct or indirect administration, a derived public entity, another State institution, or an international organisation. In such case, the monitoring committee shall determine a project applicant which is invited to submit a project application.

(2) The managing authority and the delegated authority shall carry out project application selection in accordance with the evaluation criteria approved by the monitoring committee and, in the case of open project application selection, in accordance with the project application selection regulations.

(3) A notification of a call for open project application selection and an indication to the website on which the open project application selection regulations have been published, and also a notification of extension, discontinuation, or termination of the open project application selection shall be submitted by the managing authority or delegated authority for the publication in the official gazette *Latvijas Vēstnesis*.

(4) A project applicant shall prepare and submit a project application in accordance with the requirements laid down in the project application selection regulations.

**Section 15. Conditions for the Refusal of Project Applications**

(1) The managing authority or delegated authority shall refuse a project application if any of the following conditions is applicable to a project applicant or cooperation partner:

1) a member of the executive board or supervisory board of the project applicant or cooperation partner or a general representative, or a person who is authorised to represent the project applicant or cooperation partner in the activities related to a subsidiary has been found guilty of any of the following criminal offences by such prosecutor’s penal order or a court judgement which has entered into effect and is non-disputable and not subject to appeal:

a) establishment or leading of a criminal organisation, involvement in such organisation or in an organised group included within such organisation, or in another criminal formation, or participation in criminal offences committed by such organisation;

b) accepting of bribes, giving of bribes, misappropriation of a bribe, intermediation in bribery, unauthorised receipt of benefits or commercial bribery, unlawful requesting, receiving, and giving of a benefit, trading with influence;

c) fraud, misappropriation, or money laundering;

d) evading payment of taxes and payments equivalent thereto;

e) terrorism, financing of terrorism, establishment or organisation of a terrorist group, travelling for terrorism purposes, justification of terrorism, invitation to terrorism, terrorism threats, or recruitment and training of a person for the committing acts of terrorism;

f) human trafficking;

2) a project applicant or cooperation partner has been punished for any of the following violations by such decision of the competent authority in the relevant field which has entered into effect:

a) employment of one or several persons if they do not have the necessary work permit or they are not entitled to reside in a European Union Member State;

b) employment of a person without entering into a written employment contract, failing to submit an informative declaration on employees within the time period specified in the laws and regulations in the field of taxes which is to be submitted on persons who commence work;

3) a project applicant or cooperation partner by such a decision of the competent authority in the relevant field which has entered into effect and has become non-disputable and not subject to appeal has been punished for violating the competition rights which manifest as a vertical agreement aimed at restricting the opportunity of a purchaser to determine the resale price, or a horizontal cartel agreement, except for the case when the relevant authority, in determining violation of the competition rights, has released the project applicant or cooperation partner from a fine or has reduced the fine within the scope of the cooperation leniency programme;

4) insolvency proceedings of a project applicant or cooperation partner have been declared, a matter of legal protection proceedings has been initiated, or legal protection proceedings are being implemented, economic activity of a project applicant or cooperation partner has been suspended or discontinued, or a project applicant or cooperation partner is being liquidated;

5) the decision of the managing authority or delegated authority referred to in Section 20 of this Law on the prohibition for participation in the relevant project application selection has entered into effect.

(2) The managing authority shall not exclude a project applicant or cooperation partner from participation in project application selection if:

1) in relation to the criminal offences referred to in Paragraph one, Clause 1 and the violations referred to in Clause 2 of this Section, conviction has been extinguished or set aside until the day of submission of the project application;

2) 12 months have passed from the day of execution of the punishment determined in the decision taken by the competent authority in the relevant field in relation to the violations referred to in Paragraph one, Clause 3 of this Section until the day of submission of the project application.

**Section 16. Types of Decisions of the Managing Authority and the Delegated Authority**

(1) If a project applicant is a legal person or an international organisation, the decision of the managing authority and the delegated authority shall be an administrative act.

(2) If a project applicant is an institution of direct or indirect administration, a derived public entity, or another State institution, the decision of the managing authority or the delegated authority shall not be an administrative act.

(3) The decision referred to in Paragraph two of this Section shall be issued in writing and it shall have the following parts:

1) the name and address of the managing authority or delegated authority;

2) the addressee – the project applicant;

3) the determination of facts;

4) the justification of the decision;

5) a separate list of the legal norms applied;

6) the rights assigned to the addressee and the rights rejected;

7) the conditions (if applicable);

8) the procedures for contesting a decision of the delegated authority.

**Section 17. Approval of a Project Application, Approval with a Condition, or Refusal in Open Project Application Selection**

(1) The managing authority or delegated authority shall, on the basis of the opinion provided by the project application evaluation committee, take the decision to approve, to approve with a condition, or to refuse a project application.

(2) The decision to approve the project application shall be taken if all of the following requirements are met:

1) the project application meets the project application evaluation criteria;

2) none of the conditions for refusal of project applications referred to in Section 15 of this Law is applicable to the project applicant;

3) funding is available for the project implementation within the scope of the project application selection.

(3) The decision to approve the project application with a condition shall be taken if conditions have been brought forward for the project applicant and it is necessary to clarify the project application in order for it to meet the project application evaluation criteria and the project could be implemented appropriately. Conditions shall be included in the decision and the performance thereof shall be controlled, taking into account the project application selection regulations. If any of the conditions laid down in the decision are not fulfilled or are not fulfilled within the time period specified in the decision or if the project application does not meet the project application evaluation criteria due to the information submitted by the project applicant, the project application shall be regarded as refused.

(4) The decision to refuse the project application shall be taken if at least one of the following conditions has set in:

1) the project application fails to meet the project application evaluation criteria;

2) at least one of the conditions for refusal of project applications referred to in Section 15 of this Law is applicable to the project applicant;

3) the funding available within the scope of the project application selection is not sufficient;

4) the project applicant has created artificial conditions or provided information not corresponding to the factual circumstances in order to gain advantages over other project applicants or for the managing authority or delegated authority to take a favourable decision for the project applicant.

(5) If the project application has been submitted after the end date for the submission of project applications, it is not assessed. The managing authority or delegated authority shall inform the project applicant thereof. If acceptance of the project application is rejected due to the reasons referred to in this Paragraph and the project applicant appeals the rejection to the court, the court judgment of the District Administrative Court on the relevant issue is not subject to appeal.

**Section 18. Approval of a Project Application, Approval with a Condition, or Refusal in Restricted Project Application Selection**

(1) The managing authority or delegated authority shall, on the basis of the opinion provided by the project application evaluation committee, take the decision to approve, to approve with a condition, or to refuse a project application.

(2) The decision to approve a project application shall be taken if the project application meets the project application evaluation criteria.

(3) The decision to approve the project application with a condition shall be taken if conditions have been brought forward for the project applicant and it is necessary to clarify the project application in order for it to meet the project application evaluation criteria and the project could be implemented appropriately. Conditions shall be included in the decision and the performance thereof shall be controlled, taking into account the project application selection regulations.

(4) The decision to refuse the project application shall be taken if it does not meet the project application evaluation criteria.

**Section 19. Deadlines for Taking a Decision**

(1) The managing authority or delegated authority shall take the decision to approve a project application and to enter into a project contract, to approve with a condition, or to refuse it within three months after the end of the time period for the submission of project applications specified in the relevant project application selection.

(2) If, due to objective reasons, the time period specified in Paragraph one of this Section cannot be conformed to, the managing authority or delegated authority may extend it for a time period not exceeding six months after the end of the time period for the submission of project applications, notifying the project applicant thereof. The decision to extend the time period may be contested in the managing authority, however is not subject to appeal.

**Section 20. Decision on Prohibition to Participate Temporarily in Project Application Selection**

The managing authority or delegated authority is entitled to take the decision to determine prohibition for a legal person or a person who is a member of the executive board or supervisory board or a general representative of the relevant legal person, or a person who is authorised to represent the project applicant in activities related to its branch, to participate in project application selection for a time period which does not exceed three years from the day of entering into effect of the decision if such person:

1) has knowingly provided false information that has significantly affected the evaluation of the project application;

2) when implementing a project, has knowingly provided false information to the managing authority or delegated authority or has acted otherwise ill-intentioned in relation to the project implementation which has served as the basis for deduction or recovery of expenditure made inappropriately, and the managing authority or delegated authority has exercised the right to withdraw unilaterally from the project contract;

3) has created artificial circumstances or knowingly provided information not corresponding to the factual circumstances in order to gain advantages over other project applicants or for the managing authority or delegated authority to take a favourable decision for it.

**Section 21. Contesting and Appealing of a Decision of the Managing Authority or Delegated Authority**

(1) A project applicant may contest the decision referred to in Section 17, 18, or 20 of this Law by submitting a submission to the managing authority within one month from the day of entering into effect of the relevant decision. The administrative act issued by the managing authority on the decision of the delegated authority may be appealed by submitting a submission to the relevant courthouse of the District Administrative Court. The decision of the managing authority or delegated authority referred to in Section 16, Paragraph two of this Law is not subject to appeal.

(2) The opinion on fulfilment of the condition included in the decision on the approval of the project application with a condition referred to in Section 17, Paragraph three and Section 18, Paragraph three of this Law shall be contested and appealed in accordance with the same procedures and within the same time periods as the decision on the fulfilment of the condition included wherein the opinion has been prepared.

(3) When appealing the decision, the project applicant may request in a court only recognition of such decision to be unlawful, but cannot request issue of a favourable administrative act.

**Section 22. Clarification of a Project Application**

In an open project application selection, a project application may not be clarified after its submission and until taking a decision to approve it, approve with a condition, or to refuse it.

**Chapter IV**

**Procedures for the Settlement of Disputes on Project Implementation**

**Section 23. Procedures for the Settlement of Disputes if the Beneficiary is a Legal Person or International Organisation**

If the beneficiary is a legal person or international organisation, the disputes related to the performance of a project contract, including disbursement of the financial resources allocated, continuation or recovery of disbursements, shall be settled according to civil legal procedures.

**Section 24. Procedures for the Settlement of Disputes if the Beneficiary is an Institution of Direct or Indirect Administration, Derived Public Entity, or Another State Institution**

(1) If, during the performance of the agreement on project implementation, disagreements arise between a beneficiary which is an institution of direct or indirect administration, a derived public entity, or another State institution and the delegated authority on the decision taken thereby within the scope of the agreement in relation to the disbursement of the allocated financial resources or continuation of disbursement, or another decision and an agreement has not been reached through negotiations, the beneficiary may contest it by submitting a relevant submission to the managing authority.

(2) The managing authority shall evaluate the submission of the beneficiary referred to in Paragraph one of this Section and take one of the following decisions within a month after the day of receipt of the submission:

1) to leave the decision of the delegated authority without amendments;

2) to revoke the decision of the delegated authority entirely or in any part thereof and, where appropriate, to assign the delegated authority to re-examine objections of the beneficiary, taking into account the instructions of the managing authority;

3) to issue a decision that is different in terms of content.

(3) If the time period specified in Paragraph two of this Section cannot be conformed to due to objective reasons, the managing authority may extend it for a time limit that is necessary for the receipt and evaluation of additional information, notifying the applicant thereof.

(4) The managing authority shall obtain information that is necessary for taking the decision referred to in Paragraph two of this Section in accordance with the procedures laid down in the Administrative Procedure Law.

(5) If,during the performance of the agreement on project implementation, disagreements arise between a beneficiary which is an institution of direct or indirect administration, a derived public entity, or another State institution and the managing authority on the decision taken thereby within the scope of the agreement in relation to the disbursement of the allocated financial resources or continuation of disbursement, or another decision, the parties shall settle the situation by mutual agreement. If agreement is not reached, the decision taken by the managing authority is not subject to appeal.

**Section 25. Time Period for Providing Objections in a Dispute on the Financial Resources Allocated**

If a dispute applies to the disbursement, continuation of disbursement, or recovery of the financial resources allocated, the beneficiary may submit objections to the managing authority or delegated authority within one month from the day of entering into effect of the decision of the relevant authority. After receipt of a reasoned request from the beneficiary or due to other objective circumstances, the managing authority or delegated authority may extend the abovementioned time period.

**Chapter V**

**Availability of Information and Eligibility of Costs**

**Section 26. Rights to Become Acquainted with a Project File**

(1) A project applicant is entitled to become acquainted with the evaluation materials of the project application submitted only after a decision to approve, to approve with a condition, or to refuse the project application has entered into effect.

(2) The managing authority or delegated authority shall provide the information referred to in Paragraph one of this Section within 10 working days after receipt of the request or shall invite the project applicant to become acquainted with the requested information on mutually acceptable time at the relevant authority within five working days after receipt of the request.

**Section 27. Freedom of Information**

(1) A project file shall be restricted access information until the time when the decision to approve or refuse a project application or the opinion on the fulfilment of the conditions included in the decision to approve a project application with a condition has entered into effect. After entering into effect of the abovementioned decision or opinion, the project file shall be available in the amount and in accordance with the procedures laid down in Article 49 of Regulation No 2021/1060, and also in other laws and regulations on issue of information, data processing and protection.

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

1) the beneficiary (name and legal address);

2) the name of the project;

3) the amount of the financing allocated;

4) the activity provided for in the planning document within the framework of which the fund financing has been allocated;

5) the place of the project implementation;

6) a summary of the activities to be carried out within the scope of the project.

(3) The information referred to in Paragraph one of this Section shall be available in the amount and in accordance with the procedures laid down in the Freedom of Information Law, except for the case when the availability of information is restricted due to its confidential nature, especially in relation to security, public order, criminal proceedings, or personal data protection.

**Section 28. Eligibility Period for Costs Incurred in the Project**

In accordance with Article 63(2) of Regulation No 2021/1060, project costs shall be eligible if they have incurred and have been paid during the time period from 1 January 2021 until 31 December 2029.

**Transitional Provisions**

1. The Cabinet shall, by 31 August 2022, issue the regulations referred to in Section 6 and Section 13, Clauses 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 15 of this Law.

2. The Cabinet shall, by 31 December 2022, issue the regulations referred to in Section 13, Clause 14 of this Law.

3. Section 8, Paragraph two, Clause 10 and Section 9, Paragraph two, Clause 6 of this Law shall be applied starting from 1 January 2023.

**Informative Reference to European Union Directive**

The Law contains legal norms arising from Directive 2009/52/EC of the European Parliament and of the Council of 18 June 2009 providing for minimum standards on sanctions and measures against employers of illegally staying third-country nationals.

The *Saeima* has adopted this Law on 9 June 2022.

President E. Levits

Adopted 15 June 2022