**Project Application Selection Rules for the Call for Project Proposals of the Small Grant Scheme “Support for business ideas in Latgale” of the European Economic Area Financial Mechanism 2014-2021 period programme Local Development, Poverty Reduction and Cultural Cooperation**

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| Grant Scheme | The Call of Project Proposals of the Small Grant Scheme "Support for Business Ideas in Latgale" of the European Economic Area Financial Mechanism 2014-2021 programme Local Development, Poverty Reduction and Cultural Cooperation |
| The Cabinet Regulation regulating the implementation of the Grant Scheme | The Cabinet Regulation No 66 of 28 January 2021 “Regulations for the Implementation of the Call for Project Proposals of the Small Grant Scheme "Support for Business Ideas in Latgale" of the European Economic Area Financial Mechanism 2014-2021 programme Local Development, Poverty Reduction and Cultural Cooperation” (hereinafter - the GS Cabinet Regulations) |
| Grant Scheme Operator | Latgale Planning Region |
| Type of the selection of the Grant Scheme project applications | Open Call |
| Title of the Grant Scheme call | **Support for the Business Ideas in Latgale** |
| Financial conditions of the Grant Scheme | The co-financing of the Programme available under the Grant Scheme is EUR 540,000, which consists of 85% or EUR 459,000 of the grant of the European Economic Area Financial Mechanism and of 15% or EUR 81,000 of the national co-financing of the Program.  The co-financing of one supported Grant Scheme Project Programme:   * minimum: EUR 5 000 * maximum: EUR 10 000   The co-financing support intensity of the Programme does not exceed 55% of the total eligible costs of the Project. |
| Deadline for submission of the Project Applications for the open call of the Grant Scheme | Start date of submission of the Project Applications: 17 June 2021.  Deadline of submission of the Project Applications: 21 September 2021 |
| Type of submission of the Project Applications for the open call of the Grant Scheme | Only in the form of an electronically signed document, sending it to the e-mail: [eeagrants@lpr.gov.lv](mailto:eeagrants@lpr.gov.lv) |
| Contact information for questions: | Only by sending questions to e-mail: [eeagrants@lpr.gov.lv](mailto:eeagrants@lpr.gov.lv) |

**I General Issues**

1. Rules (hereinafter – Rules) for the Selection of Project Applications of the Open Project Application Call of the Small Grant Scheme "Support for Business Ideas in Latgale" (hereinafter - GS) of the European Economic Area (hereinafter - EEA) Financial Mechanism (hereinafter - FM) 2014-2021 programme Local Development, Poverty Reduction and Cultural Cooperation (hereinafter - Programme) determines the procedure by which the Latgale Planning Region (hereinafter - LPR) as a GS Operator organizes and implements an open call for the selection of GS project applications (hereinafter - Open Call), in accordance with:
   1. Law on the Management of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism for 2014-2021 (hereinafter – the Management Law);
   2. Cabinet Regulation No. 683 of 16 November 2018 "Regulations for the management of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism for 2014-2021" (hereinafter – the Management Regulation);
   3. Cabinet Regulation No. 66 of 28 January 2021 “Regulations for the Implementation of the Call for Project Proposals of the Small Grant Scheme “Support for the Business Ideas in Latgale” of the European Economic Area Financial Mechanisms 2014-2021 Programme “Local Development, Poverty Reduction and Cultural Cooperation” (hereinafter – the GS Cabinet Regulation);
   4. The conditions included in the agreement signed on 21 May 2020 between the Ministry of Finance of the Republic of Latvia and the Financial Mechanism Committee established by Iceland, Liechtenstein and Norway on the implementation of the Programme (hereinafter - the Programme Agreement).
2. The Programme aims to strengthen social and economic cohesion. The purpose of the GS is to promote employment in the Latgale Region by supporting the entrepreneurs in the implementation of new ideas.
3. Implementation of new ideas means investments that are planned:
   1. for the creation of new products or services;
   2. for the improvement of existing products, a significant increase in production capacity or a significant change in the production processes;
   3. for improving the efficiency of the existing services.
4. By the implementation of the GS open call projects in the Programme, it is planned to achieve the following investments of result and outcome indicators in the objective of the Programme[[1]](#footnote-2):

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| --- | --- | --- | --- |
|  | Description | Indicators | Outcome |
| Result 1  (PJ10) | **Strengthened economic development at the local and regional level** | Number of supported businesses with increased operational capacity | 40 |
|  |  | **Number of new products/ services developed** | 40 |
|  |  | **Number of jobs created (in breakdown by gender, age)** | 40 |

1. The Project Applicant of the Grant Scheme may ask questions about the open call and the preparation of the Project Application by sending them electronically to the e-mail [eeagrants@lpr.gov.lv](mailto:eeagrants@lpr.gov.lv).
2. The GS Operator shall provide answers to the received questions electronically within three working days from the receipt of the question, but not later than one working day before the deadline for submission of Project Applications. The GS Operator shall publish the more frequently asked questions and answers on the single website www.eeagrants.lv in the section “Regional Development and Culture” and republish on its website [www.lpr.gov.lv.](http://www.lpr.gov.lv)

**II Requirements for Grant Scheme Project Applicants and Project Partners**

1. Pursuant to the provisions of Paragraph 13 of the GS Cabinet Regulation, the GS Project Applicant shall be:
   1. any natural person who has registered as a person conducting business pursuant to the Law On State Social Insurance and conducts business in the Latgale region, as well as a sole proprietor or a legal person conducting business at a registered office or a structural unit registered with the State Revenue Service, which is located in the Latgale Region, if the support applicant complies with the status of a micro-enterprise or small enterprise pursuant to the following conditions:
      1. - the micro-enterprise is established in Latvia, and the number of employees at the time of submission of the Project Application and during the implementation of the Project does not exceed five, and its turnover in a calendar year does not exceed EUR 40,000;
      2. - the small enterprise is established in Latvia, and the number of employees at the time of submission of the Project Application and during the implementation of the Project does not exceed 20, and its turnover in a calendar year does not exceed EUR 1,000,000;
      3. - the share capital of a micro or small enterprise has at least 75 percent of the private capital shares.
   2. In accordance with Paragraph 14 of the GS Cabinet Regulation, when determining a number of employees and turnover of the Project Applicant, the affiliates of the Project Applicant shall also be taken into account, by establishing the group of affiliates of the Project Applicant pursuant to Annex 1 to the Commission Regulation No [651/2014](http://eur-lex.europa.eu/eli/reg/2014/651/oj/?locale=LV) of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (Official Journal of the European Union, 26 June 2014, No L 187).
2. The Project Applicant shall implement the Project alone or together with one or more project partners, who are involved only in training activities for the implementation of the supported activity referred to in Subparagraph 8.3 of the GS Cabinet Regulation and Subparagraph 15.3 of this Rules, in compliance with the conditions referred to in Subparagraph 10.4 of the GS Cabinet Regulation. According to Paragraph 16 of the GS Cabinet Regulation, the Project Partner may be:
   1. an institution of direct administration of the Republic of Latvia or a derived public person or an institution thereof;
   2. an association, foundation or a merchant registered in the Republic of Latvia;
   3. any public or private body, commercial or non-commercial, as well as non-governmental sector organisation in the donor countries and in the beneficiary countries of the European Economic Area financial mechanism (Bulgaria, the Czech Republic, Greece, Croatia, Estonia, Cyprus, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia and Hungary) or outside the European Economic Area, if it shares a border with the Republic of Latvia, or any international organization or its agency.
3. The Project Applicant may apply for co-financing within the framework of an open call in accordance with the provisions of Paragraph 17 of the GS Cabinet Regulation. The project application cannot be submitted in the activities and sectors specified in Paragraph 18 of the GS Cabinet Regulation.
4. According to information referred to in Paragraph 21 of the GS Cabinet Regulation, the support shall be provided pursuant to the Commission Regulation No. 1407/2013 and the laws and regulations regarding the procedure for recording and granting of *de minimis* support.
5. Pursuant to Paragraph 22 of the GS Cabinet Regulation, *de minimis* support shall be provided in compliance with the following conditions:
   1. the amount of support granted to the Beneficiary of the Co-Financing at the level of one single undertaking pursuant to the definition of a single undertaking referred to in Article 2(2) of the Commission Regulation No 1407/2013, together with the de minimis support granted in the fiscal year concerned and in the previous two fiscal years, may not exceed the maximum amount of de minimis support provided for in Article 3(2) of the Commission Regulation No [1407/2013](http://eur-lex.europa.eu/eli/reg/2013/1407/oj/?locale=LV);
   2. taking into account Article 5(1) and (2) of the Commission Regulation No 1407/2013, de minimis support may be cumulated with other de minimis support until the limit values set forth in Article 3(2) of the Commission Regulation 1407/2013 or other de minimis regulations and may be cumulated with other State support in relation to the same eligible costs or other State support for the same risk finance measure, if the maximum support intensity or the amount of support set forth in another State support programme or decision of the European Commission is not being exceeded. Where support is cumulated with the State support in the form of direct financial instruments for the same eligible costs, the Beneficiary of the Co-Financing shall provide the GS Operator with information on the planned and granted support for the same eligible costs, indicating the date of the granted support, the support measure, amount of support granted;
   3. if the Beneficiary of the Co-Financing also operates in the sectors referred Article 1(1)(a) (b) or (c) of the Commission Regulation No 1407/2013, it shall ensure the segregation of activities or costs in those sectors pursuant to Article 1(2) of the Commission Regulation No 1407/2013;
   4. in the case of a merger, acquisition or division of economic operators, the conditions referred to in Article 3(8) and (9) of the Commission Regulation No [1407/2013](http://eur-lex.europa.eu/eli/reg/2013/1407/oj/?locale=LV) shall be taken into account;
   5. the GS Operator shall take a decision on the granting support until the expiration of the Commission Regulation No 1407/2013;
   6. the moment of granting de minimis support shall be the day when the GS Operator makes a decision regarding the approval of the Project Application or issues an opinion regarding the fulfilment of the conditions set forth in the decision, if a decision regarding the conditional approval of the Project Application has been previously made;
   7. if the de minimis support granting requirements referred to in this Rules are violated, the Beneficiary of the Co-Financing shall reimburse to the GS Operator all the de minimis support illegally acquired under the Project together with interest, the rate of which is published by the European Commission pursuant to Article 10 of the Commission Regulation 794/2004 of 21 April 2004 implementing Council Regulation 2015/1589` laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union (hereinafter - the Commission Regulation No 794/2004), plus 100 basis points, from the date on which the illegal de minimis support was paid to the Beneficiary of Co-Financing, until the date of its recovery, pursuant to the method for applying the interest rate laid down in Article 11 of the Regulation No 794/2004.
6. The Project Applicant, a member of its board or council, a beneficial owner, a person entitled to be representative or a procurator, or a person authorized to represent the Project Applicant in activities related to the branch, as well as the Project Partner (and its relevant officials) may not be subjected to sanctions pursuant to Section 11.2 of the International and Latvian National Sanctions Law.

**III Eligible Activities and Eligible Costs**

1. The projects in which a new idea is implemented and at least one new job is created in the Latgale Region shall be supported within the framework of the GS.
2. According to the provisions of Paragraph 6 of the GS Cabinet Regulation, a new job created is:
   1. an employment agreement has been entered into with the employee, in which the regular working hours have been determined, and the mandatory state social insurance contributions are paid for such an employee for at least one year after the creation of the workplace;
   2. two or more workplaces for the performance of seasonal work, if the number of hours worked in them corresponds to the normal working hours of a calendar year, and the mandatory state social insurance contributions have been paid for them.
3. The project activities to be supported by GS are specified in Paragraph 8 of the GS Cabinet Regulation:
   1. investments planned in the production of products:
      1. for increase in production capacity, i.e. as a result of the project implementation at least one product currently in production is produced / offered in a larger quantity compared to the production capacity indicators before the submission of the project application;
      2. for diversification of products with the products that have not been previously produced within the framework of the existing business;
      3. for significant change in production processes, i.e. improvements leading to changes in the product specification, its components, materials, design, packaging, user-friendliness, etc ;
   2. investments planned in the provision of services:
      1. for efficiency gain;
      2. for diversification of services with services that have not been previously provided within the framework of the existing business;
   3. increasing the employee productivity.
4. In accordance with Paragraph 9 of the GS Cabinet Regulation, the minimum allowed Programme co-financing for one supported GS Project is EUR 5,000, while the maximum allowed Programme co-financing is EUR 10,000, and the aid intensity does not exceed 55% of the total eligible costs of the project.
5. The conditions of the eligible costs of the GS project are specified in Paragraphs 10, 11 of the GS Cabinet Regulation. Costs that are not eligible within the GS project are specified in Paragraph 12 of the GS Cabinet Regulation.
6. The project implementation term and, accordingly, the cost eligibility period is from the moment of concluding the agreement between the GS Operator and the Beneficiary of the Co-Financing and may not exceed the term specified in the project agreement, as well as cannot be longer than 30 April 2024:
   1. If the implementation of the Project has started before the conclusion of the said agreement, all Project costs shall be ineligible. The Project Applicant is entitled to start procurements only after harmonisation of the procurement plan with the GS Operator.
   2. The Project implementation term shall not be longer than 12 (twelve) months from the conclusion of the agreement with the GS Operator, except for Article 18.3 of this Rules.
   3. The project implementation term shall not exceed 24 (twenty-four) months from the conclusion of the agreement with the GS Operator, if the project eligible costs include the part of software and fixed assets purchased and depreciated during the project, corresponding to the project cost eligibility period and actual use, in accordance with the provisions of Subparagraph 10.2 of the GS Cabinet Regulation.

**IV Submission of Project Applications**

1. The Project Applicant shall prepare and submit the Project Application only in the form of an electronic document, signing it with a secure electronic signature containing a time stamp, by using electronic mail and sending it to e-mail address: [eeagrants@lpr.gov.lv](mailto:eeagrants@lpr.gov.lv). In the "Subject" area of the e-mail must be specified "GS open call. Do not open before starting the evaluation ”. The Project Applicant shall receive a notification of the receipt of e-mail, but opening of the Project Application and verification of the identity and validity of the electronic signature shall be performed only after the deadline for submission of Project Applications.
2. The Project Application shall be submitted by the deadline for submission of Project Applications set forth in this Rules, i.e. by 23:59 of 21st of September 2021. The time when the Project Application has been received in the e-mail referred to in Paragraph 19 of this Rules shall be considered as the moment of the Project submission. If the Project Application is submitted after the deadline for submission of Project Applications, it shall not be evaluated, and the Project Applicant shall receive a notification from the GS Operator about the refusal to evaluate the Project Application.
3. When submitting a Project Application, it should be noted that:
   1. the file containing the Project Application and its attachments must be placed in a password-protected archive (\*.zip; \*.7z, etc.) and encrypted with the AES-256 algorithm. After the deadline for submission of the Project Application, the Project Applicant shall send a password to the GS Operator for opening the Project Application, pursuant to the procedure set forth in Paragraph 29.1 of this Rules;
   2. The maximum amount of e-mail data with attachments shall not exceed 50 MB. If the amount of data in the e-mail message and the attached file containing the Project Application and its attachments exceeds the maximum allowed amount, certain Project Application attachments (except for the detailed project budget) may be sent in an additional e-mail pursuant to Paragraph 22 of this Rules;
   3. the Project Application form and annexes must be designed so that they can be opened with standard computer software. If a specific computer program is required to read a file that is not available to the GS Operator, the information contained in that file shall not be evaluated.
4. The Project Applicant shall fill in the Project Application Form referred to in Paragraph 23 of these Rules in accordance with Annex 2 to these Rules.
5. The Project Application consists of the Project Application Form (in accordance with Annex 1 to this Rules), annexes thereto and additional documentation to be submitted. The annexes of the Project Application and additional documentation to be submitted shall be:
   1. "The form of the information to be submitted for the de minimis support accounting and granting” or the identification number of the applicant form created and approved in the de minimis support accounting system shall be indicated;[[2]](#footnote-3)
   2. Project budget:
   3. cash flow schedule;
   4. a declaration regarding the compliance of the commercial company with the small (micro) or medium-sized commercial company (pursuant to the Cabinet Regulation No. 776 of 16 December 2014 Procedures by which Commercial Companies Declare their Compliance with the Status of Small (Micro) and Medium-Sized Commercial Companies);[[3]](#footnote-4)
   5. a financial operational report (incl. balance sheet, profit or loss statement, explanations to the profit or loss statement items, explanations to the balance sheet items, cash flow statement), which is not older than one month before the date of submission of the Project Application;
   6. a printout of the account turnover of the credit institution of the company or economic operator for the last 12 months;
   7. information on the origin of capital;
   8. power of attorney, internal regulation of the institution or other document certifying the authorization to sign all documents related to the Project Application (submitted if the Project Application is signed by an authorized person);
   9. a statement(s) signed by the Project Partner confirming the readiness to participate in the Project and conclude a partnership agreement, if the Project Application is approved (if applicable).
6. The project application is submitted in Latvian (except for the sections of the project application form, the form of which is indicated to be filled in English). The annexes of the Project Application shall be numbered sequentially. In addition to the annexes referred to in this Rules, the Project Applicant may attach other documents that are considered necessary for the qualitative evaluation of the Project Application.
7. If the Project Applicant submits copies of documents, the confirmation of the copy of documents shall be executed in accordance with the Law on Legal Validity of Documents, the Electronic Documents Law and Cabinet Regulation No. 558 of 4 September 2018 “Procedures for Development and Execution of Documents”.
8. Each Project Applicant may submit only one Project Application. If the Project Applicant has submitted several Project Applications, then only one Project Application submitted closest to the Project Application submission deadline shall be evaluated. Consequently, other Project Applications submitted by this Project Application shall be rejected.
9. The Project Application cannot be specified after its submission until the decision is made. If by the end of the Project Application submission deadline the Project Applicant wishes to specify the Project Application, it shall withdraw the previously submitted Project Application and submit the Project Application again. If the Project Applicant wishes to attach additional documents to the submitted Project Application, it shall send them to the e-mail: [eeagrants@lpr.gov.lv](mailto:eeagrants@lpr.gov.lv) by the end of the Project Application submission deadline, indicating a clear reference to the previously submitted Project Application.

**V Procedure for Evaluation of Project Applications**

1. The GS Operator, pursuant to the conditions of Article 17 of the Management Law and Paragraph 4.2 of Annex 2 to the Programme Agreement, shall create a project application Selection Committee (hereinafter - the Selection Committee) consisting of five voting members of the Selection Committee (including the chairperson). The Selection Committee shall respect confidentiality in its work and avoid conflicts of interest. The Selection Committee shall be chaired by the chairman of the Committee, who is the representative of the GS Operator. The representatives of the Ministry of Environmental Protection and Regional Development (hereinafter - the Programme Operator) and the Ministry of Finance (hereinafter - the Managing Authority) may participate in the Selection Committee as observers.
2. The GS Operator after the deadline for submission of Project Applications shall:
   1. send a request to each Project Applicant within two working days, using the communication channels (electronic e-mail address) set forth by the GS Operator, to submit a password for opening the Project Application. If the password is not submitted within the specified time, the Project Application shall not be evaluated;
   2. open the Project Applications received within the specified term, assign them identification numbers and send to the Project Applicant a confirmation regarding the receipt of the Project Application and the identification number assigned to it.
3. The GS Operator shall ensure the evaluation of project applications in accordance with the administrative and conformity assessment criteria specified in the Annex to the GS Cabinet Regulations, as well as verify whether, in accordance with the International and Latvian National Sanctions Law, the Project Applicant, its board or council member, beneficial owner, representative or procurator, or a person authorized to represent the Project Applicant in the activities related to the branch and (if applicable) the project partner(s) or its relevant officials have not been subjected to international or national sanctions or significant sanctions of a member state of the European Union or the North Atlantic Treaty Organization affecting financial and capital market interests.
4. If the Project Application does not meet any of the unspecified administrative or eligibility criteria, the GS Operator shall reject it, indicating substantiated reasons for rejection.
5. If the GS Operator finds that international or national sanctions or significant sanctions of a member state of the European Union or the North Atlantic Treaty Organization affecting financial and capital market interests have been imposed on the Project Applicant or any of its relevant officials, the GS Operator shall reject the Project Application, indicating substantiated reasons for rejection.
6. If the GS Operator finds that international or national sanctions or significant sanctions of a member state of the European Union or the North Atlantic Treaty Organization affecting financial and capital market interests have been imposed on the Project Partner or any of its relevant officials, the GS Operator shall indicate to the Project Applicant that it is necessary to replace or exclude the Project Partner from participation in the Project. If the Project Applicant does not comply with this requirement, the GS Operator shall reject the Project Application.
7. The Selection Committee shall ensure the evaluation of the Project Applications pursuant to the quality evaluation criteria set forth in the Annex to the GS Cabinet Regulation in accordance with the procedure specified in Paragraph 35 of these Rules, pursuant to the evaluation methodology set forth in Annex 2 to this Rules.
8. In order to evaluate the quality evaluation criteria of Project Applications, the Selection Committee invites external independent experts (hereinafter - evaluation experts), which are selected by the GS operator in an open procedure. Evaluation experts respect confidentiality in their work and avoid conflicts of interest. The evaluation of each Project Application according to the quality evaluation criteria is performed by two evaluation experts. If the total number of points awarded by the evaluation experts for all quality criteria differs by more than 30 percent (calculated from the highest number of points awarded), the evaluation of the specific project application according to the quality criteria is performed by the third evaluation expert.
9. Taking into account the total number of points awarded in each Project Application in the quality assessment, secretary of the Selection Committee shall rank the projects in descending order according to the number of points (hereinafter - the List of Projects) and submit it to the Selection Committee for opinion. If several projects have received the same number of points, then the projects that have received a higher number of points in criterion 3.3 shall be given priority. If the same number of points has been received in this criterion, the project that has received a higher number of points in criterion 3.4 shall be given priority.
10. The Selection Committee reviews the List of Projects and decides unanimously. The decision of the Selection Committee is reflected in the opinion of the Selection Committee. The Selection Committee provides an opinion on the approval, conditional approval or rejection of the Project Application.

**VI Decision-Making on the Project Application**

1. Based on the opinion of the Selection Committee, the GS Operator shall issue a decision:

38.1. on approval of the Project Application;

38.2. on conditional approval of the Project Application;

38.3. on the rejection of the Project Application.

1. The GS Operator, based on the opinion provided by the Selection Committee, shall make a decision on the approval, conditional approval or rejection of the Project Application within four months after the deadline for submission of Project Applications. At the same time, on the basis of the information specified in Paragraph 35. of the Rules, the Selection Committee may approve a reserve list (hereinafter - the Reserve List) containing Project Applications that meet the evaluation criteria and have received the highest score in the quality evaluation, but the funding available under the open call is not sufficient to approve these projects. If funding becomes available for the implementation of approved Project Applications and / or concluded Project Agreements, the GS Operator may enter into a Project Agreement with the Project Applicant from the Reserve List. In such a case, the conditions for concluding a Project Agreement and Partnership Agreement set forth in this Rules shall apply.
2. The decision to reject the Project Application shall be made by the GS Operator if the Project Application does not meet any of the unspecified Project Application evaluation criteria or GS does not have access to funding for project implementation.
3. The decision referred to in Subparagraph 38.2 of this Rules regarding the approval of the Project Application with the condition shall be made by the GS Operator, if the Project Application does not comply with any of the Project Application evaluation criteria to be specified.
4. If the GS Operator has made a decision on conditional approval of the Project Application, the Project Applicant must carry out the activities set forth in the decision within one month so that the project application fully complies with the Project Application evaluation criteria, and the Project can be implemented accordingly. The conditions may relate to the specification of the project budget, eliminating calculation errors, specifying costs pursuant to the cost restrictions set forth in the laws and regulations, clarification of implementation time, elimination of contradictory information in the project application, submission of additional explanations confirming compliance with the relevant criteria, etc. The fulfilment of the conditions may not affect the result of the evaluation of the quality criteria of the Project Application.
5. Within one month after the fulfilment of the conditions, i.e. the documents certifying the fulfilment of the conditions and the specified Project Application, the GS Operator shall provide an opinion on the fulfilment of the conditions included in the decision. At the same time, the GS Operator shall verify that the Project Applicant or the Project Partners (if applicable) do not have tax debts totalling more than EUR 150 each individually in the nearest day before the conditions are met (even if the conditions are set for other criteria)*.* If the conditions included in the GS Operator's decision on conditional approval of the Project Application are not met, or if at the time of fulfilment of the condition, the Project Applicant or Project Partner, if applicable, will have identified tax debts totalling more than EUR 150 each, the Project Application shall be rejected.
6. A decision regarding the approval of a Project Application shall be made if it complies with the Project Application evaluation criteria, and funding for the Project implementation is available within the framework of an open call.
7. The GS Operator shall inform the Project Applicant about the decision taken within five working days from the date of the decision by sending the information to the e-mail address indicated in the Project Application of the Beneficiary of the Co-Financing. In accordance with the procedures specified in Section 22, Paragraph 1, Clause 2 of the Management Law, and on the basis of Paragraph 9.4. of the Cabinet Regulation No. 700 of 24 November 2020 “European Economic Area Financial Instrument 2014–2021. General and pre-defined project implementation regulations of the Programme “Local Development, Poverty Reduction and Cultural Cooperation” (hereinafter - Cabinet Regulation No. 700) and Section 76, Paragraph two of the Administrative Procedure Law, the decision of the GS Operator may be contested by submitting an application to the Chairman of the Development Council of the Latgale Planning Region within one month from the day of its notification. An administrative act issued by the Chairman of the Development Council of Latgale Planning Region regarding the contested decision of the GS Operator may be appealed by submitting an application to the relevant courthouse of the Administrative District Court.

**VII Project Agreement and Partnership Agreement**

1. To ensure that the GS financing is not paid to the subjects on the sanction list, prior to entering into the Project Agreement, the GS Operator shall examine whether, pursuant to the Law On International Sanctions and National Sanctions of the Republic of Latvia, the Project Applicant, its board or council member, beneficial owner, representative or a procurator, or a person authorized to represent the Project Applicant in the activities related to the branch and (if applicable) the Project Partner(s) or its relevant officials are not subjected to international or national sanctions or significant sanctions of a member state of the European Union or the North Atlantic Treaty Organization affecting financial and capital market interests.
2. If it is established that international or national sanctions or significant sanctions of a member state of the European Union or the North Atlantic Treaty Organization affecting the financial and capital market interests have been imposed on the Project Applicant or any of its relevant officials, the GS Operator shall not enter into the Project Agreement.
3. If it is established that international or national sanctions or significant sanctions of a member state of the European Union or the North Atlantic Treaty Organization affecting the financial and capital market interests have been imposed on the Project Partner or any of its relevant officials, the GS Operator shall request to replace or exclude the Project Partner from the participation in the Project. If the Project Applicant fails to comply with this request, the GS Operator shall not enter into a Project Agreement.
4. The Project Agreement (Annex 3 to this Rules) shall be entered into not later than within 30 working days from the day when the decision regarding the approval of the Project Application or the opinion regarding the fulfilment of the conditions included in the decision has entered into force.
5. The GS Operator may extend the term for concluding the Project Agreement referred to in Paragraph 49 of this Rules, which in total does not exceed 60 working days from the day when the decision on approval of the Project Application or the opinion on fulfilment of the conditions included in the decision has entered into force.
6. If the Project Applicant does not conclude a Project Agreement within the time limits set forth in Paragraphs 49 and 50 of this Rules, the agreement with the Project Applicant shall not be concluded.
7. Within 10 working days from the day when the decision on approval of the Project Application or an opinion on the fulfilment of the conditions included in the decision has entered into force, the Project Applicant shall submit a draft partnership agreement to the GS Operator for approval. The draft partnership agreement with Latvian partners shall be prepared in Latvian, while the draft partnership agreement with partners from donor countries shall be prepared in English.

**VIII Additional Information**

1. The minimum communication publicity requirements set forth for the Beneficiary of the Co-Financing:
   1. the support of the EEA FM shall be emphasized in any communication activities regarding the Project, the implementation thereof and the results to be achieved;
   2. if the Beneficiary of the Co-Financing has a website or social media account that provides information on the economic activity of the Beneficiary of the Co-Financing, information on the Project to be implemented shall be posted pursuant to the publicity requirements;

53.3 an informative sign shall be placed at the Project implementation site that the Project is implemented with the support of the EEA FM. A full description of the logo usage and publicity guidelines can be found by clicking on the link:

<https://eeagrants.lv/wp-content/uploads/2020/10/EEA_CommunicationAndDesignManual_LV-4.pdf> [[4]](#footnote-5)

1. This Rules and all other issues related to the evaluation of Project Applications shall be considered by the GS Operator and the Project Applicant together with the following documents:

* 1. [Regulations on the Implementation of the European Economic Area Financial Mechanism 2014–2021](https://eeagrants.org/resources/regulation-implementation-eea-grants-2014-2021) with its annexes;
  2. all [guidelines](https://eeagrants.lv/par-grantiem/juridiskais-ietvars/regulejosie-dokumenti/saprasanas-memorandi-starp-latviju-un-donorvalstim/) adopted by donor countries and published on the EEA Financial Mechanism website ( [www.eeagrants.lv](http://www.eeagrants.lv) );
  3. [Law on the Management of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism for the Period 2014-2021](https://likumi.lv/ta/id/298840-eiropas-ekonomikas-zonas-finansu-instrumenta-un-norvegijas-finansu-instrumenta-2014-2021-nbsp-gada-perioda-vadibas-likums);
  4. [the Cabinet Regulation No. 683](https://likumi.lv/ta/id/303045);
  5. [the Cabinet Regulation No. 700](https://likumi.lv/ta/id/319160-eiropas-ekonomikas-zonas-finansu-instrumenta-20142021-gada-perioda-programmas-vieteja-attistiba-nabadzibas-mazinasana-un-kulturas-sadarbiba-visparigie-un-ieprieks-noteikto-projektu-istenosanas-noteikumi?&search=on);
  6. [the GS Cabinet Regulations](https://likumi.lv/ta/id/320620-eiropas-ekonomikas-zonas-finansu-instrumenta-20142021nbspgada-perioda-programmas-vieteja-attistiba-nabadzibas-mazinasana-un-kulturas-sadarbiba-neliela-apjoma-grantu-shemas-atklata-projektu-iesniegumu-konkursa-atbalsts-biznesa-ideju-istenosanai-latgale-istenosanas-noteikumi?&search=on);
  7. [the Cabinet Regulation No. 715 of 21 November 2018 Regulations on the Procedure for Accounting and Granting of De Minimis Support and Model Forms of Accounting of the De Minimis Support](https://likumi.lv/ta/id/303512-noteikumi-par-de-minimis-atbalsta-uzskaites-un-pieskirsanas-kartibu-un-de-minimis-atbalsta-uzskaites-veidlapu-paraugiem);
  8. other valid laws and regulations of the Republic of Latvia, Donor Country and national guidelines related to the implementation of the EEA FM 2014–2021 period programmes;
  9. [Law on Control of Aid for Commercial Activity](https://likumi.lv/ta/id/267199-komercdarbibas-atbalsta-kontroles-likums);
  10. the Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union ([2016/C 262/01](https://eur-lex.europa.eu/legal-content/LV/TXT/?uri=CELEX%3A52016XC0719%2805%29));
  11. [the Commission Regulation No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid](https://eur-lex.europa.eu/eli/reg/2013/1407/oj/?locale=LV).

1. If there is a suspicion of misappropriation of financial mechanisms, conflicts of interest or corruption in the implementation of the EEA FM, please report it to the Financial Instruments Office, the Managing Authority or any other authority responsible for the successful implementation of the EEA FM. For more detailed information on the institutions that can be reported, please refer to the website: <https://eeagrants.lv/zino-par-parkapumiem/>.
2. The GS Operator shall publish these Rules and the documents referred to in Paragraph 23 of these Rules on the unified website www.eeagrants.lv in the section “Regional Development and Culture” and on the GS Operator's website [www.lpr.gov.lv](http://www.lpr.gov.lv) . The Programme Operator republishes the information on the announcement of the open call on the Programme Operator's website [www.varam.gov.lv](http://www.varam.gov.lv)..

**Annexed Documents:**

Annex 1 Project Application Form and its annexes

Annex 2 Methodology for the Assessment of the GS Project Applications

Annex 3 Draft Project Contract

1. <https://likumi.lv/ta/id/306336-par-eiropas-ekonomikas-zonas-finansu-instrumenta-lidzfinansetas-programmas-vieteja-attistiba-nabadzibas-mazinasana-un> [↑](#footnote-ref-2)
2. Paragraph 20 of the Cabinet Regulation No. 715 of 21 November 2018 Regulations on the Procedure for Accounting and Granting of De Minimis Support and Model Forms of Accounting of the De Minimis Support <https://likumi.lv/ta/id/303512#p20> [↑](#footnote-ref-3)
3. Cabinet Regulation No. 776 of 16 December 2014 Procedures by which Commercial Companies Declare their Compliance with the Status of Small (Micro) and Medium-Sized Commercial Companies. <https://likumi.lv/ta/id/271191> [↑](#footnote-ref-4)
4. Communication and Design Handbook EEA and Norwegian Grants 2014–2021 <https://eeagrants.lv/wp-content/uploads/2020/10/EEA_CommunicationAndDesignManual_LV-4.pdf> [↑](#footnote-ref-5)