

CABINET OF MINISTERS OF THE REPUBLIC OF LATVIA

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Regulation No.
(prot. No. __, ____ . §)

Regulations of the Open Tender “Use of Renewable Energy Resources in Household Sector” for Projects Financed by the Climate Change Financial Instrument

Issued pursuant to
Section 10, Paragraph three, Clause 1 of
the Law On Participation of the Republic of Latvia
in the Flexible Mechanisms of the Kyoto Protocol

I. General Provisions

1. These Regulations prescribe the regulations of the open tender "Use of Renewable Energy Resources in Household Sector" (hereinafter – tender) for the projects financed by the climate change financial instrument (hereinafter – financial instrument), evaluation criteria and the procedures for project application, examination, approval and granting of financing.

2. The objective of the tender is the reduction of greenhouse gas emission in the household sector by means of supporting micro generation, which uses renewable energy resources, for providing heat and electricity supply for household needs.

3. The authority responsible for organization of the tender shall be the Ministry of the Environment (hereinafter – responsible authority). Supervision of project implementation shall be performed by State limited liability company “Environmental Investment Fund” (hereinafter – Environmental Investment Fund).

4. The financing of the financial instrument available within the framework of the tender (hereinafter – financing) shall be 11 399 481,00 lats.

5. Activities provided for in the projects approved within the framework of the tender shall be implemented during a period of one year as from signature of the contract, latest until 1 July 2012.

6. The responsible authority shall carry out registration of suppliers of micro generation technological equipment (hereinafter – suppliers) and installation organisations (hereinafter – installation organisations) for establishing a list of suppliers and installation organisations, which shall be placed on the Internet site of the responsible authority (www.vidm.gov.lv). Any applicant, who complies with the following requirements, may participate in the registration:

6.1. as regards suppliers:

6.1.1. the applicant offers at least one type of technological equipment in compliance to Paragraph 18 of these Regulations;

6.1.2. the applicant has certification of technological equipment compliant with requirements of the European Union directives and regulatory enactments of the Republic of Latvia, as well as requirements of CE labelling;

6.1.3. the applicant provides a guarantee term, which is at least two years;

6.2. as regards installation organisations:

6.2.1. the applicant has at least two years experience in the area of installation, guarantee and post-guarantee service of technological equipment and at least five projects have been implemented;

6.2.2. the applicant is registered in the Latvian Construction businesses register or it employs a craftsman of the Latvian Chamber of Crafts or an electrician with the electrical safety group C certification;

6.2.3. the applicant provides post-guarantee service within 36 hours following receipt of a written request;

6.2.4. the applicant has at least one service expert and installation expert certified by the manufacturer of the relevant equipment;

6.2.5. the following conditions do not apply to the applicant:

6.2.5.1. the applicant has been declared as insolvent by a court adjudication, including rehabilitation, legal protection measures;

6.2.5.2. the applicant has been found guilty by a court adjudication that has come into effect regarding violation of the regulatory enactments regulating the relevant sector or violation of environmental protection, competition or employment rights;

6.2.5.3. the applicant has not paid taxes according to the procedure and terms stipulated in regulatory enactments;

6.2.5.4. the applicant has not made social security mandatory payments according to the procedure and terms stipulated in regulatory enactments;

6.3. within 10 working days following the date of announcement of the tender the applicant has submitted a certified application of registration of suppliers and installation organisations (in compliance to Annex 1 to these Regulations) in a printed form, in person or by sending it by mail, or in an electronic form by sending it by electronic mail to the addresses stated in the advertisement of the tender. The responsible authority may announce repeated registration of suppliers and installation organisations.

7. If the submitter of project application (hereinafter – project applicant), who has entered into a contract on implementation of the project with the responsible authority and Environmental Investment Fund (hereinafter – beneficiary) establishes that it is impossible to implement the activities provided for in the project within the defined term, then not later than one month before the expiry of the term provided for in the contract the beneficiary may request the extension of project contract. In this case the beneficiary shall submit to the Environmental Investment Fund an application specifying conditions that hinder implementation of the project contract (for example, delivery term of technological equipment). If the Environmental Investment Fund and the responsible authority recognize the conditions mentioned in the application as substantiated, the beneficiary, the responsible authority and Environmental Investment Fund shall enter into a written agreement on amendments to the project contract extending the project implementation term for a period that is not longer than four months. Amendments to the project contract pertaining to extension thereof may be effectuated only once.

8. The preparation, entering into, amending and termination of project contracts financed by the financial instrument, examination of project implementation reports and the procedures for project implementation control are prescribed in the Cabinet of Ministers Regulations of 25 June 2009 No. 644 “Procedures for Implementation of Projects Financed by the Climate Change Financial Instrument, the Submission and Examination of Reports Thereof”.

9. The project shall be implemented within the territory of the Republic of Latvia.

II. Requirements for Project Applicant

10. The project applicant shall be:

10.1. an owner of a private house, who is a natural person, on whose name a property in the territory of the Republic of Latvia is registered and who owns buildings defined in Sub-paragraph 11.2 of these Regulations;

10.2. a person authorised by apartment owners of an apartment house or an association representing apartment owners of an apartment house, who is a natural person or a legal entity, who acts on behalf of apartment owners of an apartment house, who own buildings defined in Sub-paragraphs 11.2.5., 11.2.6., 11.2.7., 11.2.8. and 11.2.9. of these Regulations.

11. Within the framework of the tender a project may be submitted for:

11.1. buildings where more than 50% of the area is used for the purpose of permanent residence;

11.2. buildings which comply with any of the following classes of buildings, according to regulatory enactments determining the classification of constructions:

11.2.1. garden houses with the total area up to 40 m² (including) (code 11100101);

11.2.2. single family houses and summer cottages with wooden external walls and garden houses with the area above 40 m² (code 11100102);

11.2.3. single family houses and summer cottages with brick or brick-wooden external walls (11100103);

11.2.4. twin, row family houses and individual two-apartment houses (code 11210101);

11.2.5. apartment houses with wooden external walls (code 11000201);

11.2.6. apartment houses with 1-2 floors (code 11000202);

11.2.7. apartment houses with 3-5 floors (code 11000204);

11.2.8. apartment houses with 6-9 floors (code 11000205);

11.2.9. apartment houses with 10 and more floors (code 11000206).

12. Only one project application may be submitted for one and the same building.

13. The financing for implementation of a project may not be applied for, if:

13.1. project applicant has been declared as insolvent by a court adjudication, including rehabilitation, legal protection measures;

13.2. project applicant has been found guilty by a court adjudication that has come into effect regarding violation of the regulatory enactments regulating the relevant sector or violation of environmental protection, competition or employment rights;

13.3. project applicant has not paid taxes according to the procedure and terms stipulated in regulatory enactments (if applicable);

13.4. project applicant has not made state social security mandatory payments according to the procedure and terms stipulated in regulatory enactments (if applicable);

13.5. if a project applicant has come into the situation that from other State aid programmes a claim has been directed against it regarding the recovery of funds in compliance to a preceding decision of the European Commission or managing authorities of the State aid programmes, based upon which the aid is declared illegal and not compatible with the common market;

13.6. for the interests of the project applicant a natural person has committed a criminal offence, which has had an impact upon the financial interests of the Republic of Latvia or the European Union, and means of enforcement have been applied in relation to the project applicant in accordance with the Criminal Law;

13.7. regarding the eligible costs financed by the financial instrument, project applicant has received or intends to receive co-financing within the framework of other financial programmes or individual support projects from other financial instruments, including European Union or foreign financial aid resources.

III. Determination of the Amount of Financing

14. The maximum financing of the financial instrument available for one project applicant shall be:

14.1. for buildings defined in Sub-paragraphs 11.2.1., 11.2.2., 11.2.3. and 11.2.4. of these Regulations – 7 000 lats;

14.2. for buildings defined in Sub-paragraphs 11.2.5., 11.2.6., 11.2.7., 11.2.8. and 11.2.9. of these Regulations – 60 000 lats.

15. Within the framework of the tender the maximally admissible support intensity of the financial instrument shall not exceed 50% from the total eligible costs of a project.

16. If during the course of implementation of the project the total eligible costs of the project exceed financing approved for the project, the difference shall be covered by the financial resources of the project applicant.

IV. Activities to be Supported in the Framework of the Tender, Eligible and Ineligible Costs

17. The following project activities shall be supported within the framework of the tender:

17.1. reconstruction or replacement of thermal energy or electricity production equipment, in the result of which fossil energy resources are replaced by renewable energy resources in compliance to Paragraph 18 of these Regulations;

17.2. acquisition and installation of new thermal energy or electricity production equipment for production of thermal energy or generation of electricity from renewable energy resources in compliance to Paragraph 18 of these Regulations.

18. The following technological equipment shall be supported within the framework of the tender:

18.1. for buildings defined in Sub-paragraphs 11.2.1., 11.2.2., 11.2.3. and 11.2.4. of these Regulations:

18.1.1. solar batteries with the total installed capacity up to and including 10kW;

18.1.2. solar collector systems with the total installed capacity up to and including 25kW;

18.1.3. wind power plants with the total installed capacity up to and including 50 kW;

18.1.4. woodchip or straw, biomass pellet and firewood boilers (the efficiency rate is defined in column 4 of Table 1 of Annex 2 to these Regulations) with the total installed capacity up to and including 50 kW;

18.1.5. energy sources with heat pumps with the total installed capacity up to and including 50 kW (the efficiency rate is defined in column 4 of Table 2 of Annex 2 to these Regulations);

18.1.6. combined use of several types of technological equipment referred to in this Paragraph;

18.2. for buildings defined in Sub-paragraphs 11.2.5., 11.2.6., 11.2.7., 11.2.8. and 11.2.9. of these Regulations:

18.2.1. solar collectors systems with the total installed capacity up to and including 140kW;

18.2.2. biomass pellet boilers (the efficiency rate is defined in column 4 of Table 3 of Annex 2 to these Regulations) with the total installed capacity up to and including 200 kW.

19. Financing shall be granted:

19.1. if the property, where initial investments are made, is owned by the owner of the private house or apartment owners of the apartment house and at least 50% of its area is used for permanent residence;

19.2. for activities, which the project applicant has commenced after entering into the project contract;

19.3. if the project applicant has submitted the project application to the responsible authority within the set term;

19.4. if during the course of assessment of the project application the project applicant has not attempted to obtain any restricted access information at its disposal or to affect the assessment of project applications, including the commission for assessment of project applications, the responsible authority or other officials and experts involved in the tender assessment;

19.5. if the project applicant has received all the permits stipulated in regulatory enactments regulating the area of environment protection or other documents, which are required for commencing construction or installation of technological equipment (if applicable).

20. The following project costs shall be eligible within the framework of the tender in compliance to activities referred to in Paragraph 17 of these Regulations:

20.1. costs for acquisition, installation and adjustment of technological equipment using renewable energy resources (including costs of training for operation of technological equipment), which directly ensure their operation;

20.2. costs of installation of distributed control systems (EU standard EN 50090 for electrical automation systems of buildings, EN 13321-1 automation of buildings);

20.3. costs of construction works directly related to the activities to be supported.

21. The costs shall be deemed eligible, if they:

21.1. comply with the costs referred to in Paragraph 20 of these Regulations, taking into account the restrictions specified in these Regulations;

21.2. are necessary for implementation of the project and have been included in the project application and project contract;

21.3. have been incurred after entering into the project contract, though before the end of the project implementation term;

21.4. have been performed in compliance to requirements on protection of cultural monuments (if applicable).

22. The following costs shall be ineligible within the framework of the tender:

22.1. costs covered within the framework of other financial programmes or individual support projects from other financial instruments, including European Union or foreign financial aid resources;

22.2. costs for examination, drawing up and reservation of a loan, interest payments, penalty interest, payments for money transfers, commission fees, losses due to currency exchange, fees for financial transactions and other direct financial costs;

22.3. costs incurred prior to entering into the project contract or after the end of project implementation term;

22.4. regular maintenance costs of the project applicant;

22.5. costs of purchase of current assets;

22.6. costs for leasing;

22.7. costs for preparation of project application form and other additional documents;

22.9. territory development and greening costs;

22.10. costs of acquisition of radiators and replacement or installation of internal pipeline systems for heating;

22.12. costs, which are not directly related to activities to be supported;

22.13. costs exceeding the amount of eligible costs provided for in the approved project;

22.14. costs of improving efficiency of a heat source, where renewable energy resources were utilised prior to the project implementation, as well as reconstruction of heat production technological equipment using renewable energy resources or replacement thereof by other technological equipment using renewable energy resources;

22.15. payments of value added tax, if they can be recovered in any manner from the State budget;

22.16. other costs, which are not defined as eligible.

23. For building, where it is planned to provide heat supply by means of reconstructing or replacing technological equipment referred to in Paragraph 18 of these Regulations, the calculated heat consumption for heating shall not exceed 130 kWh/m² per year.

24. In case of installing electricity generation technologies their installed capacity shall not exceed 120% of the building consumption capacity.

V. Procedures for Announcement of the Tender

25. The tender shall be announced within 15 working days after coming into force of these Regulations for the whole amount of financing specified in Paragraph 4 of these Regulations.

26. If not all available financing has been utilised in the tender the next stage of the tender shall be announced not later than six months after the implementation of the preceding tender.

27. The responsible authority shall announce the tender by placing an advertisement in the newspaper *Latvijas Vēstnesis*, on the website of the responsible authority (www.vidm.gov.lv) and on the website of the Environmental Investment Fund (www.lvif.gov.lv). The guidelines for preparation of project applications shall be published on the website of the responsible authority on the date of announcing the tender.

28. The title of the tender, the deadline (the date and time) and the place (the address of the responsible authority) and electronic mail address for submission of project applications shall be indicated in the advertisement by the responsible authority.

29. The term for submitting project applications shall be 40 working days as from the date of announcement of the tender. Project applications shall be submitted not earlier than 20 working days after the date of announcement of the tender.

VI. Content of the Project Application and Procedures for Submission Thereof

30. The project application – completed project application form (Annex 3 of these Regulations) and documents to be submitted additionally specified in Paragraph 32 of these Regulations shall be submitted in printed form or in the form of an electronic document. The project application in printed form shall be sent by mail, appending a second original or certified copy of the project application un an identically completed project application form in an electronic form on an electronic data carrier. The project application in the form of an electronic document shall be sent by electronic mail, signed with a secure electronic signature and attested by a time-stamp in compliance to the Law on Electronic Documents.

31. The project applicant shall perform a price survey of offers of at least three suppliers and installation organisations, whose list has been developed in compliance to Paragraph 6 of these Regulations and placed on the website of the responsible authority (www.vidm.gov.lv), in compliance to Sub-paragraph 2.2. of Annex 3 to these Regulations. The project applicant shall select one most suitable offer from the offer of technological equipment by suppliers and installation organisations and describe it in Sub-paragraph 2.3. of Annex 3 to these Regulations.

32. The following documents to be submitted additionally shall be appended to the project application:

32.1. the authorisation contract on the rights to sign of the authorised person of apartment owners of the apartment house, where the list of apartment owners of the apartment house is included (name, surname, Personal ID code, apartment number, signature), if the project applicant is the authorised person of apartment owners of an apartment house;

32.2. the protocol-decision of the association representing apartment owners of the apartment house on implementation of the project, where the percentage proportion of apartment owners of the apartment house, who support submission of the project application for tender, is stated, as well as the total eligible costs of the project and the amount of co-financing of the project applicant, if the project applicant is an association representing house owners of an apartment house.

33. When a project application, which is defined in Paragraph 30 of these Regulations, is submitted, it shall be submitted in two copies, of which one shall be an original and the other shall be either a certified copy of the original or another original. The project application form in an electronic form on an electronic data carrier without documents to be submitted additionally shall be appended to the abovementioned documents.

34. The project applicant, in drawing up the project application, shall observe the following conditions:

34.1. a project application shall be signed by the project applicant;

34.2. a project application shall be prepared and drawn up in accordance with the requirements of the regulatory enactments regulating record keeping on preparing and drawing up of documents;

34.3. project application form shall be prepared, using computer typing in Latvian;

34.4. a project application shall be completed without unstipulated deletions, erasures, block-outs, corrections and additions;

34.5. originals of documents to be submitted additionally or copies thereof certified in compliance to regulatory enactments shall be appended to the project application;

34.6. the currency – lat – shall be used in all calculations of the project application form;

34.7. if a project application is submitted in printed form:

34.7.1. a project application form shall be identical with the project application form appended to the project application in electronic form;

34.7.2. a project application form in electronic form (on an electronic data carrier), developed in *DOC*, *DOCX*, *XLS*, *XLSX*, *JPG* or *PDF* file format shall be appended to the project application;

34.7.3. all pages of the original and copies of the project application shall be numbered;

34.7.4. the original and copies of the project application shall be bound together (sewn together);

34.8. if a project application is submitted in the form of an electronic document:

34.8.1. it shall be drawn up in accordance with the requirements of the regulatory enactments regulating the preparation, drawing up, storage and circulation of electronic documents;

34.8.2. it shall be developed in *DOC*, *DOCX*, *XLS*, *XLSX*, *PDF* or *JPG* file format;

34.8.3. a project application form shall be signed with a secure electronic signature, the originals of the documents to be submitted additionally shall be signed each individually with a secure electronic signature and attested with a time-stamp before the end of the deadline for acceptance of project applications. If the documents to be submitted additionally are copies of documents, they shall be attested with a secure electronic signature of a project applicant and a time-stamp before the end of the deadline for acceptance of project applications.

35. A project applicant shall send the project application to the responsible authority electronically to the e-mail address of the responsible

authority, which was indicated in the tender advertisement, or send it by mail in a sealed package, specifying the following on the envelope:

35.1. the addressee – The Ministry of the Environment of the Republic of Latvia, Peldu iela 25, Riga, LV-1494, Latvia;

35.2. the title of the tender – "Use of Renewable Energy Resources in Household Sector";

35.3. the name and address of the project applicant;

35.4. the instruction "Do not open prior to commencement of assessment".

36. The responsible authority shall examine those project applications, which have been submitted to the responsible authority or have been handed over to a post office (postmark) until the end of the deadline for submission of project applications.

37. The responsible authority shall determine the time of submission of a project application in compliance to the following conditions:

37.1. if a project application is sent by mail the date of dispatch stated in the postmark shall be considered the date of submission thereof. In case of any disagreements the project applicant shall prove the time, when the project application was handed over to the post office;

37.2. if a project application is submitted in the form of an electronic document the moment when the project application is sent by electronic mail shall be considered the time of submission thereof. In case of any disagreements the project applicant shall prove the time, when the project application was sent.

38. If the project application is received after the end of the deadline for submission of project applications, the responsible authority shall inform the project applicant regarding the place and time, when the unopened project application may be received back.

39. The responsible authority shall register the received project applications and assign identification numbers thereto, and within the time period of seven working days after project application submission deadline inform the project applicant in writing about the identification number of its project application.

VII. Assessment of Project Applications and Taking of a Decision Regarding Granting of Financing

40. The responsible authority shall establish a commission for assessment of project applications (hereinafter – assessment commission) for assessment of project applications.

41. The procedures for establishing the assessment commission and the operation thereof shall be prescribed by the by-law of the assessment commission. The composition and by-law of the assessment commission shall be approved by the order of the responsible authority.

42. The assessment commission shall be chaired by a representative of the responsible authority. The assessment commission shall consist of three representatives of the responsible authority, one representative each from the Ministry of Economics and the Ministry of Regional Development and Local Government.

43. The administrative assessment of project applications shall be performed in accordance with the administrative assessment criteria, which are specified in Annex 4 to these Regulations. The conformity with the administrative assessment criteria shall be assessed with a “Yes” or “No” or “NA” (“Yes” – conforms, “No” – does not conform, “NA” – not applicable) according to the sequence in which administrative assessment criteria are listed in Annex 4 to these Regulations. If non-conformity is determined with at least one of these administrative assessment criteria assessment shall not be continued and the responsible authority shall take a decision regarding the refusal of project application.

44. If a project application complies with all the administrative assessment criteria, it shall be forwarded for quality assessment in compliance to the quality assessment criteria defined in Paragraphs 45 and 46 of these Regulations.

45. Quality assessment of a project application shall be performed in compliance to the costs of co-financing of the financial instrument requested for the project per one capacity unit (LVL/kW). The assessment commission shall develop the quality assessment list, where project applications shall be ranked in an ascending order taking into account the abovementioned criterion. Preference shall be given to the project applications with lowest costs of co-financing of the financial instrument requested for the project per one capacity unit.

46. If the following items are equal for several project applications:

46.1. costs of co-financing of the financial instrument requested for the project per one capacity unit, the responsible authority, in adopting the decision on approval of the project application, shall give preference to project applications, where the supplier of technological equipment is also the installation organisation;

46.2 costs of co-financing of the financial instrument requested for the project per one capacity unit, and the supplier of technological equipment is also the installation organisation, the responsible authority, in adopting the decision

on approval of the project application, shall give preference to project applications, where the time of use of technological equipment is the longest.

47. The assessment commission, by inviting independent experts, if necessary, shall verify compliance of the attainable indicators, specified in the project application (Paragraph 2.4 of Annex 3 to these Regulations), with the planned project activities and the submitted technical documentation. In the framework of verification the assessment commission or the invited experts, if necessary, shall inspect the project implementation sites – land plots and the buildings, where it is planned to implement the project activities, and the project applicant shall ensure the experts access thereto.

48. If during the verification it is established that the project applicant has provided false information in the project application or Annexes thereto the responsible authority shall be entitled to take a decision regarding the refusal of project application.

49. The responsible authority shall take a decision on approval of a project application on the basis of the assessment of the assessment commission, if the following conditions are met:

49.1. project application conforms with all administrative assessment criteria;

49.2. sufficient financing in accordance with Paragraph 4. of these Regulations is available for implementation of the project activities provided for in the project application after arranging the project applications in the order specified in Paragraph 45 of these Regulations, taking into account also the conditions of Paragraph 46.

50. The term for project assessment shall be 40 working days from the deadline of project submission. The assessment commission shall be entitled to extend this term, but for a time period not exceeding 20 working days.

51. For the purpose of ensuring implementation of projects in compliance to the requirements of these Regulations, the responsible authority may take a decision regarding the approval of a project application with a condition, which has to be complied with, for the project applicant to be able to enter into the project contract:

51.1. the financial calculations of the project have to be updated;

51.2. costs, which have been defined as ineligible in Paragraph 22 of these Regulations, have to be excluded from the eligible costs of the project;

51.3. additional information has to be submitted, if incomplete information has been included in the project application or if the included information is not clear.

52. The project applicant shall submit clarifications referred to in Paragraph 51 of these Regulations to the responsible authority within 10 working days after the receipt of the decision of the responsible authority on approval of the project with a condition.

53. After the update of the provisions referred to in Paragraph 51 of these Regulations, the assessment of the project application in the point scale shall not be changed, and the amount of financing to be granted for the project shall not be increased.

VIII. Conditions for Entering into and Implementing the Project Contract

54. The responsible authority shall, within 14 working days after taking of a decision regarding the approval of a project application, approval of a project application with conditions or refusal of a project application, send the relevant decision to a project applicant. In case of approval of the project application or the announcement of the responsible authority regarding the execution of conditions referred to in Paragraph 51 of these Regulations, the project applicant shall be invited to enter into the project contract.

55. The project applicant shall, within 20 working days after receipt of the decision from the responsible authority regarding the approval of the project application or the announcement of the responsible authority regarding the execution of conditions referred to in Paragraph 51 of these Regulations, enter into the project contract.

56. If a project applicant does not enter into the project contract within a calendar month from the receipt of the decision of the responsible authority or the announcement of the responsible authority regarding the execution of conditions referred to in Paragraph 51 of these Regulations, the project applicant shall lose the right to enter into the referred to contract.

57. If no project contract is entered into with the project applicant due to the reasons referred to in Paragraph 56 of these Regulations, the responsible authority and Environmental Investment Fund shall enter into the project contract with the project applicant, whose project application follows as the next one in the quality assessment list, if the remaining financing of the financial instrument is sufficient for financing this project in compliance to Paragraph 4 of these Regulations.

58. The project applicant shall, within 10 working days after the receipt of the decision regarding the approval of the project application or the announcement of the responsible authority regarding the execution of conditions

referred to in Paragraph 51 of these Regulations, but not later than entering into the project contract, open an account with a credit institution in order to receive financing, as well as after entering into the project contract perform all payments related to the implementation of the project.

59. Following completion of the activities provided for in the project contract, however, not later than within 20 working days after the expiry of the relevant project contract, the beneficiary shall submit to the Environmental Investment Fund a report regarding project implementation on the whole (hereinafter – final report), which has been prepared in conformity with the form appended to the project contract. Documents attesting performance of the project activities, photos of the place of installation of technological equipment, including technical data of the installed equipment or photo of the model code of the installed equipment, and documents attesting payments, which are provided for in the project contract, shall be appended to the report.

IX. Payments Available to Beneficiary and Procedures for Payments

60. Payment in the amount of 100% of the financing amount of the financial instrument approved for the project shall be available to the beneficiary. No advance payment shall be available for implementation of the project.

61. A beneficiary may receive a payment if:

61.1. the beneficiary has submitted to Environmental Investment Fund the report provided for in Paragraph 59 of these Regulations and Environmental Investment Fund has approved it;

61.2. the beneficiary has submitted to Environmental Investment Fund a payment request which has been prepared in conformity with the form appended to the project contract;

61.3. the beneficiary has appended documents attesting the performance of eligible costs of the project included in the payment request in compliance to the project contract.

62. Payments shall be performed by the responsible authority based upon the statement of the Environmental Investment Fund on the payment request submitted by the beneficiary and attestation on approval of the beneficiary's report.

X. Liability of Beneficiary Regarding Project Results

63. The beneficiary's property, where the activities to be supported within the framework of the tender and defined in Paragraph 17 of these Regulations

were implemented, shall remain in the beneficiary's ownership for at least five years following the project implementation.

64. Technological equipment included in the project application and defined in Paragraph 18 of these Regulations, shall be operated for at least five years following the project implementation.

65. The responsible authority and Environmental Investment Fund shall be entitled to verify the information provided in the report and the project contract by means of inspecting the implementation site of the project during the assessment of the report, as well as five years after the expiry of the project implementation term, and the project applicant shall provide access thereto.

66. If during five years following completion of the project it is established that technological equipment to be supported within the framework of the tender and defined in Paragraph 18 of these Regulations, does not operate on continuous basis or cannot be found, the Environmental Investment Fund shall notify the beneficiary and the responsible authority in writing on all the amount of financing of the financial instrument paid to the beneficiary and to be recovered. The responsible authority shall adopt a decision on recognition of the resources of the financial instrument disbursed for the project as ineligible and on recovery of the resources of the financial instrument.

67. If during a period of five years after the project completion the beneficiary sells its property, where the activities to be supported within the framework of the tender and defined in Paragraph 17 of these Regulations were implemented, the responsible authority shall adopt a decision on recognition of the resources of the financial instrument disbursed for the project as ineligible and on recovery of the resources of the financial instrument.

68. The responsible authority with a justified decision shall be entitled to exclude a supplier or installation organisation, which does not comply with the requirement to provide post-guarantee service, within 36 hours following the receipt of a written request by the beneficiary, from the list of suppliers and installation organisations.

Prime Minister

V.Dombrovskis

Minister of the Environment

R.Vējonis

Approved:
State Secretary

G.Puķītis