

Interreg



Co-funded by
the European Union

Latvia – Lithuania

**Subsidy Contract
for the implementation of the project
project title, acronym, No: XXX**

Interreg VI-A Latvia-Lithuania Programme 2021-2027

Preamble

The following Subsidy Contract (**hereinafter referred to as the Subsidy Contract**) between **the Ministry of Smart Administration and Regional Development of the Republic of Latvia**, having its registered address at:

Peldu street 25,
Riga, LV-1494
Latvia,

represented by [name, position of the signatory and legal document authorizing to sign the Subsidy Contract],

acting as Managing Authority of the Interreg VI-A Latvia-Lithuania Programme 2021 – 2027, **hereinafter referred to as the MA**

and

Name of the Lead partner, having its registered address at:
Address

represented by [name, position of the signatory and legal document authorizing to sign the Subsidy Contract],

hereinafter referred to as LP,

is concluded on the basis of the following legal provisions on implementation and management of the project:

Subject:	[Project title]
Acronym:	[Acronym]
Project ID:	[ID]
Priority:	[The Priority]
Specific objective:	[Specific objective]
Start and end dates of the project:	[dd.mm.yyyy]- [dd.mm.yyyy]
Duration of the project:	[XX months]

hereinafter referred to as the Project.

List of abbreviations:

Programme – Interreg VI-A Latvia–Lithuania Programme 2021–2027

AA – Audit Authority

AF – Application Form

EC – European Commission

ERDF – European Regional Development Fund

EU – European Union

JS – Joint Secretariat

LP – Lead Partner

MA – Managing Authority

MC – Monitoring Committee

NA – National Authority

PP – Project Partner (PPs – Project Partners)

Article 1: Legal framework and contractual basis

1. The following legal provisions and documents constitute the contractual basis of this Subsidy Contract and the legal framework for the implementation of the Project:
 - 1.1. The European Structural and Investment Funds Regulations, Delegated and Implementing Acts for the 2021-2027 period, as further specified below;
 - 1.2. The Interreg VI-A Latvia–Lithuania Programme 2021–2027 adopted by the European Commission on 4 October 2022 (Decision No. C(2022)7183) (hereinafter referred to as the Programme);
 - 1.3. The laws and regulations of the Republic of Latvia.
2. The following laws and documents constitute the legal framework applicable to the rights and obligations of the parties to this Subsidy Contract:
 - 2.1. Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast).
 - 2.2. The European Structural and Investment Funds Regulations, Delegated and Implementing Acts for the 2021-2027 period, in particular:
 - 2.2.1. Regulation (EU) No 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, and repealing Council Regulation (EC) No 1303/2013, and any amendment (hereinafter referred to as the Common Provisions Regulation).
 - 2.2.2. Regulation (EU) No 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund, and repealing Regulation (EC) No 1301/2013, and any amendment (hereinafter referred to as the ERDF Regulation).
 - 2.2.3. Regulation (EU) No 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial goal (Interreg) supported by the European Regional Development Fund and external financing instruments, and repealing Regulation (EC) No 1299/2013, and any amendment (hereinafter referred to as the Interreg Regulation).
 - 2.3. Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing directive 95/46/EC (hereinafter referred to as the General Data Protection Regulation).
 - 2.4. Articles 107 and 108 of the Treaty on the Functioning of the European Union, Commission Regulation (EU) No 2023/2831 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, Commission Regulation (EU) 2023/2832 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing services

of general economic interest; Delegated and Implementing acts, as well as all applicable decisions and rulings in the field of state aid.

- 2.5. All other EU legislation and the underlying principles applicable to the LP and the PPs, including the legislation laying down provisions on competition and entry into the markets, the protection of the environment, and equal opportunities between men and women.
- 2.6. National rules applicable to the LP and its PPs and their activities.
- 2.7. Interreg VI-A Latvia–Lithuania Programme 2021–2027 Programme Manual hereinafter referred to as Programme Manual.
- 2.8. The approved Project data, comprising but not limited to the latest Project documentation such as AF and all Project information available in the Programme's electronic system Jems, hereinafter referred to as the Project data.
- 2.9. All other manuals, guidelines, and any other documents relevant for Project implementation in their latest version, as published on the Programme website or handed over to the LP directly during the Project implementation.
- 2.10. Should the above-mentioned legal norms and documents, and any other documents or data of relevance for the contractual relationship be amended, the latest version must be applied.

Article 2: Award of co-financing and general conditions

1. The purpose of the Subsidy Contract is the award of ERDF co-financing by the MA to finance the implementation of the Project as stated in the Preamble, in accordance with the decision of the MC of [insert date] and following the decision by the MA No [insert number and date].
2. The LP accepts the awarded ERDF co-financing and assumes the responsibility to coordinate the implementation of the Project, in due time, according to the provisions of the Subsidy Contract.
3. The ERDF co-financing is awarded exclusively for the Project as described by the latest version of the Project data available in the Programme's electronic system Jems, as referred to in Article 1 of this Subsidy Contract.
4. The maximum ERDF co-financing and project financing plan is stipulated in the latest version of the Project data available in the Programme's electronic system Jems, as referred to in Article 1 of this Subsidy Contract.
5. Overview table

	Amount, in Euro	Co-financing rate, up to %
The maximum amount of ERDF co-financing awarded	<i>In Euro</i>	
Amount of partners' contribution	<i>In Euro</i>	
Total Project budget	<i>In Euro</i>	

6. The actual ERDF co-financing will be calculated based on reported eligible expenditures only. The total amount to be paid by the MA to the LP may not exceed the maximum amount of ERDF co-financing approved.
7. Disbursement of the ERDF co-financing is subject to the condition that the EC makes the funds available. In the case of non-availability of funds, the MA is entitled to terminate this Subsidy Contract or reduce the awarded amount of ERDF co-financing. In these cases, any claim by the LP or PPs against the MA is excluded. In such a case, the LP will be duly notified by the MA and guided on the respective steps to be taken.
8. In the case of delays in the availability of funds due to reasons outside of the sphere of influence of the MA, the MA is entitled to withhold payments until the funds are made available by the EC.

In this case, the MA cannot be deemed responsible for delays in payments to the LP and any claim by the LP or PPs against the MA is excluded.

Article 3: Eligibility of expenditure

1. Expenditure that qualifies for ERDF co-financing from the Programme consists exclusively of eligible expenditures. Rules for eligibility of project expenditures qualifying for ERDF co-financing from the Programme are laid down in the Programme Manual.
2. To be co-financed by the Programme, Project expenditures must comply with the methods for determining the costs of the Project (real costs or simplified cost options) for each cost category as defined in the Programme Manual and Project data.
3. It is hereby made explicit that the Project must not make use of funds from other programmes co-financed by the EU to finance the eligible costs reported within the Project.
4. The expenditures eligible for reimbursement from ERDF co-financing of the Programme and partners' contribution must be compliant with the legal provisions of Article 1 and Article 9 of this Subsidy Contract and provisions of Section 7 "Project Budget" of the Programme Manual. All expenditures must be included in the Project Progress Reports, and respective reports must be reviewed by the JS in compliance with the procedure stated in Section 6.3. "Project reporting and payments" of the Programme Manual.
5. The eligibility of costs is also determined based on the proper audit trail. LP must ensure that an adequate audit trail is documented at all levels of the Project, including PPs' expenditures. The LP and all PPs must keep the documents related to the Project in a safe and orderly manner for at least five years after the final payment has been made by the MA to the LP. The documents must be archived either as originals or as certified copies on commonly used data media (in compliance with the national legal enactments). If documents are retained electronically, national security standards must be met. The LP must ensure that maintained and updated records of invoices and lists of bodies holding documentation are made available to the JS and other Programme bodies upon request.
6. The eligibility period for costs incurred by the Project is laid down in the Project data and defined in the Programme Manual. Project costs are eligible if they are paid out from the start date until the end date of the Project with exceptions stated under Section 6.3. "Project reporting and payments" of the Programme Manual.

Article 4: Reporting obligations and payment

1. The LP is entitled to request payments from the MA by following the reporting procedures defined in section 6.3 "Project reporting and payments" of the Programme Manual. Upon satisfactory completion of reporting and checking by JS, ERDF co-financing will be disbursed by the MA under the terms specified in Table No 11 of the Programme Manual to an account indicated in the Project data. Co-financing will be disbursed in Euro (EUR, €). Any exchange rate risk for transfer to the PPs will be borne by the LP. Payments to the LP will be made on a reimbursement basis - in two payments (70% / 30%), as defined in Table No. 11 of the Programme Manual - and no advance payments are available from the ERDF co-financing of the Programme.
2. The MA reserves the right not to accept – in part or in full – expenditure validated by the National control body if, as a result of its own checks and/or controls or audits performed by another authority, the validation or the facts stated therein prove to be incorrect, or if the underlying activities or expenditure are not in line with the legal framework as set out in this Subsidy Contract.
3. The MA ensures that the Project receives payments of the ERDF co-financing from the Programme in time and in full. No deduction or retention of further specific charges which would reduce the amount of the payment must be made without prejudice to the provisions outlined above in this Article 4. Conversely, the ERDF co-financing paid by the MA must not exceed the

share of ERDF resulting from the eligible amount verified by each responsible National Control body, in compliance with the articles of this Subsidy Contract.

4. Based on the fact that payments by the EC to the MA will only be made in accordance with the corresponding budget commitments Article 105 of CPR Regulation the LP must request payments in accordance with approved Application Form. Payments not requested in time, in full or noncompliance with the procedure set in the Programme Manual and in other guidance for reporting may be lost if the programme experiences a de-commitment. The consideration whether payments are reduced due to the de-commitment process will be done at the end of each year of the approved project duration time. Any unjustified delay in reporting or in the clarification process of the Project Report, either by LP or by PP(s), can imply a reduction or suspension of the subsidy.

Article 5: Changes in the Project

1. Changes in the Project must be introduced by the LP according to the rules and procedures stated in the Programme Manual. To come into effect, major changes must be approved by the MA and/ or MC in accordance with the Programme Manual.
2. Changes in the Project may be introduced if the main objective of the Project is not altered, and the maximum amount of the ERDF co-financing awarded is not exceeded.

Article 6: Document keeping, audit and evaluation

1. The responsible auditing bodies of the EU and, within their responsibility, the auditing bodies of the Member States, as well as the AA and the Group of Auditors of the Programme, are entitled to control or audit the Project on the proper use of awarded ERDF co-financing and total Project budget by the LP and the PPs or to arrange for such an audit to be carried out by authorised persons.
2. The MA has the right to conduct sample checks in addition to the National Control bodies' checks.
3. The LP and / or PPs must provide all documents and information required for the controls and audits referred in to Point 1 and 2 of this Article 6 and give access to its business premises, as well as project-related locations.
4. The LP must also provide all necessary information and access to documents for the purpose of carrying out Programme or Project evaluations to any authorised evaluator.
5. The LP is obliged to ensure that all files, documents, and data related to the Project are retained for audit purposes. The documents must be kept for at least a 5-year retention period from 31 December of the year in which the last payment by the MA to the Project is made. Longer retention periods may apply in case of State Aid or in accordance with national rules.
6. Should this Subsidy Contract have been terminated, the rights and duties stipulated in this article must, however, persist.
7. The MA has the right to withhold the payments to the LP until all required information and documentation have been delivered or made available otherwise in the required way.
8. The MA has the right to suspend payments should the Project become subject to controls or audits by the MA/JS, AA or relevant EU bodies until these controls or audits have been completed. Should the AA issue statements on the national control systems and identify problems of a systemic character, the MA has the right to suspend payments to the LP until the case has been resolved.

Article 7: Roles and responsibilities, liability

1. The LP undertakes to comply with rules and regulations referred to in Article 1 of this Subsidy Contract (including any amendments made to these rules and regulations), as well as relevant national regulations and all other rules applicable to the LP.
2. The LP must assume all responsibilities laid down in the Programme Manual, in particular the main responsibilities of the LP and the responsibilities after the Project closure. The LP assumes full financial and legal responsibility for ensuring the implementation of the entire Project.
3. The LP must make sure that the Project implementation is in line with the work plan, the time schedule, and the approved budget, as indicated in the Project data.
4. The LP guarantees that it is entitled to represent the PPs participating in the Project in all dealings with the MA in the context of the Project's implementation, bearing the sole responsibility of delivering as well as receiving all the information relevant to the Project management between LP and PPs. It guarantees that it will establish with the PPs the division of mutual responsibilities in the form of a Partnership Agreement.
5. The LP must provide all PPs with a copy of the signed version of the Subsidy Contract and must ensure that the PPs comply with its provisions. The LP will be liable for any default, breach, failure, or non-compliance to the provisions of this Subsidy Contract by the LP or the PPs.
6. The LP is liable towards the MA for:
 - 6.1. ensuring that all its PPs have a legal status that is in line with the definition in the Programme and in the Programme Manual as it is in force on the date when this Subsidy Contract is signed.
 - 6.2. ensuring that all expenditures reported in the Project Progress Reports have been verified according to the procedure stated under Section 6.3. "Project reporting and payments" of the Programme Manual.
7. Furthermore, the LP undertakes:
 - 7.1. to ensure separate accounting system or Project specific accounting code and guarantee that any received tranche of ERDF co-financing can be clearly identified and repaid, if necessary due to irregularity.
 - 7.2. to establish adequate Project monitoring and evaluating system that ensures cost efficient, timely and qualitative delivery of the Project outputs and results.
 - 7.3. to inform the JS immediately in all cases when State Aid is appropriated following the requirements set in the State Aid regulations.
 - 7.4. to ensure a reliable control system securing compliance with the EU regulations and Latvian and Lithuanian national legal acts in the field of State Aid law in all levels of granting State Aid, including final beneficiaries, if any PP is granting State Aid.
 - 7.5. to maintain the list of bodies holding documentation required for the audit trail and whenever necessary update and submit a copy of it to the JS together with the Project Progress Report.
 - 7.6. to take all the necessary precautions to avoid conflict of interests (including PPs) and inform the MA/JS without any delay with the situation constituting or likely to lead to any such conflict. There is a conflict of interests where the impartial and objective exercise of the functions of any person under this Subsidy Contract is compromised for reasons involving family, emotional life, political or national affinity, and economic interest of any other direct or indirect personal interest, as stipulated in Article 61 of Regulation (EU) No 2018/1046. Where there is a risk of a conflict of interests involving a member of staff of PP organisation, measures and procedures indicated in Article 61 of Regulation (EU) No 2018/1046 must be applied to prevent a situation of conflict of interests.
 - 7.7. to regularly check the Project data available in the Programme's electronic system Jems and the Programme website (www.latlit.eu) for the last updated version of the Programme related documents to guarantee compliance with the latest updates. The MA/JS will publish

the updates of all Programme related documents (such as the Programme Manual, reporting forms etc.) in the Programme website.

8. The LP and the PPs are not allowed to subcontract each other, themselves (e.g., internal invoice) and own or LP/PPs' employees, to carry out Project activities.
9. The LP undertakes to inform the MA immediately about any circumstances that delay, hinder or make impossible the realisation of the Project, as well as all circumstances that mean a change of the disbursement conditions, or which would entitle the MA to suspend payments or to reduce the amounts of ERDF co-financing awarded or to recover the ERDF co-financing unduly paid or to terminate this Subsidy Contract in full or in part.
10. The LP is responsible for providing the MA with any information required and requested in terms of the Project, without delay.
11. Ownership, title and industrial and intellectual property rights in the deliverables and outputs of the Project, as well as the reports and other documents related to the Project must, depending on the applicable national law and/or the Partnership Agreement, belong to the LP or PPs. The Ownership of investments in infrastructure or productive investments realised within the Project must remain with the LP or PPs according to the timeframe as well as under the conditions set in the Programme Manual.
12. The MA cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the LP or PPs as a consequence of the Project. The MA cannot, therefore, accept any claim for compensation or increases in payment in connection with such damage or injury.
13. The LP must discharge the MA of all liability arising from any claim or action brought as a result of an infringement of rules and regulations by the LP or the PP's employees or individuals for whom those employees are responsible, or as a result of a violation of a third party's right.

Article 8: Recoveries and unduly paid out funds

1. If any Programme body, national or any relevant EU body should discover any unduly paid out ERDF co-financing, or should the MA be notified of such cases, or if the MA should terminate this Subsidy Contract based on Article 12(1), the MA shall, if necessary, by informing the relevant Programme bodies and national bodies of the Member State(s) concerned, recover the unduly paid ERDF co-financing from the LP in line with the procedure of Programme Manual.
2. The LP ensures that the PP involved repays the LP any amounts unduly paid in accordance with the Partnership Agreement and the Programme Manual.
3. The amount to be repaid can be withdrawn from the next payment to the LP or, where applicable, remaining payments can be suspended. In the case of closed projects or upon request by the MA for ongoing projects, the LP is obligated to transfer the unduly paid out funds to the MA by the deadline set by the MA. If the LP is unable to conduct repayment by the deadline set by the MA and has provided appropriate arguments in writing, parties shall aim to find mutual consent on the repayment schedule within a reasonable time frame.

Article 9: Information and communication, publicity and intellectual property rights

1. The LP ensures that the PPs comply with all publicity, communication, and branding obligations according to the regulations listed in Article 1 of this Subsidy Contract, and as further specified in the Programme Manual.
2. The LP takes full responsibility for the content of any notice, publication or publicity product provided to the MA which has been developed by the LP, any of the PPs, or third parties on behalf of the LP or the PPs. Should a third-party claim compensation for damages (e.g., due to an infringement of intellectual property rights), the LP will indemnify the MA should the MA suffer any damage because of the content of the publicity and information material.

3. On behalf of the Programme bodies and of other Programme promoters at a national level, the MA is entitled to use the outputs of the Project to guarantee a wide spread of information about Project deliverables and outputs, and to make them available to the public. The LP agrees that the outputs are forwarded by the MA to other Programme authorities, as well as the Member States participating in the Programme, to use this material to showcase how the ERDF co-financing is used.
4. Any communication campaign, media appearance or other publicity of the Project must be communicated to the MA for potential website updates or showcases.
5. The LP and the PPs must ensure that all the outputs and results produced as a result of the Project are in the public interest and publicly available. They should be accessible and available to the general public in a usable format. The MA/JS and any other relevant Programme, EU and national body can use them for information and communication purposes in the framework of the Programme.
6. The LP ensures that it has all rights to use any pre-existing intellectual property rights, if necessary for the implementation of the Project.
7. The LP must inform the MA if there is any sensitive or confidential information or any pre-existing intellectual property rights related to the Project that must be respected.
8. The LP authorises the MA to use communication and promotional material produced by the Project to showcase how the ERDF co-financing is used. Furthermore, the LP authorises the relevant Programme body/ies to forward this material to other Programme bodies, Programme promoters at a national level, as well as EU institutions, bodies, offices, or agencies. For this purpose, the LP ensures that a royalty-free, non-exclusive, and irrevocable licence to use such material and any pre-existing rights attached to it is granted to the aforementioned Programme and EU bodies in accordance with Annex IX of Common Provisions Regulation and further specified in the Programme Manual.
9. The MA must be authorised to publish, in whatever form and on or by whatever medium, including the Internet, (parts of) the Project data to fulfil its own reporting, communication and visibility obligations arising from the body of rules and regulations listed in Article 1. Personal data must be processed in line with the General Data Protection Regulation (cf. Article 14 of the Subsidy Contract).

Article 10: Assignment, legal succession

1. The MA is entitled at any time to assign its rights to third parties under the Subsidy Contract. Should the MA decide to do so, it will immediately inform the LP.
2. The LP is allowed to assign its duties and rights to third parties under the Subsidy Contract only after prior written consent from the MA.
3. In the event of legal succession, the LP must transfer all rights and duties under this Subsidy Contract to its legal successor in accordance with the procedure stated under Section 6.2. "Project changes" of the Programme Manual. The same applies in the case of legal succession for one or more of the PPs.

Article 11: Complaints and litigation

1. The LP is entitled to file a formal complaint on behalf of the partnership against any act and/or decision by the MA related to the execution of the Subsidy Contract. The complaint must contain the subject matter, the reasons for the disagreement with the MA decision, as well as solutions that the partnership considers possible. Further, the complaint must include clear references to the Programme Manual and/or other applicable legal documents, e.g., the Subsidy Contract. The LP may attach supporting documents that it considers relevant. The LP must submit the objection to the MA within 1 (one) month after the MA submitted the final decision that is the subject of the complaint. All details of the complaint procedure are stipulated in the Programme Manual.

2. Should a dispute arise between the MA and the LP, amicable solutions must be used prior to legal proceedings.
3. This Subsidy Contract is governed by and construed in accordance with the laws of the Republic of Latvia. Thus, the laws of the Republic of Latvia must apply to all legal relations arising in connection with this Subsidy Contract.
4. In the case of submission of the dispute to the court, the place of jurisdiction must be Latvia. Proceedings must be in Latvian.

Article 12: Durability and ownership of results

1. In accordance with Article 65 of the CPR Regulation, the LP must ensure that all PPs, including the LP itself, involved in infrastructure or productive investment projects, repay the ERDF funding if, within five (5) years of the final payment to the beneficiary—or within the period specified by State aid rules, where applicable—the project is affected by any of the following:

- a cessation or relocation of a productive activity outside the programme area;
- a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
- a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

For projects comprising investment in infrastructure or productive investment the period for repaying contributions is ten (10) years after the final payment to the LP if the productive activity is relocated outside the EU, except where the beneficiary is an SME. Projects without investments in infrastructure or productive investments shall repay the ERDF contribution if they are subject to an obligation for maintenance of investment under the applicable State aid rules and they undergo a cessation or relocation of a productive activity within the period laid down in those rules. The LP is obliged to notify the MA of any such changes described beforehand for the MA to be able to determine which of the above-mentioned applies and the sums to be recovered.

2. The LP ensures that the arrangements in ownerships, titles and industrial and intellectual property rights on the outputs of the projects are in accordance with Article 12 (1).
3. The LP ensures that the results of the project especially any study or analysis produced during the implementation shall be made available to the public in order to guarantee a widespread publicity of the project's outcomes in accordance with the approved Application Form and Partnership Agreement.

Article 13: Termination of the Subsidy Contract

1. The MA may terminate the Subsidy Contract and demand the repayment of ERDF co-financing, in full or in part, if:
 - 1.1. the information the LP and PPs were required to provide in the assessment and selection procedure, negotiation phase, or the implementation of the Project was false or incomplete.
 - 1.2. the LP fails to fulfil any condition or obligation resulting from the Subsidy Contract.
 - 1.3. the LP or PP becomes insolvent, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of bankruptcy proceedings, or proceedings concerning those matters, or is in any other comparable situation.
 - 1.4. the LP or PPs have engaged in any act of fraud or corruption or are involved in any illegal activity detrimental to the EU's financial interests.

- 1.5. the termination of the participation of an LP or PP or a change in an LP or PP's status substantially affects the implementation of the Project or puts into question the award decision.
- 1.6. the Project has not been or cannot be fully implemented, or it has not been or cannot be implemented in due time.
- 1.7. the Project significantly failed to reach the objectives, results and outputs planned in the Application Form, unless duly justified.
- 1.8. the LP has failed to submit required reports, proof or necessary information requested by the Programme bodies within the set deadline, provided that the LP has received at least one written reminder setting another deadline and specifying the legal consequences of a failure to comply with the requirements, and it has failed to meet this new deadline.
- 1.9. the ERDF co-financing has been partially or entirely misapplied for purposes other than those stipulated by this Subsidy Contract.
- 1.10. the LP has impeded or prevented controlling or auditing of the Project or failed to retain the Project documentation required for the controls and audits.
- 1.11. the LP has failed to immediately report events delaying or preventing the implementation of the Project, or any circumstances leading to its modification.
- 1.12. without prejudice to Point 2 of Article 10 of this Subsidy Contract, the LP or PPs wholly or partly sell, lease, or let the Project to a third party.
- 1.13. EU legislation and/or national legislation has been violated.
- 1.14. the Subsidy Contract has not given rise to any payment within two years of its signature.
2. Upon termination of this Subsidy Contract by the MA, the LP will receive a written notice with necessary instruction regarding the full or partial closure of the Project. The MA must inform the LP by giving a 10 (ten) working days written notice and without paying compensation of any kind.
3. Where termination of the Subsidy Contract is based on the Point 1 of this Article 13, the MA may request full or partial repayment of amounts already paid from the ERDF co-financing, in proportion to the gravity of the irregularity in question in accordance with Article 8 of this Subsidy Contract and Programme Manual.
4. In the case of force majeure; i.e., if exceptional circumstances make the implementation of the Project excessively difficult or dangerous, and if the Subsidy Contract can no longer be executed effectively and appropriately, the parties may terminate the Subsidy Contract by serving a 10 (ten) working days written notice, without being required to pay indemnity. The MA may reimburse the unavoidable residual expenditures incurred during the notice period (but only for activities and expenditures that have been properly executed).
5. The LP is entitled to request payments from the MA only for the part of the Project carried out and activities which are executed in accordance with the Project, Subsidy Contract and requirements of the Programme Manual and completed before the termination of the Subsidy Contract.
6. Each party can decide to terminate the Subsidy Contract within 3 (three) months written notice from the receipt of the letter by the other party. The termination will take effect at the end of the notice period unless the parties agree otherwise in writing. If the LP exercises its right of termination, the LP is obliged to transfer the repayment amount to the MA within 1 (one) month following the date when the written notice was sent. The termination will take effect at the end of the notice period (unless the parties agree otherwise in writing) if full repayment is made by the LP.

Article 14: Data management and data protection

1. Any personal data under the Subsidy Contract must be processed by the MA/JS or other relevant Programme bodies in accordance with General Data Protection Regulation.
2. In accordance with Article 4 of the Common Provisions Regulation, the MA, other Programme bodies and the EC must be allowed to process personal data, where necessary for the purpose of

carrying out their respective obligations under the body of rules and regulations referred to in Article 1, in particular for monitoring, reporting, communication, publication, evaluation, financial management, verifications and audits and, where applicable, for determining the eligibility of participants.

3. The MA may transfer Project and/or personal data to relevant Programme bodies and national authorities for the same purposes as listed in paragraph 2 of this Article 14.

Article 15: Final Provisions

1. This Subsidy Contract will enter into force on the date the last of its two parties, MA or LP, signs. In the case of Project activities carried out in the phase after the day of the selection decision by the MC but before the entry into force of this Subsidy Contract as defined above, the provisions of this Subsidy Contract must already apply to this phase of Project implementation.
2. The execution period of this Subsidy Contract must end when the obligations set forth in the legal basis of this Subsidy Contract are fulfilled both by the MA and the LP.
3. Amendments to the Subsidy Contract must be made in writing.
4. Two executed copies of this Subsidy Contract must be signed both by the MA and the LP. Each party must keep one original.

Signatures

MA: Ministry of Smart Administration and Regional Development of the Republic of Latvia

LP: *Title of Lead Partner*

Registration No: 90000028508

Registration No:

Address: Peldu street 25, Riga,
Latvia, LV-1494

Address:

For and on behalf of MA

For and on behalf of LP

[name and position of the signatory]

[name and position of the signatory]

DOCUMENT IS SIGNED WITH SECURE ELECTRONIC SIGNATURE AND CONTAINS A
TIME STAMP