

PROCURING INFRASTRUCTURE PUBLIC-PRIVATE PARTNERSHIPS 2018 IN LATVIA

| SURVEY QUESTION | ANALYSIS |
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| PPP Regulatory Framework | |
| 2. Does the regulatory framework in your country allow procuring PPPs? | Yes |
| If yes, please specify the relevant regulatory framework and the year of adoption: | <p>The regulatory framework on PPPs in Latvia is mainly comprised of: 1) the Law on Public-Private Partnership, adopted in 2009 [hereinafter “PPP Law”] (Amendments to the PPP Law to provide coherence of the national legal framework to the Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts as of April 20, 2017 in the wording of the Law, which came into force on 1 January 2017). After defining PPPs in Article 1 of this Law, Article 5 provides that the scope of its application shall include, “(1) The law states:</p> <ol style="list-style-type: none"> 1) the procedure for the conduct of public partners and representatives of public partners when they jointly conclude one public-private partnership agreement; 2) the procedure for the decision to open a public-private partnership procedure; 3) the information to be included in the public-private partnership agreement, as well as the procedure by which the public-private partnership agreement can be amended or canceled; 4) the procedure for compensating for the termination of a public-private partnership contract ahead of time; 5) the procedure for the formation of the target company and the procedure for the conclusion of a public-private partnership agreement with the target company; 6) the procedure for the conclusion of the information exchange agreement and the intervention of the sponsor; 7) the procedure and availability of public-private partnership registration agreements; 8) the rules for the activities of the public partner resources transferred to the private partner. <p>(2) In the field of concessions, the law provides:</p> <ol style="list-style-type: none"> 1) exceptions to the application of the law; 2) procedures for the exchange of information, documentation of concession procedures and the preservation of documents; 3) the procedure for the establishment and operation of the concession procedure commission; 4) the procedure for the establishment and operation of the examination committee; 5) concession procedures, procedures for their application.” Article 4 of this Law also provides, “(1) Procurement contracts shall be governed by the Law on Public Procurement, unless otherwise provided by this Law. (2) Public service providers shall apply the procurement law of public service providers to procurement partnership contracts, unless otherwise provided by this Law. |

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| | <p>(3) For the concession contracts and institutional partnership, the provisions of this Law shall apply.” ;</p> <p>2) Cabinet Regulation No. 1152 of 2009 issued on October 6, 2009 on the Procedure for the Conduct of Financial and Economic Calculations, Determination of the Type of a Public-Private Partnership Agreement and the Provision of an Opinion Regarding Financial and Economic Calculations [hereinafter “PPP Regulation”], pursuant to Articles 9(4), 14(2), and 15(3) of the PPP Law; 3) Cabinet of Ministers Regulations No. 1216 of October 20, 2009 on the Regulations on the operation of the supervisory institution and the provision of a report on the performance of the contract by the public partner or its representative [hereinafter “PPP Supervisory Institution Regulation”] Issued pursuant to Articles 8(4)(11), 11, 12(3), and 14(4) of the PPP Law. These regulations shall shape the regulatory framework governing PPP procurement in Latvia for purposes of this analysis.</p> |
| <p>and provide a link to a government-supported website where the mentioned regulatory framework is available or provide an electronic copy of it:</p> | <p>PPP Law: https://likumi.lv/doc.php?id=194597 ;</p> <p>http://www.fm.gov.lv/en/s/ppp/related_documents/normative_acts/</p> <p>PPP Regulation: http://www.fm.gov.lv/en/s/ppp/related_documents/normative_acts/</p> <p>PPP Supervisory Institution Regulation: https://likumi.lv/ta/id/199823-noteikumi-par-uzraudzibas-institucijas-darbibu-un-publika-partnera-vai-ta-parstavja-liguma-izpildes-parskata-sniegsanu</p> |
| <p>2.1. Are you aware of any reforms (in the regulatory frameworks – laws, regulations, policies, etc.- or in generally followed practices) related to PPPs that: Took place in 2016, are ongoing and/or are planned to be adopted BEFORE June 1, 2017?</p> | <p>Yes</p> |
| <p>Please describe:</p> | <p>Amendments to the PPP Law to provide coherence of the national legal framework to the Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts (As of 20.04.2017 in the wording of the Law, which came into force on 1 January 2017).</p> |
| <p>2.2 Are ongoing and/or are planned to be adopted AFTER June 1, 2017?</p> | <p>No</p> |
| <p>Please describe:</p> | <p>n/a</p> |
| <p>3.1 Besides national defense and other matters of national security, does the regulatory framework explicitly prohibit or restrict PPPs in any of the following sectors?: Transportation.</p> | <p>No</p> |
| <p>If yes, please provide the relevant legal/regulatory provisions:</p> | <p>n/a</p> |

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| 3.2 Besides national defense and other matters of national security, does the regulatory framework explicitly prohibit or restrict PPPs in any of the following sectors?: Water and Irrigation | <p>Yes</p> |
| If yes, please provide the relevant legal/regulatory provisions: | <p>Article 3 of the PPP Law discusses the exceptions and states: (5) This Law shall not apply if a concession contract is concluded for the following public water services:</p> <ol style="list-style-type: none"> 1) collecting, storing, preparing for use of drinking water, supplying the centralized water supply network to the user of the service; 2) hydro-technical projects, irrigation or drainage of land - provided that the volume of water intended for the supply of drinking water is greater than 20 per cent of the total volume of water provided by the said projects or irrigation or drainage facilities if this is related to the provisions of this part 1 the activities referred to in paragraph 1; 3) collection of waste water from the service user in the centralized sewerage system and discharging it to the waste water treatment plant, waste water treatment and discharging into the environment, if related to the activities referred to in paragraph 1 of this section. |
| 3.3 Besides national defense and other matters of national security, does the regulatory framework explicitly prohibit or restrict PPPs in any of the following sectors?: Energy generation and distribution. | <p>No</p> |
| If yes, please provide the relevant legal/regulatory provisions: | <p>n/a</p> |
| 3.4 Besides national defense and other matters of national security, does the regulatory framework explicitly prohibit or restrict PPPs in any of the following sectors?: Telecom | <p>No</p> |
| If yes, please provide the relevant legal/regulatory provisions: | <p>n/a</p> |
| 3.5 Besides national defense and other matters of national security, does the regulatory framework explicitly prohibit or restrict PPPs in any of the following sectors?: Other | <p>Yes</p> |
| If yes, specify and provide the relevant legal/regulatory provisions: | <p>Article 3 of the PPP Law is broad and provides, “(1) This Law does not apply if a public partner concludes a service concession contract for:</p> <ol style="list-style-type: none"> 1) the purchase or lease of land, existing buildings or other immovable property or the acquisition of other rights to such immovable property with |

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| | <p>any financial means;</p> <p>2) the purchase, development, production or co-production of material for the provision of audio and audiovisual electronic media services, in the case of contracts for the provision of electronic media, or contracts for the provision of broadcasting or broadcasting programs for the award of contracts to electronic media;</p> <p>3) arbitration services and services provided to the parties for conciliation;</p> <p>4) documents certifying services provided by notaries;</p> <p>5) legal services, the providers of which are appointed by the courts or assigned in external normative acts to perform certain tasks under the supervision of the court;</p> <p>6) legal services related to the exercise of public authority;</p> <p>7) financial services related to the issue, purchase, sale or transfer of securities or other financial instruments, to the services of the Bank of Latvia and to operations carried out through the European Financial Stability Facility and the European Stabilization Mechanism;</p> <p>8) loans that are not related to the issue, sale, purchase or transfer of securities or other financial instruments;</p> <p>9. services in the field of civil protection, civil protection and disaster prevention provided by associations, foundations or associations, covered by one of the following CPV codes: 75250000-3, 75251000-0, 75251100-1, 75251110-4, 75252000-7, 75222000-8, 98113100-9 and 85143000-3, with the exception of emergency medical assistance services for the transport of patients;</p> <p>10) services provided by another public partner or association of public partners who, under external regulatory enactments, have the exclusive right to provide the service in question...;</p> <p>13) lottery activity services covered by CPV code 92351100-7, with a private partner who has exclusive rights to provide the service in accordance with external regulatory enactments. Information on such a concession shall be published in the Official Journal of the European Union.</p> |
| <p>4. Does the regulatory framework provide for a specific tax regime for PPP transactions (i.e. tax incentives, special tax depreciation treatment, etc.)?</p> | <p>No</p> |
| <p>If yes, please specify and provide the relevant legal/regulatory provision (if any):</p> | <p>n/a</p> |
| <p>5. Please identify the PPP procuring authorities in Latvia and provide their website(s) (if available):</p> | <p>A public entity in Latvia may act as a PPP procuring authority according to the PPP definition of Article 1(1) of the PPP Law, which includes:</p> <p>(a) the State as the original legal person governed by public law,</p> <p>(b) a derived legal person governed by public law,</p> <p>(c) the legal person referred to in paragraph 16 of this Article,</p> <p>(d) an association of which all the members are persons referred to in subparagraphs (a), (b) or (c) of this paragraph or a foundation of which all founders are persons referred to in subparagraphs (a), (b) or (c)</p> |

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| | <p>e) a public service provider within the meaning of the Public Service Providers Procurement Law (Article 1(15) of the PPP Law). “ A State Joint Stock Company ““Latvijas valsts ceļi”” (Latvian State Roads), a state owned company, has been established, and is responsible for the management and construction of state owned motor roads’ networks, and has procured consultants to organize a PPP procedure for a DBFO motor road bypass project. http://lvceli.lv/uncategorized/kekavas-appedcela-ppp-projekta-konsultants-bus-sia-deloitte-latvia/ “</p> |
| 6. In addition to the PPP procuring authorities listed above, is there a specialized government entity that facilitates the PPP program (PPP Unit)? | Yes |
| If yes, please indicate its name, and its website (if available): | The Central Finance and Contracting Agency (PPP Authority) within the Ministry of Finance. http://www.cfla.gov.lv/en/about-us/about-the-agency |
| 6.1 If yes, what are the main responsibilities of the PPP Unit (check all that apply): PPP regulation and policy guidance. | Yes |
| 6.2 PPP capacity building for other public authorities. | Yes |
| 6.3 PPP promotion among the public and/or private sectors in national and international forums. | Yes |
| 6.4 Technical support in implementing PPP projects. | Yes |
| 6.5 Identification and selection of PPP projects from the pipeline. | No |
| 6.6 Revision of fiscal risks born by the Government. | Yes |
| 6.7 Consultation with affected communities on potential impact of PPP projects. | No |
| 6.8 Approval of PPP projects. | Yes |
| 6.9 Undertaking the procurement of PPPs. | No |
| 6.10 Oversight of PPP implementation. | Yes |
| 6.11 Other | No |
| 6.11 please specify: | n/a |
| Please provide the relevant legal/regulatory provisions: | <p>After providing some of the functions and responsibilities of the PPP Authority (referred to as “Supervisory Authority”) in Article 9 of the PPP Law, Article 10 of this Law further provides, “Supervisory authority as a center of public-private partnership has the competence to</p> <p>1) develop proposals for the development of public-private partnerships;</p> |

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| | <p>2) inform and advise on public-private partnership issues;</p> <p>3) identify and promote the introduction of the most suitable foreign experience for Latvia in the field of public-private partnership;</p> <p>4) develop methodological materials in the field of public-private partnerships;</p> <p>5) co-operate with other public administration institutions and non-governmental organizations in the field of public-private partnership;</p> <p>6) perform other tasks specified in regulatory enactments regarding the regulation of the activities of the supervisory authority.”</p> |
| PPP Preparation | |
| 8. Does the Ministry of Finance or Central Budgetary Authority approve the PPP project before launching the procurement process? | <p>Yes</p> |
| If yes, please provide the relevant legal/regulatory provisions (if any): | <p>Article 8(2) of the PPP Law provides, “(2) The Ministry of Finance shall assess the expected impact of the conditions specified in the financial and economic calculations on the amount of long-term government budget commitments and the general government sector budget balance and debt, and give an opinion on them.”</p> <p>Article 9(5) of the PPP Law moreover provides, “(5) In order to ensure that the PPP does not have an unacceptable impact on the amount of long-term government budget commitments and general government budget balance and debt, the supervisory institution evaluates compliance with the accounting rules for the public-private partnership assets in accordance with the provisions of the Ministry of Finance’s opinion...” And Article 15 of this Law provides, “(1) Following the financial and economic calculations, these calculations shall be sent:</p> <p>1) for the Ministry of Finance - to obtain an opinion on the expected impact of the conditions specified in the financial and economic calculations on the amount of long-term government budget commitments and general government budget balance and debt.” Article 16 of the PPP Law lastly provides, “(1) If the opinion of the Ministry of Finance finds that a potential PPP will not have an unacceptable impact on the amount of long-term government budget commitments and general government budget balance and debt, a decision on the launch of a public-private partnership procedure will be taken...”</p> <p>Articles 23-25 of the PPP Regulation provide similar provisions.</p> |
| 8.1. Does the Ministry of Finance or Central Budgetary Authority approve the PPP project before signing the PPP contract? | <p>Yes</p> |
| If yes, please provide the relevant legal/regulatory provisions (if any): | <p>No regulatory basis</p> |
| 8.2. Does the Ministry of Finance (or government more broadly) have a specific | <p>Yes</p> |

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| system of: Budgeting for PPP projects. | |
| If yes, please provide the relevant legal/regulatory provisions (if any): | <p>Article 9 of the PPP Law provides, “(5) In order to ensure that the PPP does not have an unacceptable impact on the amount of long-term government budget commitments and general government budget balance and debt, the supervisory institution evaluates compliance with the accounting rules for the public-private partnership assets in accordance with the provisions of the Ministry of Finance’s opinion (Section 15, Paragraph two) in the following documents:</p> <ol style="list-style-type: none"> 1) in documents of concession procedure (Paragraphs 1, 2, 3 and 4 of Part two of this Section); 2) Partnership Procurement Documentation Documents (Regulations, Partnership Procurement Contract Draft and Amendments, as well as drafts of the new Procurement Partnership Agreement in the case of the application of the provisions of Chapter XVII of this Law), unless the opinion of the Ministry of Finance (Article 15 , second paragraph) specifies that supervising the institution’s assessment of these documents is not necessary; 3) Public-Private Partnership Contract Performance Reports.” <p>Article 1 of the PPP Regulation further provides that its scope of application shall include, “1.1. The procedure by which the type of a public-private partnership agreement shall be determined and by which financial and economic calculations shall be conducted, as well as the criteria for the accounting of the assets of a public-private partnership, in order to determine the impact of a public-private partnership contract on the amount of long-term liabilities of the State budget and the government debt;”</p> |
| Accounting liabilities (explicit and implicit, direct and contingent) arising from PPPs. | <p>Yes</p> |
| If yes, please provide the relevant legal/regulatory provisions (if any): | <p>Article 9 of the PPP Law provides, “(5) In order to ensure that the PPP does not have an unacceptable impact on the amount of long-term government budget commitments and general government budget balance and debt, the supervisory institution evaluates compliance with the accounting rules for the public-private partnership assets in accordance with the provisions of the Ministry of Finance’s opinion (Section 15, Paragraph two)in the following documents:</p> <ol style="list-style-type: none"> 1) in documents of concession procedure (Paragraphs 1, 2, 3 and 4 of Part two of this Section); 2) Partnership Procurement Documentation Documents (Regulations, Partnership Procurement Contract Draft and Amendments, as well as draft new Procurement Partnership Agreement in the case of the application of the provisions of Chapter XVII of this Law), unless the opinion of the Ministry of Finance (Article 15 , second paragraph) specifies that supervising the institution’s assessment of these documents is not necessary; 3) Public-Private Partnership Contract Performance Reports. (6) If the supervisory institution has given an opinion that the conditions for the accounting of assets of a public-private partnership in the documents of |

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| | <p>the concession procedure referred to in Paragraphs one, two, three, and four of this Section do not comply with the conditions set out in the opinion of the Ministry of Finance, the public partner’s representative’s further activities provided for in this Law are not carried out. In this case, the public partner’s representative instructs the concession procedure commission to make changes to the conditions of the accounting of the assets of the public-private partnership, which would meet the conditions set out in the opinion of the Ministry of Finance, or to decide on the termination of the concession procedure.</p> <p>(6)(1) If the supervisory institution has given an opinion that the conditions for recording public-private partnership assets in the Partnership Procurement Documentation documents referred to in Paragraph five of this Section do not comply with the provisions of the Ministry of Finance’s opinion, the public partner’s representative shall instruct the Partnership Procurement Commission to change the Public-Private Partnership asset accounting conditions to comply with the provisions of the Ministry of Finance’s opinion or decide on the termination of the partnership procurement procedure.</p> <p>(7) If a supervisory authority has given an opinion that the conditions for accounting for the assets of a public-private partnership indicated in the reports on the implementation of the public-private partnership agreement do not comply with the conditions set out in the opinion of the Ministry of Finance, the public partner’s representative shall take steps to prevent such non-compliance.”</p> |
| Reporting liabilities (explicit and implicit, direct and contingent) arising from PPPs. | <p>Yes</p> |
| If yes, please provide the relevant legal/regulatory provisions (if any): | <p>PPP Supervisory Institution Regulation Article 7 provides, “The public partner or its representative shall submit to the supervisory institution, within 20 working days after the end of the relevant reporting period, a report on the implementation of the public-private partnership agreement (Annex 1). The first reference period is 12 calendar months from the date of conclusion of the public-private partnership agreement. Each subsequent reference period is the 12 calendar months following the preceding reporting period.”</p> |
| 8.3. If yes to question 8.2, which of the following alternatives best describes the regulation?: Accounting and reporting according to International Public Sector Accounting Standards (IPSAS). | <p>No</p> |
| Accounting and reporting according to other international standard (e.g. European System of Accounts). | <p>Yes</p> |
| Please specify: | <p>Article 29 of the PPP Regulation provides, “29. In evaluating the estimated impact of the conditions referred to in the financial and economic calculations on the State budget deficit, the amount of long-term liabilities and government (general government sector) debt in accordance with the conditions of the European System of National and Regional Accounts (ESA-</p> |

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| | <p>95) of the European Union, the Ministry of Finance shall allocate the public-private partnership assets as private partner assets...” Article 32 of this Regulation further provides, “32. The Ministry of Finance shall specify the following in a prepared opinion:</p> <p>32.1. those public-private partnership assets accounting conditions referred to in the financial and economic calculations, which are the basis for a provisional conclusion that the public-private partnership agreement may cause or not cause an undesirable effect on the State budget deficit, the amount of long-term liabilities and government (general government sector) debt in accordance with the conditions of the European System of National and Regional Accounts (ESA-95) of the European Union.”</p> |
| Other. | No |
| Please specify: | n/a |
| 9. Besides the procuring authority and the Ministry of Finance or Central Budgetary Authority, does any other authority(s) approve the PPP project before launching the procurement process (e.g. Cabinet, Cabinet Committee, Parliament, Supreme Audit Office, etc.)? | Yes |
| If yes, please specify the relevant authority | The Cabinet of Ministers of Latvia |
| and provide the relevant legal/regulatory provisions (if any): | No regulatory basis |
| 9.1. Besides the procuring authority and the Ministry of Finance or Central Budgetary Authority, does any other authority(s) approve the PPP project before signing the PPP contract? | No |
| If yes, please provide the relevant legal/regulatory provisions (if any): | n/a |
| 10. Does the procuring authority use transaction advisors during the PPP project cycle? | Yes |
| If yes, please provide the relevant legal/regulatory provisions (if any): | Article 24 of the PPP Law provides that for concessions, the Concession Procedure Commission shall be set up and, “(3) The Concession Procedure Commission is entitled to invite experts or public-private partnership experts who are not members of the commission in the performance of their duties.” |
| 11. In a case comparable to the case study assumptions, please select the option that best describes the way your | Yes |

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| <p>government integrates the prioritization of PPP projects with other public investment project prioritization? (e.g. in the context of a national public investment system, multi-year perspective plans, medium-term budgetary framework): The regulatory framework provides for the inclusion of PPPs in the national public investment system/medium term budgetary framework and details a specific procedure to ensure the consistency of PPPs with other public investment priorities.</p> | |
| <p>If yes, please specify and provide the relevant legal/regulatory provisions (if any):</p> | <p>According to the PPP Regulation in Chapter II on “Performing financial and economic calculations and determining the type of public-private partnership agreement”, “5. The description of the current situation and the reasons for the implementation of the project include:</p> <p>5.1. Description of the situation existing in the field of implementation and the significance of the project implementation (including an opinion issued by the responsible authority on policy development in the sector in which the project is to be implemented);</p> <p>5.2. An assessment of the project’s relevance to local, regional and national development planning documents as well as its impact on regional development and the economy as a whole.”</p> |
| <p>The regulatory framework prescribes the need for PPPs to be consistent with all other investment priorities without establishing a specific procedure to achieve that goal.</p> | <p>No</p> |
| <p>If yes, please provide the relevant legal/regulatory provisions (if any):</p> | <p>n/a</p> |
| <p>The regulatory framework does not include any provisions but the procuring authority evaluates the consistency of PPPs with other government investment priorities in practice.</p> | <p>No</p> |
| <p>If yes, please elaborate:</p> | <p>n/a</p> |
| <p>The procuring authority does not evaluate PPPs against existing government priorities.</p> | <p>No</p> |

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| Please elaborate and provide examples: | n/a |
| 11.1. Based on your experience, is it always the case that this prioritization is done in practice in accordance with the provisions of the regulatory framework described above? | No |
| If yes, please specify: | n/a |
| If no, please elaborate: | Contributors provide that with the limited number of PPP projects in Latvia, it is difficult to determine consistency of their prioritization, even when the PPP Regulation provides for the analysis of the PPP project, and comparing it with other alternatives (for example, projects co-financed from the funds of the European Union). |
| 12.1 Which of the following assessments are conducted when identifying and preparing a PPP in order to inform the decision to proceed with it? (check all that apply): Socio-economic analysis (cost-benefit analysis of the socio-economic impact of the PPP project) | Yes |
| Relevant legal/regulatory provision (if any) | No regulatory basis |
| Is there a specific methodology for the assessment? | No |
| If yes, please elaborate | n/a |
| Is the assessment done in practice? | Yes |
| Details: | Contributors provided that this assessment is conducted in practice |
| 12.2. Affordability assessment, including the identification of the required long term public commitments (explicit and implicit, direct and contingent liabilities) | Yes |
| Relevant legal/regulatory provision (if any) | Article 14 of the PPP Law provides, "(1) In order to determine the applicability of public-private partnerships in the implementation of a particular project from the point of view of the rational and efficient use of the public's financial resources and the public-private partnership contract for successful implementation of the project for the execution of the relevant works or services, taking into account the impact of a potential PPP on the amount of long-term government budget commitments and general government sector budget balances and debt, financial and economic calculations are made." |

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| Is there a specific methodology for the assessment? | Yes |
| If yes, please elaborate | Chapters II and III of the PPP Regulation detail components of the financial and economic calculations. |
| Is the assessment done in practice? | Yes |
| Details: | Contributors provide that this is in application to the detailed criteria provided by regulations on financial and economic calculations. |
| 12.3. Risk identification, allocation and assessment (risk matrix) | Yes |
| Relevant legal/regulatory provision (if any) | <p>Article 9 of the PPP Law provides, “(1) The supervisory institution shall assess and give an opinion on the assumptions and the distribution of risks included in the financial and economic calculations between a public partner and a private partner in a public-private partnership agreement.” Article 14 of the PPP Regulation further provides, “14. The project risk analysis carries out the qualification of the identified risks for the implementation of the project (determination of risk priority in assessing the probability of occurrence of risk and the consequences of the occurrence of a risk event) and quantification (assessment of the occurrence of a risk event in monetary terms) and their initial redistribution between the public partner and the private partner in public and a private partnership agreement. The qualification and quantification of identified risks provides a detailed justification of the assumptions used and indicates, in the initial redistribution of identified risks, their management mechanisms (for example, changes in public partner payments, penalties if the contract is not executed or poorly implemented). (Amended by Cabinet Regulation No. 213 of 22 March 2011)</p> <p>14 1 Project risk analysis is conducted on the basis of empirical experience (risk management experience in at least two projects in the same or a similar field) or, if this is not possible, using alternative risk analysis.”</p> |
| Is there a specific methodology for the assessment? | Yes |
| If yes, please elaborate | <p>The PPP Regulation provides a methodology on risk assessment in Articles 14 and 15 particularly. The latter Article provides, “15. Risk analysis is compulsory for the following risks:</p> <p>15.1. Construction risk - related to the execution of the project construction work (for example, the cost of construction costs, the occurrence of additional costs, delivery of late delivery of building materials, losses or damages resulting from the construction work, but openly during operation, observance of the specified specifications);</p> <p>15.2 availability risk - related to the performance of the services provided in the project (for example, the quality assurance of the service provided in accordance with the specified specifications in the planned amount and time period);</p> <p>15.3. demand risk - related to the demand for services provided by the project (for example, the reduction or increase in the number of end-users of the service, but this deviation should not be due to the inadequate or poor quality</p> |

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| | of the service or any other conditions affecting the quantity or quality of the service provided).” |
| Is the assessment done in practice? | Yes |
| Details: | Contributors provide that this is in application to the detailed criteria provided by regulations on financial and economic calculations that includes a risk identification and allocation component. |
| 12.4. Comparative assessment to evaluate whether a PPP is the best option when compared to other procurement alternatives (i.e. value for money analysis, public sector comparator) | Yes |
| Relevant legal/regulatory provision (if any) | <p>Article 4 of the PPP Regulation provides, “4. The financial and economic calculations consist of:</p> <p>4.1. the description of the current situation and the reasons for the implementation of the project;</p> <p>4.2. alternative financial comparison of project implementation;</p> <p>4.3. the best alternative assessment of the implementation of the project.”</p> <p>The PPP Regulation further provides, “6. In accordance with the description of the current situation and justification of the implementation of the project, all possible alternatives to the implementation of the project are determined, which corresponds to the types of public-private partnership.</p> <p>7. The analysis of the financial comparison of the implementation of the project (including assessment of the project payback period, risk analysis and, if necessary, sensitivity analysis) shall perform the best alternatives specified in Paragraph 6 of these Regulations from the point of view of rational and efficient use of the public person’s financial resources and project implementation. an alternative to the Public Procurement Law and, if possible, an alternative to project implementation, where the public partner continues to provide the relevant function himself.</p> <p>(Amended by Cabinet Regulation No. 213 of 22 March 2011)</p> <p>7. 1 If an alternative to a project implementation alternatives to a project implementation alternatives to the implementation of a project, when the public partner continues to provide the relevant function, evaluates all possible measures that a public partner can make to improve his performance with similar methods as a private partner and an alternative financial comparison of the project implementation the assumptions based on that principle are used in the analysis.</p> <p>(In the wording of the Regulation No. 233 of 22 March 2011 of the Cabinet of Ministers)</p> <p>8. An alternative financial comparison of the implementation of the project is carried out, with a clear indication of the assumptions, costs, revenues and the impact of these factors on the financial performance of the project.”</p> |
| Is there a specific methodology for the assessment? | Yes |

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| If yes, please elaborate | PPP Regulation provides comparative assessment methodology in Articles 9-13 particularly. |
| Is the assessment done in practice? | Yes |
| Details: | Contributors provide that this is in application to the detailed criteria provided by regulations on financial and economic calculations that includes a comparative analysis component. |
| 12.5. Financial viability or bankability assessment | Yes |
| Relevant legal/regulatory provision (if any) | No regulatory basis |
| Is there a specific methodology for the assessment? | No |
| If yes, please elaborate | n/a |
| Is the assessment done in practice? | Yes |
| Details: | Contributors provide that this is in implicit application to the detailed criteria provided by regulations on financial and economic calculations |
| 12.6. Market sounding and/or assessment (showing evidence of investors' interest in the market for the project) | Yes |
| Relevant legal/regulatory provision (if any) | No regulatory basis |
| Is there a specific methodology for the assessment? | No |
| If yes, please elaborate | n/a |
| Is the assessment done in practice? | Yes |
| Details: | Contributors provided that this assessment is conducted in practice |
| 12.7. Environmental impact assessment | Yes |
| Relevant legal/regulatory provision (if any) | Law on Environmental Impact Assessment of October 14, 1998 (and its amendments), which defines in Article 1(2) 2 "environmental impact assessment" as – the procedures to be performed in accordance with the procedures laid down in this Law in order to assess the possible impact of the implementation of intended activities or a planning document on the environment and to develop proposals for the prevention or decrease of negative effects or to prohibit the initiation of an intended activity in cases of the violation of the requirements laid down in laws and regulations. And Article 3 provides, "1) impact assessment shall be performed in as early a stage as possible of the planning, designing and taking of decisions of an intended activity." Article 4 provides, "Assessment (1) Impact assessment shall be required: 1) for intended activities which are related to the objects referred to in Annex 1 to this Law." Annex I of this Law provides, " 9. Construction of new public railway lines, if their length is 10 kilometers and |

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| | <p>more.</p> <p>10. Construction of new airports with a runway length of 2 100 meters or more.</p> <p>11. Construction of motorways and express roads.</p> <p>11.1 Construction of new roads with four or more lanes or existing roads with two or less lanes which have been realigned and/or widened so as to provide roads of four or more lanes if such section of constructed, realigned and/or widened road is 10 or more kilometers long.</p> <p>11.2 Construction of new motors roads, if their length is 10 kilometers and more.</p> <p>Annex II of this Law provides, “10. Infrastructure projects:</p> <p>1) the installation of industrial territories, if their area is 2.5 hectares and larger;</p> <p>2) urban development projects (for example, construction of shopping centers, new water supply or sewerage external networks) if the total length exceeds 20 kilometers, or more than 300 vehicles in intended car parks);</p> <p>3) railway infrastructure projects:</p> <p>a) construction of new railway lines, if their length exceeds 2.5 kilometers,</p> <p>b) construction of transshipment facilities and terminals, if the intended amount of freight is 10 million tons per year and more, except renovation of to the abovementioned objects (all activities to which Annex 1 to this Law does not apply);</p> <p>4) the construction of airfields (all activities to which Annex 1 to this Law does not apply), except the installation of a helipad for medical, rescue and military needs;</p> <p>5) the construction of a new road:</p> <p>a) if its length is 1 kilometer and more,</p> <p>b) if it is intended in a specially protected nature territory, is bordering with a specially protected nature territory or is intended within the distance of 100 meters from it.”</p> |
| Is there a specific methodology for the assessment? | Yes |
| If yes, please elaborate | The Law on Environmental Impact Assessment sets out the methodology on procedures for conducting environmental impact assessments. |
| Is the assessment done in practice? | No |
| Details: | Contributors provided that this assessment is not implemented in practice |
| 12.8. Consultation process with affected communities on potential impact of the PPP project | No |
| Relevant legal/regulatory provision (if any) | n/a |
| Is there a specific methodology for the assessment? | n/a |
| If yes, please elaborate | n/a |

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| Is the assessment done in practice? | n/a |
| Details: | n/a |
| 13. Does the procuring authority include the assessments (indicated in Question 12 above) in the request for proposals and/or tender documents (for example, as part of an Information Memorandum to the bidders)? | Yes |
| If yes, please provide the relevant legal/regulatory provisions (if any): | Article 21 of the PPP Law provides, “(1) The Concession Procedure Commission shall ensure the documentation of the concession procedure and each stage thereof. (2) The decision to open a concession procedure, the financial and economic calculations, the opinions of the competent authorities, the minutes of the concession procedure commission, the regulations, applications after their official opening, the concession statement commission closing report, other concession procedure documents, with the exception of tenders submitted by tenderers, is generally accessible information in the amount and in the manner prescribed by this Law.” |
| and specify which of the assessments are included in the request for proposals and/or tender documents: | Affordability, comparative, financial viability, and risk assessments particularly. |
| 13.1. Are the assessments published online? | No |
| If yes, please provide the relevant legal/regulatory provisions (if any): | n/a |
| specify the website | n/a |
| please specify which of the assessments are published online: | n/a |
| 14. Does the procuring authority include a draft PPP contract in the request for proposals? | Yes |
| If yes, please provide the relevant legal/regulatory provisions (if any): | Article 33 of the PPP Law provides, “(11) A draft concession contract shall be annexed to the Regulations. In the case of a competitive dialogue procedure, the draft terms of the concession contract may not be included.” Article 62 of the PPP Law moreover pre-sets in detail components of a PPP contract. |
| If no, please elaborate | n/a |
| 14.1. Are the tender documents published online? | Yes |
| If yes, please provide the relevant legal/regulatory provisions (if any): | Article 34 of EU 2014/23/EU on the Award of Concession Contracts provides, “1. Contracting authorities and contracting entities shall offer by electronic means unrestricted and full direct access free of charge to the concession documents from the date of publication of a concession notice or, where the |

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| | concession notice does not include the invitation to submit tenders, from the date on which an invitation to submit tenders was sent. The text of the concession notice or of these invitations shall specify the internet address at which the concession documents are accessible.” |
| and please specify the website: | https://www.iub.gov.lv/lv/iubsearch/ |
| 15. In a case comparable to the case study assumptions, have standardized PPP model contracts and/or transaction documents been developed? | No |
| If yes, please specify and provide a government-supported website where the mentioned standards are available or provide an electronic copy of them: | n/a |
| 16.1 In a case comparable to the case study assumptions, who is the responsible party for each of the following requirements? Obtaining the required urban permits: Procuring authority (or other Government entity) | No |
| Private Partner | No |
| Private partner with facilitation role assigned to the procuring authority (or other Government entity) | No |
| To be established in the contract | Yes |
| Relevant legal/regulatory provision (if any) | No regulatory basis |
| 16.2. Obtaining the required environmental permits: Procuring authority (or other Government entity) | No |
| Private Partner | No |
| Private partner with facilitation role assigned to the procuring authority (or other Government entity) | No |
| To be established in the contract | Yes |
| Relevant legal/regulatory provision (if any) | No regulatory basis |
| 16.3. Obtaining the required operational permits: Procuring authority (or other Government entity) | No |

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| Private Partner | No |
| Private partner with facilitation role assigned to the procuring authority (or other Government entity) | No |
| To be established in the contract | Yes |
| Relevant legal/regulatory provision (if any) | No regulatory basis |
| 16.4. Obtaining the required land: Procuring authority (or other Government entity) | Yes |
| Private Partner | No |
| Private partner with facilitation role assigned to the procuring authority (or other Government entity) | No |
| To be established in the contract | No |
| Relevant legal/regulatory provision (if any) | No regulatory basis |
| 16.5. Obtaining the required right of way: Procuring authority (or other Government entity) | No |
| Private Partner | No |
| Private partner with facilitation role assigned to the procuring authority (or other Government entity) | No |
| To be established in the contract | Yes |
| Relevant legal/regulatory provision (if any) | No regulatory basis |
| PPP Procurement | |
| 18. Which of the following options best describes the required qualifications of the bid evaluation committee members? (Please select only one): The membership of the bid evaluation committee is specified and/or its members are required to meet detailed qualifications. | No |
| If yes, please provide the relevant legal/regulatory provisions (if any): | n/a |
| The bid evaluation committee members require sufficient | Yes |

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| qualification without specific details. | |
| If yes, please provide the relevant legal/regulatory provisions (if any): | <p>Article 24 of the PPP Law provides, “(1) A concession proceedings commission is established by a representative of a public partner. The concession procedure commission includes persons who are not subject to administrative penalties for violations in the field of public procurement and public-private partnerships - the prohibition on holding positions of public officials whose responsibilities include decisions in the field of public procurement and public-private partnerships or procurement agreements, general agreements, conclusion of contracts or concession contracts, as well as to take appropriate decisions and conclude relevant contracts - whether the execution of this sentence has come to an end. To be sure, a public partner’s representative obtains information in the publications management system.</p> <p>(2) The establishment of concession procedures for the commission, the public partner representative shall ensure that it shall be competent in the concession contract area.</p> <p>(3) The Concession Procedure Commission is entitled to invite experts or public-private partnership experts who are not members of the commission in the performance of their duties.</p> <p>(4) The Concession Procedure Commission shall be composed of at least five members.</p> <p>(As amended by the Law of 20.04.2017 , which comes into force on 01.05.2017)”</p> |
| The bid evaluation committee members are not required to have any specific qualifications. | <p>No</p> |
| Please elaborate and provide examples: | <p>n/a</p> |
| 19. Does the procuring authority issue a public procurement notice of the PPP project? | <p>Yes</p> |
| If yes, please specify the means of publication and provide the relevant legal/regulatory provisions (if any): | <p>Article 19 of the PPP Law provides, “(1) The Concession Procedure Commission shall provide for the submission of applications and tenders electronically, except in cases where due to technical reasons, information included in applications or offers or due to protection of commercial interests it can not be ensured. In order to receive applications and tenders, the Concession Procedure Commission shall elect to use electronic information systems free of charge for the electronic receipt of applications and tenders.”</p> <p>Article 20 of the same Law provides, “(1) of this Law Article 38 , Article 53 of the first and second part of Article 53 1 Article and Article 63 of the seventh part of the notification procedure for the preparation and content determined by the Cabinet. The format of the notification form is set by the European Commission Implementing Regulation (EU) 2015/1986 of 11 November 2015 establishing standard forms for publication in the field of public procurement and repealing Implementing Regulation (EU) No. 842/2011 .</p> <p>(2) The concession procedure commission or the public partner shall draw up and submit the notice referred to in the first paragraph of this article in the</p> |

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| | <p>management system. Within three business days after receipt of the notification referred to in Paragraph one of this Section, the Procurement Monitoring Bureau shall check the compliance of its content with the requirements of this Law and publish it on the website of the Procurement Monitoring Bureau if the estimated contract price is less than the contractual price limit set by the Cabinet of Ministers.” Article 3 of the Regulations of the Cabinet of Ministers No 244 of 3 May 2017 “Rules of Announcement of Concession Procedures and its Procedure of Elaboration” provides, “3. The Concession Procedure Commission shall prepare an announcement electronically in the Public Information System “Publication Management System” of the State Procurement Monitoring Bureau in accordance with the relevant form set out in Appendices 1 , 2 , 3 , 4 , 5 , 6 and 7 of these Regulations , indicating in the form requesting data, providing a description or choosing the appropriate answer.”</p> |
| 19.1. If yes, is the public procurement notice published online? | <p>Yes</p> |
| If yes, please specify the website: | <p>www.iub.gov.lv; http://ted.europa.eu/TED/main/HomePage.do</p> |
| 20. Are foreign companies prohibited from participating in the bidding process? | <p>No</p> |
| If yes, please provide the relevant legal/regulatory provisions (if any): | <p>n/a</p> |
| 21. In a case comparable to the case study assumptions, does the procuring authority grant the potential bidders a minimum period of time to submit their bids? | <p>Yes</p> |
| If yes, please provide the relevant legal/regulatory provisions (if any): | <p>Article 39 of the PPP Law provides, “(1) The Concession Procedure Commission shall take account of the degree of complexity of the concession contract and the time required for the preparation of applications or tenders, as well as the minimum deadlines for the submission of applications and tenders as specified in this Article, when setting deadlines for the submission of applications or tenders. (2) If a tendering procedure without a tender procedure or a negotiated procedure is applied to the concession procedure, the deadline for submission of tenders shall be at least 30 days from the day the notice on the concession was published on the website of the Procurement Monitoring Bureau or when a call for tender was sent to the selected tenderers. If the estimated contract price is equal to or greater than the contractual price limit set by the Cabinet, the deadline for submission of tenders is at least 30 days from the date on which the Procurement Monitoring Bureau has sent the notice for concession to the Publications Office of the European Union for publication in the Official Journal of the European Union. (3) If a tendering procedure with tender selection or tender dialogue is applied for a concession procedure, the deadline for submission of applications is at</p> |

least 30 days from the date on which the notice on the concession is published on the website of the Procurement Monitoring Bureau. If the estimated contract price is equal to or greater than the contractual price limit set by the Cabinet, the deadline for submission of applications is at least 30 days from the date on which the Procurement Monitoring Bureau has sent a notice of concession to the Publications Office of the European Union for publication in the Official Journal of the European Union.

(4) If a tendering procedure for the selection of candidates is applied for a concession procedure, the deadline for the submission of tenders shall be at least 22 days from the day the invitations to tender are sent to the tenderers.

(5) If a tendering procedure is applied to a concession procedure, the deadline for the submission of tenders for the participation of the participants in the negotiations shall be at least 22 days from the date on which the invitation to tender was sent to the tenderers. The Concession Procedure Commission agrees with all selected tenderers who have taken part in the negotiations on the deadline for submission of tenders, but, if canceled, the deadline is 22 days from the day the invitations to tender were sent to the tenderers.

(6) If a public partner wants to conclude a concession contract for the services listed in Annex 2 to this Law, the deadline for the submission of bidders' bids is at least 30 days from the date on which the prior information notice on social and other special services is published on the website of the Procurement Monitoring Bureau. If the estimated contract price is equal to or greater than the contractual threshold set by the Cabinet, the deadline for submission of tenders is at least 30 days from the date on which the Procurement Monitoring Bureau has forwarded a prior information notice on social and other specific services to the Publications Office of the European Union for publication in the European In the Official Journal of the European Union.

(7) The Concession Procedure Commission may reduce the time limit for the submission of tenders for applicants for five days if submission of tenders is electronically in accordance with Section 19, Paragraph one of this Law.

(8) The Concession Procedure Commission sets a longer deadline for submission of tenders for the minimum deadlines for the submission of applications and tenders provided for in this Article if the application or tender can be prepared only after the concession venue has visited the place of performance of the concession or after the concession documents have been consulted on the additional documents indicated in the concession procedure documents in the procedure indicated by the commission. The deadline for submission of applications and tenders must be such as to enable interested tenderers to have access to all information necessary for the preparation of the application and the tender.

(9) The Concession Procedure Commission may amend the concession procedure documents, unless the amended provisions permit the submission of distinct tenders or the participation or choice of other tenderers in the concession procedure. If the concession procedure documents are amended, the deadline for submission of applications or tenders is extended according to the importance of the information or changes so that the tenderers can see all the information necessary for the preparation of the application or tender.

Minimum deadline for submission of applications or tenders by day

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| | <p>(10) If the Concession Procedure Commission amends the invitation to tender, the minimum deadline for the submission of tenders after the date on which the Concession Procedure Commission has informed all tenderers invited to submit the tender is at least half the time limit for the submission of tenders initially specified.</p> <p>(11) The Concession Procedure Commission is entitled to extend the deadlines for the submission of applications and tenders by publishing a notice of changes or additional information. If the estimated contract price for a concession contract is equal to or greater than the contractual threshold set by the Cabinet, the minimum term for which the concession procedure commission is entitled to extend the time limit for the submission of applications or tenders is seven days. Such extension of time periods shall not be deemed to be amendments to procurement procedure documents for the purposes of paragraph eight of this Section.</p> <p>who are registered as recipients of the concession procedure documentation. If a notification regarding interruptions in the operation of the electronic information system has been received from the system maintainer, which can not guarantee the security of applications or offers, the concession procedure commission decides on termination of the concession procedure.</p> <p>(As of 20.04.2017 in the wording of the Law, which comes into force on 1 January 2017)”</p> |
| and the time in calendar days: | 30 |
| 22.1. In a case comparable to the case study assumptions, which are the procurement procedures available and/or set as default for PPP projects? Open tendering: Available | Yes |
| Default | No |
| Relevant legal/regulatory provision (if any) | <p>Article 17 of the PPP Law provides, “(1) In order to determine which tenderer qualifies for the concession contract, the following concession procedures will apply:</p> <ol style="list-style-type: none"> 1) competition without selection of candidates; 2) competition with tender selection; 3) the competition dialogue; 4) negotiation procedure.” |
| 22.2. Restricted tendering (with pre-qualification stage): Available | Yes |
| Default | No |
| Relevant legal/regulatory provision (if any) | <p>Article 17 of the PPP Law provides, “(1) In order to find out the tenderer who will qualify for the concession contract, the following concession procedures will apply:</p> <ol style="list-style-type: none"> 1) competition without selection of candidates; 2) competition with tender selection; 3) the competition dialogue; 4) negotiation procedure.” |

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| 22.3 Multi-stage tendering (with shortlisting of final candidate(s)): Available | Yes |
| Default | No |
| Relevant legal/regulatory provision (if any) | No regulatory basis |
| 22.4. Competitive dialogue: Available | Yes |
| Default | No |
| Relevant legal/regulatory provision (if any) | Article 17 of the PPP Law provides, “(2) The procedure for contest dialogue applies if: 1) the needs of the public partner can not be met without adapting the solutions already available on the market; 2) the concession contract includes innovative solutions; (3) the concession contract can not be awarded without prior negotiation, due to special circumstances relating to the nature, complexity or legal and financial structure of the concession or the risks associated with it; 4) the public partner can not prepare the technical specifications with sufficient precision by reference to standards or technical specifications.” |
| 22.5. Direct negotiation with more than one candidate: Available | No |
| Default | No |
| Relevant legal/regulatory provision (if any) | n/a |
| 22.6. Direct negotiation with only one candidate: Available | Yes |
| Default | No |
| Relevant legal/regulatory provision (if any) | Article 17 of the PPP Law provides, “6) The negotiated procedure shall apply if: 1) the works or services provided for in the concession contract may be provided only by a particular tenderer in one of the following cases: (a) the purpose of the concession contract is to create or purchase a unique artistic or artistic performance, (b) there is no competition for technical reasons; (c) there is a derogation (d) the need to respect the protection of exclusive rights not mentioned in subparagraph (c) of this paragraph, including intellectual property rights.” |
| 22.7 Other. Specify: | n/a |
| Available | No |
| Default | No |
| Relevant legal/regulatory provision (if any) | n/a |
| 22.8. Do the tender documents detail the procedure of the procurement process providing the same information to all the bidders? | Yes |

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| If yes, please provide the relevant legal/regulatory provisions (if any): | <p>Article 21 of the PPP Law provides, “(1) The Concession Procedure Commission shall ensure the documentation of the concession procedure and each stage thereof.</p> <p>(2) The decision to open a concession procedure, the financial and economic calculations, the opinions of the competent authorities, the minutes of the concession procedure commission, the regulations, applications after their official opening, the concession statement commission closing report, other concession procedure documents, with the exception of tenders submitted by tenderers, is generally accessible information in the amount and in the manner prescribed by this Law.”</p> |
| If no, please elaborate: | <p>n/a</p> |
| 22.9. Do the tender documents specify the prequalification/shortlisting criteria (when applicable) in order to make them available to all the bidders? | <p>Yes</p> |
| If yes, please provide the relevant legal/regulatory provisions (if any): | <p>Article 51 of the PPP Law provides, “(6) The Concession Procedure Commission shall indicate in the concession procedure documentation all criteria for the evaluation of the tender in their order of importance, the criteria values and, if applicable, the range of values, and the offer selection algorithm according to these criteria, and describe how each of the indicated evaluation criteria will be applied. (7) The Concession Procedure Commission shall indicate in the concession procedure documents the decisive tender selection criterion according to which the offer will be chosen if, before the decision on the award of the concession contract is taken, it will be determined that the evaluation of at least two tenders is the same.”</p> |
| 22.10. Based on your experience, is it always the case that the specified criteria are respected in practice? | <p>Yes</p> |
| If yes, please specify and provide the relevant legal/regulatory provisions (if any): | <p>Article 42 of the PPP Law provides, “(1) The Concession Procedure Commission shall select the tenderers in accordance with the qualification requirements specified in the concession documents.”</p> |
| If no, please elaborate: | <p>n/a</p> |
| 23. Can interested parties/potential bidders submit questions to clarify the public procurement notice and/or the request for proposals? | <p>Yes</p> |
| If yes, please provide the relevant legal/regulatory provisions (if any): | <p>Article 18 of the PPP Law provides, “(8) If the tenderer has requested additional information regarding the requirements included in the concession procedure documents in due time, the concession procedure commission shall provide it within five working days, but not later than six days before the deadline for submission of applications or tenders. Additional information is sent by the Concession Procedure Commission to the bidder who has asked the question and at the same time places this information in the buyer profile,</p> |

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| | where the concession procedure documents are available, including the question asked.” |
| 23.1. If yes, notwithstanding confidential information pertaining to the bidders, does the procuring authority disclose those questions and clarifications to all potential bidders? | Yes |
| If yes, please provide the relevant legal/regulatory provisions (if any): | Article 18 of the PPP Law provides, “(8) If the tenderer has requested additional information regarding the requirements included in the concession procedure documents in due time, the concession procedure commission shall provide it within five working days, but not later than six days before the deadline for submission of applications or tenders. Additional information is sent by the Concession Procedure Commission to the bidder who has asked the question and at the same time places this information in the buyer profile, where the concession procedure documents are available, including the question asked.” |
| 23.2. Based on your experience, is it always the case that this disclosure of information is done in practice? | Yes |
| If yes, please specify: | Contributors provided that this is in application to the regulatory provisions. |
| If no, please elaborate: | n/a |
| 24. Besides questions and clarifications, can the procuring authority conduct pre-bidding conference? | No |
| If yes, please specify and provide the relevant legal/regulatory provisions (if any): | n/a |
| 24.1. If yes, notwithstanding confidential information pertaining to the bidders, does the procuring authority disclose the content and the results of the pre-bid conference to all bidders? | n/a |
| If yes, please provide the relevant legal/regulatory provisions (if any): | n/a |
| 24.2. Based on your experience, is it always the case that this disclosure of information is done in practice? | n/a |
| If yes, please specify: | n/a |
| If no, please elaborate: | n/a |

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| 25. In a case comparable to the case study assumptions, does the procuring authority require the bidders to prepare and present a financial model with their proposals? | <p>No</p> |
| If yes, please provide the relevant legal/regulatory provisions (if any): | <p>n/a</p> |
| If no, please elaborate: | <p>There are no explicit provisions in the regulatory framework that require financial models to be presented with proposals.</p> |
| 26. Does the procuring authority evaluate the proposals strictly and solely in accordance with the evaluation criteria stated in the tender documents? | <p>Yes</p> |
| If yes, please provide the relevant legal/regulatory provisions (if any): | <p>Article 42 of the PPP Law provides, “(1) The Concession Procedure Commission shall select the tenderers in accordance with the qualification requirements specified in the concession documents.” Article 50 of the PPP Law moreover provides, “(1) If a concession procedure is selected without a candidate for a concession procedure, the concession procedure commission shall select the tenderers in accordance with the qualification requirements specified in the concession documents, check the compliance of the tenders with the requirements specified in the concession documents, and select the tender in accordance with the tender evaluation criteria. (2) If a tendering procedure for the selection of candidates is applied for a concession procedure, the Concession Procedure Commission shall verify the compliance of the tenders with the requirements specified in the concession documents and select the tender in accordance with the tender evaluation criteria. (3) If the tender procedure is applied to the concession procedure, the concession procedure commission shall check the conformity of the tender with the requirements specified in the negotiated solution and select the tender in accordance with the tender evaluation criteria.”</p> |
| Evaluation criteria is not set in the tender documents | <p>No</p> |
| 27. In the case where only one proposal is submitted (sole proposals), which of the following options best describes the way the procuring authority deals with them? (Please select only one): The procuring authority follows a specific procedure before awarding a PPP contract where only one proposal is submitted. | <p>No</p> |

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| Please specify and provide the relevant legal/regulatory provisions (if any): | n/a |
| The procuring authority considers sole proposals valid as long as they meet the conditions outlined in the tender documents. | No |
| Please provide the relevant legal/regulatory provisions (if any): | n/a |
| The procuring authority does not award a PPP contract if only one proposal is submitted. | No |
| Please provide the relevant legal/regulatory provisions (if any): | n/a |
| The regulatory framework does not include any provisions. | Yes |
| 28. Does the procuring authority publish the award notice? | Yes |
| If yes, please specify the means of publication and provide the relevant legal/regulatory provisions (if any): | <p>Article 53 of the PPP Law provides, “(1) The Concession Procedure Commission shall, within 10 working days after the conclusion of the concession contract or the decision to terminate or terminate the concession procedure, make a notice announcing the concession award.” Article 53 1 also provides, “(1) In the cases referred to in Article 3 of this Law or in the case of negotiated procedures, the public partner or representative of a public partner may submit a voluntary announcement of the results of the concession procedure for publication.</p> <p>(2) Voluntary notification of the concession procedure results are published so that interested parties could challenge the validity of the concession procedure, mistakenly carried out without adequate concession procedure or the publication of a notice of concession, and at the same time to prevent the consequences listed in the first paragraph of Article 31 3 of this law. (As of 20.04.2017 in the wording of the Law, which comes into force on 1 January 2017)”</p> |
| 28.1. If yes, is the public procurement award notice published online? | Yes |
| If yes, please specify the website: | https://www.iub.gov.lv/lv/iubsearch/pt/_pp/ |
| 29. Does the procuring authority provide all the bidders with the result of the PPP procurement process? | Yes |

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| <p>If yes, please provide the relevant legal/regulatory provisions (if any):</p> | <p>Article 53 of the PPP Law provides, “(3) The Concession Procedure Commission shall, within three working days after the decision on the results of the concession procedure has been taken, simultaneously inform all tenderers of the decision taken. The Concession Procedure Commission shall indicate the name of the successful tenderer, stating:</p> <ol style="list-style-type: none"> 1) for the rejected tenderer - the reasons for the rejection of the tender submitted by him; 2) for the tenderer who submitted the appropriate tender, - the characteristics of the selected tender and the conditional advantage; 3) the deadline by which the tenderer, pursuant to Paragraphs 1 or 2 of the second paragraph of Article 29 of this Law, may submit an application to the Procurement Monitoring Bureau regarding violations of the concession procedure. <p>(4) The Concession Procedure Commission, when announcing the results of the concession procedure, is entitled not to disclose information the disclosure of which would be likely to hinder the application of regulatory enactments or would be in conflict with the public interest or would restrict competition between tenderers or would harm the tenderer’s justified commercial interests (public or private).</p> <p>(5) The Concession Procedure Commission shall send information on the results of the concession procedure by post, fax or electronically, using a secure electronic signature or by attaching a scanned document to the electronic mail, or delivered in person. The Concession Procedure Commission retains evidence of the date and type of transmission or transmission of the information.</p> <p>(6) For the purposes of this article, information shall be deemed to have been passed on to all applicants at the same time if the relevant information has been sent to them or transferred in one day.</p> <p>(As of 20.04.2017 in the wording of the Law, which comes into force on 1 January 2017)”</p> |
| <p>If no, please elaborate:</p> | <p>n/a</p> |
| <p>29.1. If yes, does the notification of the result of the PPP procurement process include the grounds for the selection of the winning bid?</p> | <p>Yes</p> |
| <p>If yes, please provide the relevant legal/regulatory provisions (if any):</p> | <p>Article 53 of the PPP Law provides, “(3) The Concession Procedure Commission shall, within three working days after the decision on the results of the concession procedure has been taken, simultaneously inform all tenderers of the decision taken. The Concession Procedure Commission shall indicate the name of the successful tenderer, stating:</p> <ol style="list-style-type: none"> 1) for the rejected tenderer - the reasons for the rejection of the tender submitted by him; 2) for the tenderer who submitted the appropriate tender, - the characteristics of the selected tender and the conditional advantage; 3) the deadline by which the tenderer, pursuant to Paragraphs 1 or 2 of the second paragraph of Article 29 of this Law, may submit an application to the Procurement Monitoring Bureau regarding violations of the concession procedure. |

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| | <p>(4) The Concession Procedure Commission, when announcing the results of the concession procedure, is entitled not to disclose information the disclosure of which would be likely to hinder the application of regulatory enactments or would be in conflict with the public interest or would restrict competition between tenderers or would harm the tenderer's justified commercial interests (public or private).</p> <p>(5) The Concession Procedure Commission shall send information on the results of the concession procedure by post, fax or electronically, using a secure electronic signature or by attaching a scanned document to the electronic mail, or delivered in person. The Concession Procedure Commission retains evidence of the date and type of transmission or transmission of the information.</p> <p>(6) For the purposes of this article, information shall be deemed to have been passed on to all applicants at the same time if the relevant information has been sent to them or transferred in one day.</p> <p>(As of 20.04.2017 in the wording of the Law, which comes into force on 1 January 2017)"</p> |
| <p>30. Is there a standstill (or pause) period after the contract award and before the signing of the contract in order to allow unsuccessful bidders to challenge the award decision?</p> | <p>Yes</p> |
| <p>If yes, please provide the relevant legal/regulatory provisions (if any):</p> | <p>Article 54 of the PPP Law provides, "(1) A public partner or a public partner representative concludes a concession contract with a private partner not earlier than the next business day after the expiry of the waiting period if the Procurement Monitoring Bureau has not submitted an application for violations of the concession procedure in accordance with the procedures specified in Section 29 of this Law .</p> <p>(2) The waiting period referred to in Paragraph one of this Section is:</p> <p>1) 10 days after the day when the information referred to in Section 53, Paragraph three of this Law was sent electronically to all tenderers using a secure electronic signature or attached to a scanned document for electronic mail, either by fax, or transferred personally, and in addition to one working day."</p> |
| <p>and the time in calendar days:</p> | <p>10</p> |
| <p>30.1. Is the standstill period set out in the notice of intention to award?</p> | <p>Yes</p> |
| <p>If yes, please provide the relevant legal/regulatory provisions (if any):</p> | <p>Article 46 of EU 2014/23/EU on the Award of Concession Contracts provides, "(2) in Article 2a, paragraph 2 is amended as follows:</p> <p>(a)the first subparagraph is replaced by the following:</p> <p>'A contract may not be concluded following the decision to award a contract falling within the scope of Directive 2014/24/EU or Directive 2014/23/EU before the expiry of a period of at least 10 calendar days with effect from the day following the date on which the contract award decision is sent to the tenderers and candidates concerned if fax or electronic means are used or, if other means of communication are used, before the expiry of a period of</p> |

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| | either at least 15 calendar days with effect from the day following the date on which the contract award decision is sent to the tenderers and candidates concerned or at least 10 calendar days with effect from the day following the date of the receipt of the contract award decision.” |
| 31. Does the regulatory framework restrict negotiations with the selected bidder between the award and the signature of the PPP contract in order to prevent an unfair disadvantage to the other bidders? | Yes |
| If yes, please provide the relevant legal/regulatory provisions (if any): | Article 52 of the PPP Law provides, “(2) Negotiations may only take place in respect to those provisions of the draft concession contract which are not regulated in the Regulations as unalterable. The draft concession contract may not modify the rules on which the evaluation of tender bids was conducted and the winner of the tender was determined.” |
| 31.1. Based on your experience, is it always the case that this restriction is respected in practice? | No |
| If yes, please specify: | n/a |
| If no, please elaborate: | Contributors could not confirm that this restriction is always respected in practice. |
| 32. Does the procuring authority publish the PPP contract? | Yes |
| If yes, please provide the relevant legal/regulatory provisions (if any): | Article 69 of the PPP Law provides, “(1) Information regarding the conclusion of a public-private partnership agreement, amendment and termination thereof shall be entered in the Register of Public-Private Partnership Contracts (hereinafter - the Register of Contracts). (2) The Cabinet of Ministers shall determine the information to be entered in the Register of Agreements on the partnership contract or concession contract, as well as the procedure for registration and accounting of contracts. (3) The register of contracts is public. (4) The Register of Contracts is conducted by the Register of Enterprises.” |
| 32.1. If yes, which of the following options best describes this publication (choose only one)?: Publication of the full PPP contract including all its annexes and appendixes | No |
| Publication of the full PPP contract without including all its annexes and appendixes | No |
| Publication of a summary of the PPP contract without | Yes |

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| publishing the full PPP contract | |
| Publication of a summary of the PPP contract along with the full PPP contract including all its annexes and appendixes | No |
| Publication of a summary of the PPP contract along with the full PPP contract without including all its annexes and appendixes | No |
| 32.2. If yes, is it published online? | No |
| If yes, please specify the website: | n/a |
| 32.3. If yes, does the procuring authority also publish any subsequent amendment made to the PPP contract? | Yes |
| If yes, please provide the relevant legal/regulatory provisions (if any): | Article 69 of the PPP Law provides, “(1) Information regarding the conclusion of a public-private partnership agreement, amendment and termination thereof shall be entered in the Register of Public-Private Partnership Contracts (hereinafter - the Register of Contracts).” |
| PPP Contract Management | |
| 41. Has the procuring or contract management authority established a system to manage the implementation of the PPP contract (e.g. attributing responsibilities or establishing specific management tools)? | No |
| If yes, please provide the relevant legal/regulatory provisions (if any): | n/a |
| 41.1. If yes, which of the following tools does it include (check all that apply)? Establishment of a PPP contract management team | n/a |
| Relevant legal/regulatory provisions (if any): | n/a |
| Participation of the members of the PPP contract management team in the PPP procurement process and/or vice versa | n/a |

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| Relevant legal/regulatory provisions (if any): | n/a |
| Elaboration of a PPP implementation manual or an equivalent document | n/a |
| Relevant legal/regulatory provisions (if any): | n/a |
| Establishment of personnel training programs (i.e. initial training and continued training throughout the course of the project) | n/a |
| Relevant legal/regulatory provisions (if any): | n/a |
| Establishment of a risk mitigation mechanism which considers the evolving nature of risks throughout the project lifecycle (guidelines, specific processes, insurance regime, etc.) | n/a |
| Relevant legal/regulatory provisions (if any): | n/a |
| 41.2. Which of the following options best describes the required qualifications of the PPP contract management team members? (Please select only one): The membership of the PPP contract management team is specified and/or its members are required to meet detailed qualifications. | n/a |
| If yes, please specify and provide the relevant legal/regulatory provisions (if any): | n/a |
| The PPP contract management team members are required to meet sufficient qualification without specific details. | n/a |
| If yes, please provide the relevant legal/regulatory provisions (if any): | n/a |
| The PPP contract management team members are not required to meet any specific qualifications. | n/a |
| Please elaborate and provide examples: | n/a |

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| 42. Does the procuring or contract management authority establish a system for tracking progress and completion of construction works under a PPP contract? | <p>Yes</p> |
| If yes, please provide the relevant legal/regulatory provisions (if any): | <p>Article 12 of the (1) A public partner’s representative, once a year after the conclusion of a public-private partnership agreement, provides the supervisory institution with an overview of the progress of the contract execution. (2) Upon receipt of a contract performance report, the supervisory institution shall assess the conformity of the works or services indicated in the report with the public-private partnership agreement and prepare an opinion on it.</p> |
| 42.1. If yes, is the PPP contract construction performance information made available to the public? | <p>No</p> |
| If yes, please provide the relevant legal/regulatory provisions (if any): | <p>n/a</p> |
| 42.2. If yes, is the PPP contract construction performance information made publicly available online? | <p>n/a</p> |
| If yes, please specify the website: | <p>n/a</p> |
| 43. Does the procuring or contract management authority establish a monitoring and evaluation system of the PPP contract implementation after construction? | <p>Yes</p> |
| If yes, please provide the relevant legal/regulatory provisions (if any): | <p>Article 9 of the PPP Law provides, “(12) A public partner’s representative, concession procedure commission, other person or institution may also apply to the supervisory authority in other cases not mentioned in this Law to evaluate the compliance of the assumptions and risks included in the financial and economic calculations between the public partner and the private partner with the concession contract and provide an opinion on them or an opinion on whether the conditions for accounting for the assets of a public-private partnership described in the performance reports are in line with the conditions set out in the Ministry of Finance’s opinion.” Article 12 of this Law would also embody this stage, which provides, “Article 12 of the (1) A public partner’s representative, once a year after the conclusion of a public-private partnership agreement, provides the supervisory institution with an overview of the progress of the contract execution. (2) Upon receipt of a contract performance report, the supervisory institution</p> |

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| | shall assess the conformity of the works or services indicated in the report with the public-private partnership agreement and prepare an opinion on it.” |
| 43.1. If yes, which of the following tools does it include (check all that apply)?: Performance is assessed against evaluation criteria set in the tender documents and the PPP contract | Yes |
| Relevant legal/regulatory provisions (if any) | Article 9 of the PPP Law provides, “(12) A public partner’s representative, concession procedure commission, other person or institution may also apply to the supervisory authority in other cases not mentioned in this Law to evaluate the compliance of the assumptions and risks included in the financial and economic calculations between the public partner and the private partner with the concession contract and provide an opinion on them or an opinion on whether the conditions for accounting for the assets of a public-private partnership described in the performance reports are in line with the conditions set out in the Ministry of Finance’s opinion.” |
| The procuring or contract management authority can abate (reduce) payments for non-performance of operating obligations under the PPP contract | Yes |
| Relevant legal/regulatory provisions (if any) | No regulatory basis |
| The private partner must provide the procuring or contract management authority with periodic operational and financial data | Yes |
| Relevant legal/regulatory provisions (if any) | Article 12 of the PPP Law provides, “(5) Public and private partners have an obligation to keep separate accounting records of a public-private partnership project.” |
| The procuring or contract management authority must periodically gather information on the performance of the PPP contract | Yes |
| Relevant legal/regulatory provisions (if any) | Article 12 of the PPP Law provides, “(3) The Cabinet shall determine the procedure for submission of reports on performance of the contract and the information to be included therein, as well as the procedure by which the supervisory institution prepares an opinion on the compliance of the works or services indicated in the reports with the public-private partnership agreement and sends that opinion to the representative of the public partner, to be sent to the State Audit Office and other competent authorities.” |
| The PPP contract performance information | No |

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| must be available to the public | |
| Relevant legal/regulatory provisions (if any) | n/a |
| 43.2. Is PPP contract performance information made publicly available online? | No |
| If yes, please specify the website: | n/a |
| 44. Are foreign companies prohibited from repatriating the income resulting from the operation of a PPP project? | No |
| If yes, please provide the relevant legal/regulatory provisions (if any): | n/a |
| 45. Does the regulatory framework (including standard contractual clauses) expressly regulate changes in the ownership structure (i.e. stakeholder composition) of the private partner and/or assignment of the PPP contract? | Yes |
| If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any): | <p>Article 74 of the PPP Law provides, “(1) Cases in which a member or member of a target company ceases to be a member or member of this company or another person becomes a member or member of the target company and the procedure under which it is performed is determined by the Commercial Law in a public-private partnership agreement in compliance with the provisions of this article.</p> <p>(2) If a public-private partnership agreement provides that a private partner carries out construction works, the change of the members or members of the target company until the construction contract with the acceptance and transfer certificate is put into operation is possible only after the prior written consent of the representative of each public partner.</p> <p>(3) If a public-private partnership agreement provides that the private partner continues the management of the erected building, the consent of the public partner’s partner, if the public-private partnerships agreement does not specify otherwise, is not required for the change of the members or members of the target company after the contract enters into service.</p> <p>(4) If a public-private partnership contract is a public service contract or a service concession contract that does not involve the performance of works, the change of the members or members of the target company is possible only after the prior written consent of each partner of the public partner, unless otherwise specified in the public-private partnerships agreement.”</p> |
| 45.1. If yes, which of the following circumstances are specifically regulated? (check all that apply): Any change in | Yes |

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| <p>the private partner during an initial period (e.g. construction and first five years of operation).</p> | |
| <p>If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any):</p> | <p>Article 74 of the PPP Law provides, “(2) If a public-private partnership agreement provides that a private partner carries out construction works, the change of the members or members of the target company until the construction contract with the acceptance and transfer certificate is put into operation is possible only after the prior written consent of the representative of each public partner.”</p> |
| <p>Changes of ownership/contract assignment, at any time during the contract, must preserve the same technical qualifications as the original operator.</p> | <p>No</p> |
| <p>If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any):</p> | <p>n/a</p> |
| <p>In other cases, flexibility to change the ownership structure and/or assign the contract.</p> | <p>No</p> |
| <p>If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any):</p> | <p>n/a</p> |
| <p>46. Does the regulatory framework (including standard contractual clauses) expressly regulate the modification or renegotiation of the PPP contract (once the contract is signed)?</p> | <p>Yes</p> |
| <p>If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any):</p> | <p>Article 63 of the PPP Law provides, “(1) A public-private partnership agreement may be amended only in the cases provided for in the agreement or this Law. (2) Either of the contracting parties are also entitled to request amendments to a public-private partnership agreement in cases when significant unforeseen changes have occurred in: 1) laws and regulations referring to execution of the public-private partnership agreement; or 2) economic and financial conditions that affect execution of the public-private partnership agreement; (3) In the cases referred to in Paragraph two of this Section the public-private partnership agreement may be amended if: 1) changes occur following the entering into a public-private partnership</p> |

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| | <p>agreement;</p> <p>2) changes are significant; or</p> <p>3) changes are inevitable and beyond the will and control of the contracting parties.</p> <p>(4) In the cases referred to in Paragraph two of this Section the public-private partnership agreement shall be amended in order to preserve the agreement and ensure the conformity thereof with the new conditions.</p> <p>(5) Amendments to a concession contract may not be such that result in changes in the risk allocation of the concession contract.</p> <p>(6) If a public-private partnership agreement may be continued only if the accounting rules of the public-private partnership assets previously determined in the agreement change (Section 16, Paragraph six, Clause 5), the public partner representative shall, in order to sign the amendments to the agreement, receive the opinion of the Ministry of Finance on the impact of the amendments on the amount of the long-term liabilities of the State budget and the government debt. If it is determined in the opinion of the Ministry of Finance that the amendments to the public-private partnership agreement will have negative impact on the amount of the long-term liabilities of the State budget and the government debt, the Cabinet shall take the decision on the amendments to the agreement.</p> <p>(7) The public partner representative shall send the amendments to the public-private partnership agreement signed by the contracting parties to the Monitoring Institution.</p> |
| <p>46.1. If yes, is an approval from a government authority, other than the procuring authority, required?</p> | <p>Yes</p> |
| <p>If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any):</p> | <p>Article 64 of the PPP Law provides, “(1) After the parties to the PPP agreement have agreed on amendments to the PPP agreement, the draft amendments to the agreed PPP agreement shall be sent to the Monitoring Authority in order to obtain an opinion on whether the distribution of risks between the public partner and the private partner is in line with the original the contract and is not changed in the interests of the private partner.</p> <p>(2) If the opinion of the supervisory authority indicates that from the information contained in the agreed amendments to the public-private partnerships agreement that the distribution of risks between the public partner and the private partner is not changed, each representative of the public partner signs an agreement on the relevant amendments to the concession contract.”</p> <p>Article 63 of the PPP Law also provides, “(9) The public partner receives the opinion of the supervisory institution in order to sign the amendments to the public-private partnerships agreement, and if the amendments to the contract modify the provisions of the public-private partnerships asset accounting rules specified in the agreement, also the opinion of the Ministry of Finance on the impact of the amendments on the amount of long-term government budget commitments and the general government sector budget balance and debt. If in the opinion of the Ministry of Finance it is indicated that the amendments</p> |

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| | to the public-private partnership agreement will have an unacceptable impact on the amount of long-term liabilities of the state budget and general government budget balance and debt, the Cabinet of Ministers will decide on amendments to the contract.” |
| 46.2. If yes to question 46, which of the following circumstances are specifically regulated? (check all that apply): A change in the scope and/or object of the contract. | Yes |
| If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any): | Article 63 of the PPP Law provides, “(2) Amendments to the concession contract are essential in any of the following cases: 1) the amended terms of the concession contract, if they were provided for in the concession documents, allow for the submission of different tenders or the participation or choice of other tenderers in the concession procedure;.. 3) the amendments significantly extend the scope of the concession.” |
| A change in the risk allocation of the contract. | Yes |
| If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any): | Article 63 of the PPP Law provides, “(2) Amendments to the concession contract are essential in any of the following cases: 2) the economic equilibrium (for example, the distribution of risks and compensatory funds) provided for by the concession contract is changed in the interest of the tenderer chosen for the concession procedure.” |
| A change in the financial and/or economic balance of the contract. | Yes |
| If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any): | Article 63 of the PPP Law provides, “(2) Amendments to the concession contract are essential in any of the following cases: 2) the economic equilibrium (for example, the distribution of risks and compensatory funds) provided for by the concession contract is changed in the interest of the tenderer chosen for the concession procedure.” |
| A change in the duration of the contract. | Yes |
| If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any): | Article 60 of the PPP Law provides, “(5) A public partner may shorten the duration of a concession contract by shorter than provided for in paragraph 2 of this article, provided that the related compensation to a private partner does not exclude the risks of the operation of construction or services.” |
| A change in the agreed price or tariff. | Yes |
| If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any): | Article 63 of the PPP Law provides, “(4) Any increase in the contract price of a concession contract that is not closed in order to ensure the activities specified in clauses 3 , 4 , 5 , 6 or 7 of the procurement law of the Public Service Providers in Paragraphs 1, 2 and 3 of this Section. in the case of amendments referred to in paragraph 1, not exceed 50 per cent of the contract price of the original concession contract. (5) Amendments to a concession contract are permissible if the value of such amendments, determined as the sum of the monetary value of all successive |

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| | <p>amendments (not taking into account the value of the amendments made in accordance with Paragraphs 1, 2 and 3 of Paragraph three of this Section), at the same time does not reach:</p> <p>1) the limit value of the contractual price set by the Cabinet, from which the notice on the concession shall be published in the Official Journal of the European Union;</p> <p>2) 10 per cent of the contract price of the original concession contract.</p> <p>(6) If the concession contract provides for the indexation of a contract price, the contract price of the original concession contract referred to in Paragraphs four and five of this Section shall be the price of the indexed indexation. If the concession contract does not provide for the indexation of the contract price, the contract price after the modification is determined taking into account the average inflation rate in the public partner's Member State."</p> |
| 46.3. Can the procuring authority unilaterally modify a PPP contract? | No |
| If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any): | n/a |
| 47. Does the regulatory framework (including standard contractual clauses) expressly regulate the following circumstances that may occur during the life of the PPP contract? (check all that apply): Force Majeure | Yes |
| If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any): | Article 63 of the PPP Law provides, "(3) Substantial amendments to the concession contract are permissible in the following cases: 3) changes in the concession contract are necessary for reasons that the public partner could not foresee previously and do not change the general nature of the concession contract." Article 62 of the PPP Law also sets a PPP contract standard components that include, "19) cases of force majeure and actions of the parties, if any." |
| Material Adverse government action . | No |
| If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any): | n/a |
| Change in the Law. | Yes |
| If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any): | No regulatory basis |
| Refinancing. | No |

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| If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any): | n/a |
| Subcontracting and replacement of the subcontractors. | Yes |
| If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any): | <p>Article 63.1 of the PPP Law, “(1) A tenderer selected by the concession contract (a party to a concession contract) is not entitled, without the consent of the public partner, to change the personnel and subcontractors indicated in the tender and to involve additional subcontractors in the execution of the concession contract. The public partner may ask the staff and the subcontractor for their reasons for the change. The public partner in the concession contract may stipulate that the tenderer selected by the concession contract (the concession contract party) shall coordinate with the public partner the involvement of additional staff in the implementation of the concession contract.</p> <p>(2) The replacement of personnel specified in the offer is permissible only in accordance with the procedure and in the cases specified in the concession contract. The public partner does not agree to the replacement of the personnel indicated in the tender in the cases specified in the concession contract and in cases where the proposed personnel does not comply with the requirements of staff in the concession procedure documents or does not have at least the same qualifications and experience as the staff assessed for the most economically advantageous tender.</p> <p>(3) The public partner does not agree to the replacement of the subcontractor indicated in the tender if one of the following conditions exists:</p> <ol style="list-style-type: none"> 1) the proposed subcontractor does not meet the requirements for subcontractors specified in the concession documents; 2) a subcontractor whose options for the concession procedure has been established to demonstrate the compliance of his / her qualification with the requirements specified in the notice on concessions and concession procedure documents and the proposed subcontractor does not have at least the same qualifications as the tenderer selected in the concession procedure refers to ascertaining his / her compliance the requirements specified in the concession procedure, whether it complies with the exclusion cases mentioned in the first or second part of Section 37 of this Law (in accordance with the notice of concession or concession procedure documents specified by the public partner); 3) the proposed subcontractor, whose value of the work or services to be performed is at least 10 percent of the total value of the concession contract, complies with the exclusion cases mentioned in the first or second paragraph of Section 37 of this Law (in accordance with the notice of concession or concession procedure documents specified by the public partner); 4) as a subcontractor, changes would be made to the tenderer’s bid which, if initially included, would affect the selection of the tender in accordance with the tender evaluation criteria specified in the concession documents. <p>(4) The public partner does not agree to attract a new subcontractor if such</p> |

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| | <p>changes in its original offer would have influenced the selection of the tender in accordance with the tender evaluation criteria set out in the concession documents.</p> <p>(5) When testing the compliance of a new subcontractor, the public partner applies the provisions of Section 37 of this Law . The time limits referred to in Section 37, Paragraph three of this Law shall run from the date on which the request for replacement of the subcontractor is submitted to the public partner.</p> <p>(6) The decision of the public partner to allow or refuse to replace the personnel or subcontractors selected by the concession contractor (the concession contract party) or the involvement of new subcontractors in the implementation of the concession contract as soon as possible, but not later than within five working days after receiving all the information and documents necessary for the adoption of a decision in accordance with the provisions of this Article.”</p> |
| 48. Does the regulatory framework (including standard contractual clauses) allow for administrative and/or contractual complaint review mechanisms to address disputes arising from the implementation of PPP contracts? | <p>Yes</p> |
| If yes, please specify and provide the relevant legal/regulatory/standard contractual provisions (if any): | <p>Article 62 of the PPP Law provides that components of a standard PPP contract shall include, “27) the procedure for the settlement of disputes.” The complaints mechanism thus shall be regulated in detail in the contract amongst the different available options as there are no clear restrictions.</p> |
| 48.1. If yes, please specify which of the following options are available (check all that apply): Local administrative review body | <p>No</p> |
| If yes, please specify: | <p>n/a</p> |
| Local courts | <p>Yes</p> |
| Domestic arbitration | <p>No</p> |
| International arbitration | <p>Yes</p> |
| Investor-State Dispute Settlement (ISDS) | <p>Yes</p> |
| Mediation | <p>Yes</p> |
| Please provide the relevant legal/ regulatory/standard contractual provisions (if any) | <p>Article 62 of the PPP Law provides that components of a standard PPP contract shall include, “27) the procedure for the settlement of disputes.” The complaints mechanism thus shall be regulated in detail in the contract amongst the different available options as there are no clear restrictions.</p> |
| 48.2. If applicable, are arbitration awards enforceable by the local courts?: Domestic Arbitration | <p>No</p> |

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| If yes, please provide the relevant legal/ regulatory provisions/standard contractual provisions (if any): | n/a |
| International arbitration | Yes |
| If yes, please provide the relevant legal/ regulatory provisions/standard contractual provisions (if any): | <p>Article 645 of the Civil Procedures Code of 1999 provides, “An adjudication of a foreign arbitration court is a binding adjudication made by a foreign arbitration court irrespective of its designation.” Article 646 provides, “Recognition of adjudications of foreign arbitration courts shall take place in accordance with this Law and international agreements that are binding for the Republic of Latvia.”</p> <p>Latvia is also a signatory to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958) since April 14, 1992, which allows the enforcement of foreign arbitral awards amongst state signatories.</p> |
| Investor-State arbitration | Yes |
| If yes, please provide the relevant legal/ regulatory provisions/standard contractual provisions (if any): | <p>Article 645 of the Civil Procedures Code of 1999 provides, “An adjudication of a foreign arbitration court is a binding adjudication made by a foreign arbitration court irrespective of its designation.” Article 646 provides, “Recognition of adjudications of foreign arbitration courts shall take place in accordance with this Law and international agreements that are binding for the Republic of Latvia.”</p> <p>Latvia is also a signatory to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention) since Aug. 8, 1997, which allows the enforcement of investor-state arbitration awards amongst state signatories.</p> |
| 49. Does the regulatory framework (including standard contractual clauses) allow for the restructuring of a PPP private partner (SPV) in financial difficulty prior to insolvency? | No |
| If yes, please specify and provide the relevant legal/regulatory/standard contractual provisions (if any): | n/a |
| 50. Does the regulatory framework (including standard contractual clauses) allow for the lenders to take control of the PPP project (lender step-in rights) if either the private partner defaults or if the PPP contract is under threat of termination for failure to meet service obligations? | Yes |

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| <p>If yes, please provide the relevant legal/regulatory/standard contractual provisions (if any):</p> | <p>Article 79 of the PPP Law provides, “(1) In order to ensure the continuity of the public-private partnership agreement in the cases referred to in Section 65, Paragraph one, Clauses 1, 3 and 4, and Section 73 , Paragraph one of Section 65 of this Law , and to enable the financier to continue financing and recovering the execution of the public-private partnership agreement the lender has received the private partner, the sponsor has the right to intervene by offering the public partner:</p> <p>1) a new private partner in the cases referred to in Section 65, Paragraph one, Clauses 1, 3 and 4 of this Law ;</p> <p>2) new private participants in the cases referred to in Section 73, Paragraph one of this Law .</p> <p>(2) Implementation of the rights of interference referred to in Paragraph one of this Section may commence after a representative of a public partner has, in the cases referred to in Section 65, Paragraph one, Clauses 1, 3 and 4 of this Law , has decided to terminate the relevant public-private partnership contract before maturity and announced to the private partner and his financier. If the public-private partnership agreement is concluded by several public partners, the contract may be terminated by a joint decision of all the representatives of the public partners.</p> <p>(3) A public-private partnership agreement and an information exchange agreement may provide that the sponsor shall have the right to intervene even when one of the members or members of the target company changes. In this case, the contract also provides for the procedure by which the grantor exercises the right of interference and each representative of the public partner gives his consent to the replacement of the member or member of the target company.”</p> |
| <p>50.1. If yes, which of the following options best describes the lender step-in right? (Please select only one): The regulatory framework expressly regulates the lender step-in rights.</p> | <p>Yes</p> |
| <p>If yes, please specify and provide the relevant legal/regulatory/standard contractual provisions (if any):</p> | <p>Article 79 of the PPP Law provides, “(1) In order to ensure the continuity of the public-private partnership agreement in the cases referred to in Section 65, Paragraph one, Clauses 1, 3 and 4, and Section 73, Paragraph one of Section 65 of this Law , and to enable the financier to continue financing and recovering the execution of the public-private partnership agreement the lender has received the private partner, the sponsor has the right to intervene by offering the public partner:</p> <p>1) a new private partner in the cases referred to in Section 65, Paragraph one, Clauses 1, 3 and 4 of this Law ;</p> <p>2) new private participants in the cases referred to in Section 73, Paragraph one of this Law .</p> <p>(2) Implementation of the rights of interference referred to in Paragraph one of this Section may commence after a representative of a public partner has, in the cases referred to in Section 65, Paragraph one, Clauses 1, 3 and 4 of this Law, has decided to terminate the relevant public-private partnership contract</p> |

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| | <p>before maturity and has announced it to the private partner and his financier. If the public-private partnership agreement is concluded by several public partners, the contract may be terminated by a joint decision of all the representatives of the public partners.</p> <p>(3) A public-private partnership agreement and an information exchange agreement may provide that the sponsor shall have the right to intervene even when one of the members or members of the target company changes. In this case, the contract also provides for the procedure by which the grantor exercises the right of interference and each representative of the public partner gives his consent to the replacement of the member or member of the target company.”</p> |
| The regulatory framework prescribes that a direct agreement should be signed with the lenders. | No |
| If yes, please specify and provide the relevant legal/regulatory/standard contractual provisions (if any): | n/a |
| The regulatory framework prescribes that the lender step-in rights should be regulated in the contract. | No |
| If yes, please specify and provide the relevant legal/regulatory/standard contractual provisions (if any): | n/a |
| Other. | No |
| Please Specify: | n/a |
| 51. Does the regulatory framework (including standard contractual clauses) expressly establish the grounds for termination of a PPP contract? | Yes |
| If yes, please specify and provide the relevant legal/regulatory/standard contractual provisions (if any): | <p>Article 65 of the PPP Law provides, “(1) A public partner has the right to unilaterally withdraw from a public-private partnership contract by the deadline by sending a written notice to a private partner in the following cases:</p> <ol style="list-style-type: none"> 1) in the cases provided for in the contract; 2) if necessary for the purposes of national security, environmental protection or public health and safety; 3) if the private partner has submitted to the Commercial Registry the application for termination of his / her activity; 4) if, in accordance with the procedures specified in the Insolvency Law, a decision has been made to initiate a private partner’s bankruptcy procedure; 5) if the public-private partnership agreement makes substantial amendments that are not permissible in accordance with the first paragraph of Article 63 of |

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| | <p>this Law ;</p> <p>6) if the public-private partnership agreement is not concluded in accordance with the provisions of the public-private partnership procedure documents or the essential provisions of the public-private partnerships agreement project included in the public-private partnership procedure documents;</p> <p>7) if, at the time of the award of the public-private partnership contract, the private partner complied with one of the exclusions listed in Section 37, Paragraph one of this Law was excluded from the procurement procedure;</p> <p>8) if the public-private partnerships were not to be awarded by a private partner to the private partner in the Treaty on European Union, the Treaty on the Functioning of the European Union and the obligations arising from this Law due to a substantial breach of procedure established by the Court of Justice of the European Union in the procedure laid down in Article 258 of the Treaty on the Functioning of the European Union .</p> <p>(2) A private partner has the right to unilaterally withdraw from a public-private partnership contract by the deadline by sending a written notice to the public partner in the following cases:</p> <p>1) in the case of contractual breach of contract;</p> <p>2) if all legal entities, such as public partners, have submitted an application to terminate their activities to the Commercial Registry;</p> <p>3) if, in accordance with the procedures specified in the Insolvency Law, a decision has been made to open a bankruptcy proceeding for all legal entities as a public partner.</p> <p>(3) The parties may terminate a public-private partnership contract ahead of time by agreement of the parties.</p> <p>(4) Public-private partnership contracts can also be terminated early in cases of force majeure in accordance with the Civil Law . For the purposes of this Law, force majeure does not include statutory acts adopted during the period of public-private partnership agreement, acts of state administration institutions and documents adopted by them.</p> <p>(5) A legal person as a public partner may terminate a decision on termination of his activity (Article 65, Paragraph two, Clause 2) during a public-private partnership agreement only if the founder or participant of this legal entity:</p> <p>1) has created a new legal entity or transferred to another legal entity in which he is the only founder or participant to fulfill the obligations of the public partner arising from the concluded public-private partnership agreement...”</p> |
| <p>51.1. If yes, does the regulatory framework (including standard contractual clauses) establish the consequences for the termination of the PPP contract?</p> | <p>Yes</p> |
| <p>If yes, please specify and provide the relevant legal/regulatory/standard contractual provisions (if any):</p> | <p>Article 67 of the PPP Law provides, “(1) The parties in a public-private partnership agreement shall agree on the procedure for the determination and payment of compensation upon termination of the contract ahead of time, which is not in conflict with the provisions of this Law and the Civil Law, subject to the provisions of this Article.</p> <p>(2) If a public-private partnership agreement is terminated before the due</p> |

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| | <p>date in Section 65, Paragraph one, Clause 1 of this Law (if termination of the contract is not related to a contractual breach by a private partner), Articles 2, 5, 6, 7 and In the cases referred to in paragraph 8, the private partner receives compensation consisting of:</p> <p>1) payments for investments made by a private partner in accordance with the terms of the agreement;</p> <p>2) the fee for early termination of the contract in accordance with the terms of the contract.</p> <p>(3) If a public-private partnership agreement is terminated before the due date in Section 65 , Paragraph one, Clause 1 of this Law (if termination of the contract is prematurely related to a breach of contract committed by a private partner), in the cases referred to in Paragraphs 3 and 4 and in the second paragraph, a party who unilaterally resigns from the pre-term agreement receives a compensation calculated in accordance with the terms of the contract and which may also include payments for investments made by a private partner.</p> <p>(4) A public partner in a public-private partnership agreement shall not take the risk of incident regarding termination of a contract before the term in the case referred to in Section 65, Paragraph four of this Law.</p> <p>(As amended by the Law of 20.04.2017 , which comes into force on 01.05.2017)”</p> |
| Unsolicited Proposals | |
| 34. Are unsolicited proposals in Latvia: (choose only one): Explicitly prohibited by the legal framework? (if prohibited, skip to section F) | No |
| Explicitly allowed by the legal framework? | No |
| Not regulated by the legal framework, but do happen in practice? | No |
| Not regulated by the legal framework, and do not happen in practice? (if not done in practice, skip to section F) | Yes |
| If the legal framework explicitly prohibits or allows unsolicited proposals, please provide the relevant legal/regulatory provisions | n/a |
| 35. Does the procuring authority conduct an assessment to evaluate unsolicited proposals? (if not, skip to question 37) | n/a |
| If yes, please specify and provide the relevant | n/a |

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| legal/regulatory provisions (if any) | |
| 35.1. If yes, is there any vetting procedure and/or pre-feasibility analysis before fully assessing the unsolicited proposal? | n/a |
| If yes, please provide the relevant legal/regulatory provisions (if any): | n/a |
| 36. Which of the following options best describe how the procuring authority ensures that unsolicited proposals are consistent with existing government priorities? (Please select only one): The procuring authority follows a specific procedure to ensure the consistency of PPPs with other government investment priorities. | n/a |
| If yes, please specify and provide the relevant legal/regulatory provisions (if any): | n/a |
| The regulatory framework requires unsolicited proposals to be among the existing government priorities without establishing specific procedures to achieve that goal. | n/a |
| If yes, please provide the relevant legal/regulatory provisions (if any): | n/a |
| The procuring authority does not evaluate unsolicited proposals against existing government priorities. | n/a |
| Please elaborate and provide examples: | n/a |
| 37. Does the procuring authority initiate a competitive PPP procurement procedure when proceeding with the unsolicited proposal? | n/a |
| If yes, please provide the relevant legal/regulatory provisions (if any): | n/a |

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| 38. Does the procuring authority grant a minimum period of time to additional prospective bidders (besides the proponent) to prepare their proposals? | n/a |
| If yes, please provide the relevant legal/regulatory provisions (if any): | n/a |
| and the time in calendar days: | n/a |
| 39.1 Does the procuring authority use any of the following incentive mechanisms to reward/compensate the presentation of unsolicited proposals? (check all that apply): Access to the best and final offer (BAFO) process and/or automatic shortlisting. | n/a |
| 39.2 Developer's fee (reimbursing the original proponent for the project development cost). | n/a |
| 39.3 Bid Bonus. | n/a |
| 39.4 Swiss challenge (If unsuccessful, the original proponent has the option to match the winning bid and win the contract). | n/a |
| 39.5 Other. | n/a |
| Please specify: | n/a |
| Please provide the relevant legal/regulatory provisions (if any): | n/a |