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**European Neighbourhood Instrument  
Cross-Border Cooperation Programme  
Latvia-Lithuania-Belarus  
2014-2020  
EC Decision C(2015) 9136**

# **Guidelines for Applicants and Beneficiaries**

Version 2.0. Approved by the JMC on 30 October 2017

# TABLE OF CONTENT

1. GENERAL PROGRAMME INFORMATION.....	6
1.1 BACKGROUND.....	6
1.2 LEGAL FRAMEWORK.....	6
1.3 MAIN AUTHORITIES OF THE PROGRAMME.....	7
1.4 OBJECTIVES OF THE PROGRAMME AND PRIORITIES .....	8
1.5 Financial Allocations.....	9
1.5.1 Financial Allocations for the 2nd Call for Proposals .....	9
1.5.2 Co-financing rate .....	9
2. RULES FOR THE SECOND CALL FOR PROPOSALS.....	10
2.1 PROJECT AND ACTIVITIES SUPPORTED UNDER THIS CALL FOR PROPOSALS.....	10
2.1.1 Thematic Objective (TO) 1: “Promotion of Social Inclusion and Fight against Poverty” .....	10
2.1.2 Thematic Objective (TO) 2: “Support to Local and Regional Good Governance” .....	13
2.1.3 Thematic Objective (TO) 3: “Promotion of Local Culture and Preservation of Historical Heritage” .....	17
2.1.4 Non-supported Projects and Activities.....	19
2.2 ELIGIBILITY CRITERIA. GENERAL PRINCIPLES .....	19
2.2.1 Eligibility of Lead Beneficiaries and Beneficiaries .....	19
2.2.2 Eligibility of Projects .....	23
2.2.3 General Principles for Eligibility of Costs .....	25
2.2.4 Eligibility of Costs per Budget Heading .....	26
2.2.5 Ineligible Costs.....	28
2.3 APPLICATION PROCEDURE.....	29
2.3.1 Preparation of Applications .....	29
2.3.2 Information Activities and Publicity .....	30
2.3.3 Submission of the Application.....	30
2.3.4 Requirements to the Technical Documentation.....	35
2.3.5 Registration of Applications .....	40
2.4 EVALUATION AND SELECTION OF APPLICANTS.....	40
2.4.1 Administrative and Eligibility Check, Quality Assessment .....	40
2.4.2 Strategic Regional Relevance Evaluation and Selection of Applications.....	49
2.4.3 Decision Making on Applications .....	50
2.5 NOTIFICATION ON THE JMC DECISION .....	51
2.5.1 Content of the Decision .....	51
2.5.2 Complaints .....	51
2.6 CANCELATION OF THE CALL FOR PROPOSALS .....	51
3. IMPLEMENTATION OF PROJECTS.....	53

3.1	SIGNING THE GRANT CONTRACT .....	53
3.1.1	Responsibilities and Parties to the Grant Contract.....	53
3.1.2	Conditions for Signing the Grant Contract.....	53
3.1.3	National Procedures in Belarus .....	54
3.1.4	Start and End Date of the Project.....	57
3.2	MANAGEMENT AND COORDINATION OF THE PROJECT.....	58
3.2.1	Management and Coordination .....	58
3.2.2	Decision-making .....	59
3.3	GENERAL RULES OF FINANCIAL MATTERS .....	59
3.3.1	Conflict of Interests and Corruption .....	59
3.3.2	Public Benefit and No Profit.....	59
3.3.3	Revenue from the Project .....	60
3.3.4	Accountancy and Exchange Rates.....	60
3.4	PROCUREMENT BY LEAD BENEFICIARY AND BENEFICIARIES WITHIN PROJECTS .....	61
3.5	MONITORING AND REPORTING.....	64
3.5.1	Monitoring of the Project Progress .....	64
3.5.2	Reporting .....	65
3.5.3	Expenditure verification .....	68
3.5.4	Payment of the EU Funding.....	70
3.5.5	Irregularities and Recoveries .....	71
3.6	INTRODUCTION OF AMENDMENTS TO THE PROJECT.....	73
3.6.1	Types of amendments to the project .....	73
3.6.2	Procedure for handling minor and substantial amendments.....	77
3.7	VISIBILITY, INFORMATION AND COMMUNICATION .....	80
3.8	PROJECT CLOSURE .....	83
3.8.1	Ownership of the Results of the Project .....	83
3.8.2	Closure of the Project .....	83
4.	LIST OF ANNEXES.....	85

## LIST OF ABBREVIATIONS

<b>AA</b>	Audit Authority		<b>IFAC</b>	International Federation of Accountants
<b>BO</b>	Branch Office of the JTS		<b>ITA</b>	International Technical Assistance
<b>BTT</b>	Budget Transfers Table		<b>JMC</b>	Joint Monitoring Committee
<b>CBC</b>	Cross-border cooperation		<b>JTS</b>	Joint Technical Secretariat
<b>CD</b>	Compact disc		<b>MEDA</b>	The European Union Programme to support economic and financial cooperation under the Euro-Mediterranean partnership.
<b>EC</b>	European Commission		<b>MA</b>	Managing Authority
<b>EIB</b>	European Investment Bank		<b>Member State</b>	Member State of the European Union
<b>ENI</b>	European Neighbourhood Instrument		<b>NA</b>	National Authority
<b>ENP</b>	European Neighbourhood Policy		<b>NGO</b>	Non-governmental organisation
<b>ENPI</b>	European Neighbourhood and Partnership Instrument		<b>Programme</b>	European Neighbourhood Instrument Cross-Border Cooperation Programme Latvia-Lithuania-Belarus 2014-2020
<b>EU</b>	European Union		<b>TACIS</b>	Technical Assistance for the Commonwealth of Independent States
<b>EUR</b>	Euro		<b>TO</b>	Thematic Objective
<b>Guidelines</b>	Guidelines for Applicants and Beneficiaries			

## **NOTICE**

This is an open Call for Proposals for the European Neighbourhood Instrument Cross-Border Cooperation Programme Latvia-Lithuania-Belarus 2014-2020, where all documents are submitted at one stage. Each application (Grant Application Form with the requested annexes and supporting documents) will be evaluated by the assessors.

Please note, that the English version of the document is approved by the Joint Monitoring Committee of the Programme and takes precedence over other language versions.

# 1. GENERAL PROGRAMME INFORMATION

## 1.1 BACKGROUND

The European Neighbourhood Instrument Cross-Border Cooperation (CBC) Programme Latvia-Lithuania-Belarus 2014-2020 is financed by the European Neighbourhood Instrument (ENI), created to support the European Neighbourhood Policy (ENP).

The ENP, developed after the 2004 enlargement of the European Union (EU) and revised in 2011, was designed to prevent the emergence of new dividing lines between the enlarged EU and its neighbours, to share the benefits of the EU with sixteen neighbouring countries in the South and East of the EU, in order to strengthen stability, security and well-being for all concerned. Within the ENP, the EU offers its neighbours a privileged relationship, building upon a mutual commitment to common values – democracy and human rights, rule of law, good governance, market economy principles and sustainable development.

The main financial instrument, aimed at supporting the ENP through concrete assistance actions, was the European Neighbourhood and Partnership Instrument (ENPI). It was established in 2007, replacing the co-operation programmes TACIS (for the Eastern European countries) and MEDA (for the Mediterranean countries). The goal of the ENPI was to create an area of shared values, stability and prosperity, enhanced co-operation and deeper economic and regional integration by covering a wide range of co-operation areas. It enhanced bilateral, regional and sectorial cooperation.

From 2014, the ENPI is replaced by the ENI. It is an increasingly policy-driven instrument, which is aimed at providing increased differentiation, more flexibility, stricter conditionality and incentives for best performers. Part of the ENI funds is reserved for cross-border co-operation under which the ENI finances joint programmes, bringing together regions of Member States and Partner Countries that share a common border. The CBC has three strategic objectives:

- promote economic and social development in regions on both sides of common borders;
- address common challenges in environment, public health, safety and security;
- promote better conditions and modalities for facilitating the mobility of persons, goods and capital.

ENI cross-border cooperation involves regions on both sides of the EU's border into joint projects, in which the partners share one single budget, common management structures, a common legal framework and implementation rules, giving the programmes a fully balanced partnership between the participating countries.

The main objective of the ENI programmes is to contribute to the development of a special relationship with neighbouring countries, with the aim of establishing an area of prosperity and good neighbourliness, founded on the values of the EU and characterised by close and peaceful relations based on cooperation as it is stated in Article 8 of the Treaty on EU.

## 1.2 LEGAL FRAMEWORK

The European Neighbourhood Instrument CBC Programme Latvia-Lithuania-Belarus 2014-2020 operates within the following legal framework:

- The Commission Implementing Decision C(2015) 9136 final of 17 December 2015 on the Joint Operational Programme Latvia-Lithuania-Belarus 2014-2020 for the ENI Cross-Border Cooperation programme for the years 2014-2020 to be financed from the general budget of the European Union (hereinafter – Programme);

- The Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action;
- Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument;
- Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument;
- The Programming document for European Union support to ENI cross-border cooperation for the period 2014-2020, that provides the strategic framework for the EU support for cross-border cooperation on the external borders of the EU, under the ENI, for the period 2014-2020;
- Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002;
- Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union;
- Applicant's Pack and other Programme documents;
- Applicable national legal acts and the EU Regulations and Directives, including horizontal themes, in particular on sustainable development, environment, competition and state aid, public procurement, gender equality.

### 1.3 MAIN AUTHORITIES OF THE PROGRAMME

The main authorities of the Programme:

- **Joint Monitoring Committee** (hereinafter – the JMC): a decision-making body monitoring the implementation of the Programme. The JMC shall follow the implementation of the Programme and progress towards its Priorities using the objectively verifiable indicators and related target values defined in the Programme. Furthermore, it shall examine all issues affecting the performance of the Programme, and may issue recommendations to the Managing Authority regarding the implementation of the Programme and its evaluation. Consequently, the JMC shall monitor projects undertaken as a result of its recommendations. In addition, the JMC shall select projects to be financed under the Programme. The JMC is composed of representatives appointed by all three participating countries (5 representatives from each country representing national, regional level institutions, and optionally, local authorities and other social-economic partners of the Programme area).
- **Managing Authority** (hereinafter – the MA): an executive body responsible for managing the Programme and ensuring that decisions of the JMC comply with the applicable law and legal provisions. It signs the grant contracts with the Lead Beneficiaries, ensures that the operational follow-up is carried out and makes payments to projects. The MA is the Regional Policy Department of the Ministry of the Interior of the Republic of Lithuania.
- **National Authorities** (hereinafter – the NAs) - bodies responsible for supporting the MA in the management of the Programme. They are in charge of setting up and effective functioning of management and control systems at national level, ensure the overall coordination of the institutions involved in the implementation of the Programme at national level, represent their countries in the JMC. The tasks of NA in Latvia are allocated to the Development Instruments Department of the Ministry of Environmental Protection and Regional Development of the Republic of Latvia. The tasks of NA in Lithuania are allocated by the Regional Policy Department of the Ministry of the Interior of the Republic

of Lithuania. The tasks of NA in Belarus are allocated to the Department for European Cooperation of the Ministry of Foreign Affairs of the Republic of Belarus.

- **Joint Technical Secretariat** (hereinafter – the JTS): a joint operational body, assisting the MA, the JMC and, where relevant, the Audit Authority (AA), in carrying out their respective functions. The JTS is responsible for preparation, launching and managing the project selection procedures, informing the potential beneficiaries about funding opportunities under the Programme, assisting the beneficiaries in the implementation of projects, monitoring projects' progress including by checking reports and carrying out the usual work of a secretariat of the JMC, i.e. organising meetings, preparing documents, organising minutes, etc. The public establishment *Joint Technical Secretariat*, located in Vilnius, Lithuania, has been designated as the Joint Technical Secretariat of the Programme.
- **Audit Authority** (hereinafter – the AA): is responsible for ensuring that audits are carried out on the management and control systems and for checking the annual accounts of the Programme. The AA will ensure that the audit work complies with internationally accepted audit standards and that audits are carried out on an appropriate sample of projects. It shall be assisted by the Group of Auditors. The Internal Audit Division of the Ministry of the Interior of the Republic of Lithuania has been designated as the AA, it shall be assisted by the Group of Auditors.

## 1.4 OBJECTIVES OF THE PROGRAMME AND PRIORITIES

The Programme shall contribute to strengthening relations with Partner Country Belarus and promote enhanced political cooperation and progressive economic integration. The strategic goal defined for the Programme is:

***To strengthen relations, raise capacities and share experience among people and organisations from Latvia, Lithuania and Belarus through implementation of joined projects aimed at increasing the overall quality of life in the border regions.***

This overall goal encompasses objectives to contribute to the positive changes in specific fields, including social, educational, health care, environmental, tourism, safety and security sectors. The Programme aims to facilitate two-fold improvement. On the one hand, the Programme shall support enhancement of public sector skills and tools for providing services at regional level. On the other hand, the Programme shall pay a particular attention to the development of social capital in the region, encouraging activity of the third sector – NGOs, communities, local inhabitants.

It is expected that the strategic goal of the Programme will be achieved by projects, submitted to attain the following **three Thematic Objectives (TOs) with the following allocations within the Calls for Proposals**:

**Table 1. Programme Funding per Thematic Objective for Calls for Proposals**

Thematic Objective (TO)	EU funding for Calls for Proposals, in EUR
<b>TO 1 Promotion of social inclusion and fight against poverty:</b> <ul style="list-style-type: none"> <li>- Priority 1.1 Enhancing the Access to Social and Other Services for Vulnerable Groups.</li> <li>- Priority 1.2 Stimulating Employment through Entrepreneurship and Innovations.</li> </ul>	14 000 000
<b>TO 2 Support to local and regional good governance:</b> <ul style="list-style-type: none"> <li>- Priority 2.1 Increasing Capacity of Local and Regional Authorities to tackle Common Challenges.</li> </ul>	14 400 000



- Priority 2.2 Strengthening Society.	
<b>TO 3 Promotion of local culture and preservation of historical heritage:</b>	16 000 000
- Priority 3.1 Promoting and Preserving Cultural and Historical Heritage and Traditional Skills.	

## 1.5 Financial Allocations

### 1.5.1 Financial Allocations for the 2nd Call for Proposals

The overall indicative amount made available for projects under this Call for Proposals is EUR 25 000 000 with a possibility to increase by a decision of the JMC. At the same time the JMC reserves the right not to award all the available funds.

#### **Size of EU funding (grant) and project budget**

For any project the EU funding (grant) requested under this Call for Proposals **shall not be less than EUR 100 000.**

The maximum amount of the EU funding (grant) **shall not exceed:**

- For projects within the Priority 1.1: **EUR 1 000 000;**
- For projects within the Priority 1.2: **EUR 300 000;**
- For projects within the Priority 2.1: **EUR 1 000 000;**
- For projects within the Priority 2.2: **EUR 300 000;**
- For projects within the Priority 3.1: **EUR 1 200 000.** Infrastructure component for one side (country) cannot exceed EUR 900 000.

**For any project the EU funding (grant) shall be 90 % of the total eligible costs of the project.**

The budget of the project is both a cost estimate and a ceiling for eligible costs. EU funding (grant) shall not exceed the eligible costs.

### 1.5.2 Co-financing rate

**The amount of 10 % of the total eligible costs of the project must be the partnership's (the Lead Beneficiary's and/or beneficiary's(ies') own co-financing to the project)** and must be financed from their resources. The amounts of such co-financing are to be decided between the Lead Beneficiary and beneficiaries and their distribution is to be indicated in the Grant Application Form and Partnership Statement(s). It is highly recommended that each Lead Beneficiary and each beneficiary provides its own co-financing to the project budget.

## **2. RULES FOR THE SECOND CALL FOR PROPOSALS**

### **2.1 PROJECT AND ACTIVITIES SUPPORTED UNDER THIS CALL FOR PROPOSALS**

Description of activities and examples of actions which may be supported within each Priority and which will not be supported under this Call for Proposals are given below in *sections 2.1.1 – 2.1.4 to these Guidelines*.

#### **2.1.1 Thematic Objective (TO) 1: “Promotion of Social Inclusion and Fight against Poverty”**

The TO 1 seeks to address the following needs:

- In order to enhance the access to social and other services for vulnerable groups in the Programme area, to develop new and/or improving the existent social or other services through cross-border cooperation.  
Vulnerable groups are understood as various groups that experience a higher risk of poverty and social exclusion than the general population, including children, women, physically or mentally disabled, elderly, minorities, ex-cons, those struggling with substance abuse, homeless, long-term unemployed, etc. However, vulnerability of certain groups depends on the context of particular country/region.
- In order to create greater employment opportunities in the Programme area, to develop employability and entrepreneurial capacities of people, especially young and pre-retirement age, through cross-border cooperation and exchange of good practices.

**Within this TO the projects may apply to the Priority 1.1 or Priority 1.2 as described below:**

#### **Priority 1.1 “Enhancing the Access to Social and Other Services for Vulnerable Groups”**

*Specific objective* - developing new and/or improving the existent social or other services for vulnerable groups through cross-border cooperation.

##### **Expected results by the Priority 1.1**

Activities financed under this Priority could result in numerous positive short-term, mid-term and long-term changes in the Programme area. The most important of these include, first of all, emergence of alternative social and other service providers (including NGOs and local communities) cooperating with cross-border partners and, thus, increased diversification of service providers; secondly, increased availability and wider variety of social and other services for vulnerable groups, including higher availability/accessibility of non-residential social and other services, in addition, increased capacities and gains in experience of NGOs operating in the Programme area; finally, reduction of social exclusion and increase in the quality of life of residents of the Programme area.

**Table 2. Projects financed within the Priority 1.1 shall contribute to the following Programme result indicator:**

Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2022)
Number of new/improved and/or more accessible social or other services for vulnerable groups in the Programme area	Services	6	2013	14

**Table 3. Projects financed within the Priority 1.1 shall contribute to at least one or two of the following Programme output indicators:**

Indicator	Measurement unit	Target value (2022)
Number of organisations cooperating in the field of new/improved and/or more accessible social and other services for vulnerable groups in the Programme area	Organisations	30
Number of social service professionals participating in cross-border exchanges or activities.	Persons	40

**Actions to be supported under the Priority 1.1**

Actions to be supported under this Priority shall directly increase accessibility to basic social and other services for vulnerable groups in the Programme area. The first priority of the support should be provision of the new/improved and/or more accessible social or other services for vulnerable groups. However, if lack of infrastructure is recognised and proved to be serious obstacle to the development of services, investments in small-scale infrastructure may be financed.

The desired result of the support is increased variety, accessibility and/or quality of social and other services in the Programme area, as well as more active involvement of local, non-traditional service providers.

**Indicative list of actions to be supported:**

- Development and provision of social and other services for vulnerable groups;
- Development of regional/local programmes encouraging new/non-traditional actors to involve in the provision of social and other services for vulnerable groups;
- Applying innovative solutions, including technological, for provision of social and other services for vulnerable groups;
- Promotion of healthy lifestyle;
- Capacity building and exchange of good practice;
- Acquisition of equipment necessary for providing social and other services for vulnerable groups;
- Development of small-scale infrastructure<sup>1</sup> necessary for provision of social and other services for vulnerable groups.

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<sup>1</sup> Infrastructure investment should be considered as small-scale if its total cost is below EUR 2.5 million.

As one of the guiding principles for the selection of projects for funding within the Priority 1.1, it is required that each project, which includes the development of small-scale infrastructure and/or acquisition of equipment, shall encompass soft measures aimed directly at the target groups.

## Priority 1.2 “Stimulating Employment through Entrepreneurship and Innovations”

*Specific objective* – developing employability and entrepreneurial capacities of people, especially young and pre-retirement age, through cross-border cooperation and exchange of good practices.

### Expected results by the Priority 1.2

Activities financed under this Priority could result in numerous positive short-term, mid-term and long-term changes in the Programme area. The most important of these include, first of all, increased interaction and resource sharing between educational institutions (schools, universities, vocational training institutions), business support institutions and local labour market (entrepreneurs); secondly, increased cooperation and efforts of actors from the participating countries operating in the field of employment; furthermore, introduction of alternative approaches to the solution of unemployment problem (particularly in the case of young and pre-retirement age people), as well as improved system of vocational and professional training in conformity with the labour market needs; finally, increased entrepreneurial skills, enhanced human capital, employability and, consequently, decreased unemployment in the region.

**Table 4. Projects financed within the Priority 1.2 shall contribute to the following Programme result indicator:**

Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2022)	Source of Data
Number of people in the Programme area who have received support in developing their employability and entrepreneurial capacities, of whom: - youth; - pre-retirement age people; - other.	Persons	Total number of people - 1400, youth - 400	2013	Total number of people - 1500, youth - 700, pre-retirement age people - 300, other - 500	Project reports

**Table 5. Projects financed within the Priority 1.2 shall contribute to the following Programme output indicator:**

Indicator	Measurement unit	Target value (2022)	Source of data
Number of implemented cross-border initiatives aimed at developing employability and/or entrepreneurial capacities of people, including youth and pre-retirement age people, in the Programme area	Initiatives	20	Project reports

## **Actions to be supported under the Priority 1.2**

Actions to be supported under this Priority shall target people facing unemployment in the Programme area paying special attention to the unemployment of young (15-29 years old) and pre-retirement age (55-64 years old in the EU member states, 50-59 years old in Belarus) people.

**As the applications selected within the 1<sup>st</sup> Call for Proposals foresee fulfilment of the Programme result indicator “Number of people in the Programme area who have received support in developing their employability and entrepreneurial capacities” with respect to the target group “youth”, in order to be approved for funding the applications submitted within the 2<sup>nd</sup> Call for Proposals shall focus on other target groups: “pre-retirement age people” and “other” population.**

### **Indicative list of actions to be supported:**

- Preparation and implementation of programmes<sup>2</sup> promoting and/or facilitating employment;
- Preparation and implementation of programmes<sup>3</sup> promoting and/or facilitating business activities;
- Promotion of new/innovative business development and employment methods;
- Promotion and implementation of cooperation between business and educational institutions, including apprenticeship initiatives;
- Development of entrepreneurial skills, including business idea generation, business planning, product and service development, business management, sales and marketing, etc.;
- Development of skills corresponding to the needs of labour market in particular region;
- Promotion of cross-border entrepreneurship;
- Strengthening capacities of public business support institutions;
- Preparation and implementation of programmes promoting exchange of experience among different age groups;
- Acquisition of equipment necessary for the implementation of initiatives promoting and/or facilitating employment.

As one of the guiding principles for the selection of projects for funding within the Priority 1.2, it is required that each project, which includes acquisition of equipment, shall encompass soft measures aimed directly at the target groups.

## **2.1.2 Thematic Objective (TO) 2: “Support to Local and Regional Good Governance”**

The TO 2 seeks to address the following needs:

- In order to enhance capacities of local and regional authorities to tackle common challenges, to increase cross-border cooperation among authorities of the Programme area in dealing with natural and man-made disasters.
- In order to strengthen society, to increase cross-border cooperation among local non-governmental actors of the Programme area.

**Within this TO the projects may apply to the Priority 2.1 or Priority 2.2 as described below:**

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<sup>2</sup> Such programmes shall include all necessary measures to achieve the Programme output indicator. As an example, they may include institutional measures, education activities, trainings, information and promotion campaigns, etc.

<sup>3</sup> See footnote 2.

## Priority 2.1 “Increasing Capacity of Local and Regional Authorities to tackle Common Challenges”

*Specific objective* - increasing cross-border cooperation among authorities of the Programme area in dealing with natural and man-made disasters.

### Expected results by the Priority 2.1

Activities financed under this Priority could result in numerous positive short-term, mid-term and long-term changes in the Programme area. The most important of these include, first of all, increased cooperation and experience-sharing among local and regional authorities of the participating countries in developing common systems and tools to manage natural resources, respond to various disasters and eliminate their consequences; secondly, increased cooperation of authorities from the participating countries in environmental, safety and security issues; fight with environmental pollution, including air and water pollution; furthermore, improved policy management and the quality of public services in the fields of environmental protection, safety and security; finally, enhanced capacities of local and regional authorities of the participating countries in tackling common challenges.

At the individual level capacity building shall be based on the processes of learning, knowledge and experience sharing and other learning techniques. At the organisational level local and regional institutions shall encourage positive changes within their systems, procedures, regulations. In order to facilitate institutional performance and increase public service quality, development and implementation of particular tools (e-governance, data exchange systems, specific equipment, etc.) shall be supported.

**Table 6. Projects financed within the Priority 2.1 shall contribute to the following Programme result indicator:**

Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2022)	Source of Data
Number of institutions involved in joint decision making process with regards to the common challenges	Institutions	16	2013	25	Project reports

**Table 7. Projects financed within the Priority 2.1 shall contribute to the following Programme output indicator:**

Indicator	Measurement unit	Target value (2022)	Source of data
Number of cross-border cooperation initiatives involving joint/coordinated decision making in the sphere of tackling common challenges	Initiatives	10	Project reports

### **Actions to be supported under the Priority 2.1**

In order to tackle common environmental, safety and security challenges, the Programme shall fund development and implementation by at least two of the participating countries of cooperation programmes, having in result signed agreement to cooperate in a particular field. Under this Priority, regional and local authorities, as well as other public bodies acting in the fields of nature and environment management, safety and security shall improve their skills and capacities to deal with natural and man-made disasters, and to ensure safety and security in the region. All the actions shall be implemented in close cooperation between neighbouring countries.

#### **Indicative list of actions to be supported:**

- Promotion of legal and administrative cooperation between authorities and institutions of the participating countries in the fields of nature and environment management, environmental pollution, safety and security, management of spread of invasive alien species;
- Acquisition of specific equipment and improvement of infrastructure, technical capacities and methods to tackle natural and man-made disasters;
- Development and implementation of training initiatives, strengthening capacities to deal with natural and man-made disasters, and to ensure safety and security;
- Increasing involvement of local communities in public decision-making and implementation processes in the fields of nature and environment management, environmental pollution; safety and security by raising public awareness.

As one of the guiding principles for the selection of projects for funding within the Priority 2.1, it is required that each project, which includes the development of small-scale infrastructure<sup>4</sup> and/or acquisition of equipment, shall encompass soft measures aimed directly at the target groups.

### **Priority 2.2 “Strengthening Society”**

*Specific objective* – increasing cross-border cooperation among local non-governmental actors of the Programme area.

#### **Expected results by the Priority 2.2**

Activities financed under this Priority could result in numerous positive short-term, mid-term and long-term changes in the Programme area. The most important of these include, first of all, increased cooperation and participation of relevant local actors (NGOs, local communities) in local decision-making, implementation processes and local activities, secondly, more active and self-regulated communities, increased cooperation and experience-sharing within and among communities of the participating countries, moreover, enhanced capacities of local authorities and local non-governmental actors, furthermore, improved interconnections among local actors, gain in experience of local actors, finally, introduction of new community-led service models and social innovations (new products, services and models that simultaneously meet community needs) and more efficient governance solutions to local problems.

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<sup>4</sup> See footnote 1.

**Table 8. Projects financed within the Priority 2.2 shall contribute to the following Programme result indicator:**

Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2022)	Source of Data
Number of organisations that have established durable cross-border cooperation links	Organisations	140	2013	160	Project reports/ Evaluation reports

**Table 9. Projects financed within the Priority 2.2 shall contribute to the following Programme output indicator:**

Indicator	Measurement unit	Target value (2022)	Source of data
Number of implemented joint projects by non-governmental actors and other organisations of the Programme area in the fields of culture, sport, education, social services, etc.	Action	30	Project reports

**Actions to be supported under the Priority 2.2**

By this Priority the Programme shall support actions strengthening the links, on one hand, between local governments and local communities, and, on the other hand, among local communities of the Programme area in different fields, including culture, sports, education, etc.

**Indicative list of actions to be supported:**

- Preparation and implementation of initiatives increasing the participation of local communities in public decision making and implementation processes by developing various mechanisms (e.g., e-participation) that facilitate dialogue among local inhabitants and with local authorities);
- Implementation of training/mentoring activities for local communities in provision of community-led services;
- Development and implementation of community-led service provision initiatives;
- Transfer of good practices;
- Acquisition of equipment for community needs.

As one of the guiding principles for the selection of projects for funding within the Priority 2.2, it is required that each project, which includes the development of small-scale infrastructure<sup>5</sup> and/or acquisition of equipment, shall encompass soft measures.

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<sup>5</sup> See footnote 1.



### 2.1.3 Thematic Objective (TO) 3: “Promotion of Local Culture and Preservation of Historical Heritage”

The TO 3 seeks to address the following need:

- In order to promote and preserve cultural heritage and traditional skills in the Programme area, to stimulate active and sustainable use of cultural heritage through cross-border cooperation.

Within this TO the projects may apply to the Priority 3.1 as described below:

#### Priority 3.1. “Promoting and Preserving Cultural and Historical Heritage and Traditional Skills”

*Specific objective* – stimulating active and sustainable use of cultural and historical heritage through cross-border cooperation.

##### Expected results by the Priority

Activities financed under this Priority could result in numerous positive short-term, mid-term and long-term changes in the Programme area. The most important of these include, first of all, more sustainable and effective use of cultural and historical heritage; secondly, increased cultural vitality and attractiveness of the region; finally, increased tourist flows and increased economic growth in the region. Special attention has to be paid to enhancing human capital of local communities, strengthening regional identity and a sense of belonging. Encouraging local craftsmen and artists to use their traditional skills could stimulate the development of entrepreneurship in local communities and, in turn, increase attractiveness of the region and positively affect local economic activity.

**Table 10. Projects financed within the Priority 3.1 shall contribute to the following Programme result indicator:**

Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2022)	Source of Data
Number of tourists accommodated per 1000 population in the Programme area	Persons	329	2013	394	Official statistics

**Table 11. Projects financed within the Priority 3.1 shall contribute to at least one or several of the following Programme output indicators:**

Indicator	Measurement unit	Target value (2022)	Source of data
Number of improved cultural and historical sites as a direct consequence of Programme support	Cultural and historical sites	15	Project reports
Number of professionals in the fields of culture, cultural and historical heritage and tourism participating in trainings and/or other joint activities	Persons	200	Project reports

Number of institutions using Programme support for promoting local culture and preserving historical heritage	Institutions	50	Project reports
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### **Actions to be supported under the Priority 3.1**

By this Priority the Programme shall support common actions by the participating countries in utilisation and promotion of cultural and historical heritage. The latter shall be open for various community activities, as well as cultural, educational and tourism needs. Local inhabitants and tourists are both the main target groups, which shall benefit from the supported actions.

#### **Indicative list of actions to be supported:**

- Preservation and adaptation of cultural and historical heritage for cultural, educational and/or tourism purposes;
- Development of joint initiatives in utilisation and promotion of cultural and historical heritage objects, encompassing organisation of joint festivals, fairs, art exhibitions, etc.;
- Preservation and promotion of traditional production networks;
- Implementation of trainings for professionals working in in the fields of culture, cultural education, cultural and historical heritage and tourism;
- Promotion of cross-border cooperation and exchange of good practice among professionals working in in the fields of culture, cultural education, cultural and historical heritage and tourism;
- Acquisition of equipment necessary for organisation of initiatives aimed at utilisation and promotion of cultural and historical heritage (festivals, fairs, exhibitions, master classes, etc.);
- Development of infrastructure necessary for promotion of cultural and historical heritage in cultural and historical sites.

As one of the guiding principles for the selection of projects for funding within the Priority 3.1, it is required that each project, which includes the development of small-scale infrastructure<sup>6</sup> and/or acquisition of equipment, shall encompass soft measures.

The following conditions of eligibility on improvement of infrastructure and purchase of equipment under Priority 3.1 shall apply:

- An object, where the infrastructure works are planned under the project, must appear on a heritage list, or
- Improvement of infrastructure and purchase of equipment may be eligible if a building is not included into lists of heritage objects, however, it hosts cultural or historical valuable items or collections and improvement of infrastructure or equipment is necessary to ensure better storage and exposition conditions, or
- Improvement of infrastructure and purchase of equipment may be eligible if a building is not included into lists of heritage objects, however, valuable activities of local culture take place in its premises (e.g. folk music rehearsals, traditional or having cultural/ historical value handicraft masterclasses, etc.).

In all of the abovementioned cases the improvement of infrastructure and purchase of equipment must be well justified and follow the rationale of economic efficiency (i.e. buying and renovating must be more efficient than renting premises or equipment).

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<sup>6</sup> See footnote 1.

For more detailed information about the projects and activities to be financed within the Thematic Objectives and Priorities of the Programme please refer to the sections 3 and 6 of the Joint Operational Programme.

## 2.1.4 Non-supported Projects and Activities

Projects which do not deliver any clear cross-border cooperation impact and benefits and which do not demonstrate added value to the EU strategies and the Programme will not receive the EU funding within the Programme. Examples of such projects or activities are as follows:

- projects or activities which immediate objective is commercial or profit-making and activities falling under the state aid;
- projects or activities concerned only or mainly with individual sponsorships for participation in workshops, seminars, conferences, congresses, etc.;
- projects or activities concerned only or mainly with individual scholarships for studies or training courses;
- investment – driven projects which are based on artificial cooperation in order to implement the investments;
- activities of political, ideological or religious nature;
- pure academic and research-oriented activities;
- projects aimed solely at preparation of feasibility studies and technical documents;
- activities already financed by other European Union initiatives, other donors, other public sources;
- sub-granting, understood as giving received EU funding to third parties.

## 2.2 ELIGIBILITY CRITERIA. GENERAL PRINCIPLES

There are three sets of eligibility criteria, relating to:

- Lead Beneficiary which may request EU funding, and beneficiaries;
- projects for which EU funding may be awarded;
- types of costs which may be taken into account in setting the amount of eligible costs, which will be the base for the calculation of the EU funding.

### 2.2.1 Eligibility of Lead Beneficiaries and Beneficiaries

#### **i) In order to be eligible for the EU funding, Lead Beneficiary and beneficiaries:**

- a) shall be one of the following types of organisations:
- National, regional and local authorities.
  - Bodies governed by public law, associations formed by one or several such authorities or one or several of such bodies governed by public law:
    - established for the specific purpose of meeting needs in the general interest, **not having an industrial or commercial character**,
    - **having legal personality** and
    - financed, for the most part, by the State, regional or local authorities, or other bodies governed by public law; or subject to management supervision by those bodies; or having an

administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law.

- Non-state actors (established for the specific purpose of meeting needs for the general interest, **not having an industrial or commercial character and having legal personality**):
  - non-governmental organisations;
  - local citizens' groups; communities; public enterprises;
  - local organisations (including networks) involved in decentralised regional cooperation and integration;
  - women's and youth organisations, teaching, cultural research and scientific organisations;
  - universities;
  - cross-border associations, non-governmental associations and independent foundations;
  - international organisations with a base of operations in the Programme area;
  - European grouping of territorial cooperation.

In addition, project **beneficiaries**, not acting as Lead Beneficiaries, may be:

- Public equivalent bodies which means any legal body governed by public or private law:
  - established for the specific purpose of meeting needs for the general interest and **having partly industrial or commercial character**,
  - **having legal personality**, and
    - either financed, for the most part, by the state, or regional or local authorities or other bodies governed by public law;
    - or subject to management supervision by those bodies,
    - or having an administrative, managerial or supervisory board, where more than half of the members are appointed by the state, regional or local authorities or by other bodies governed by public law.

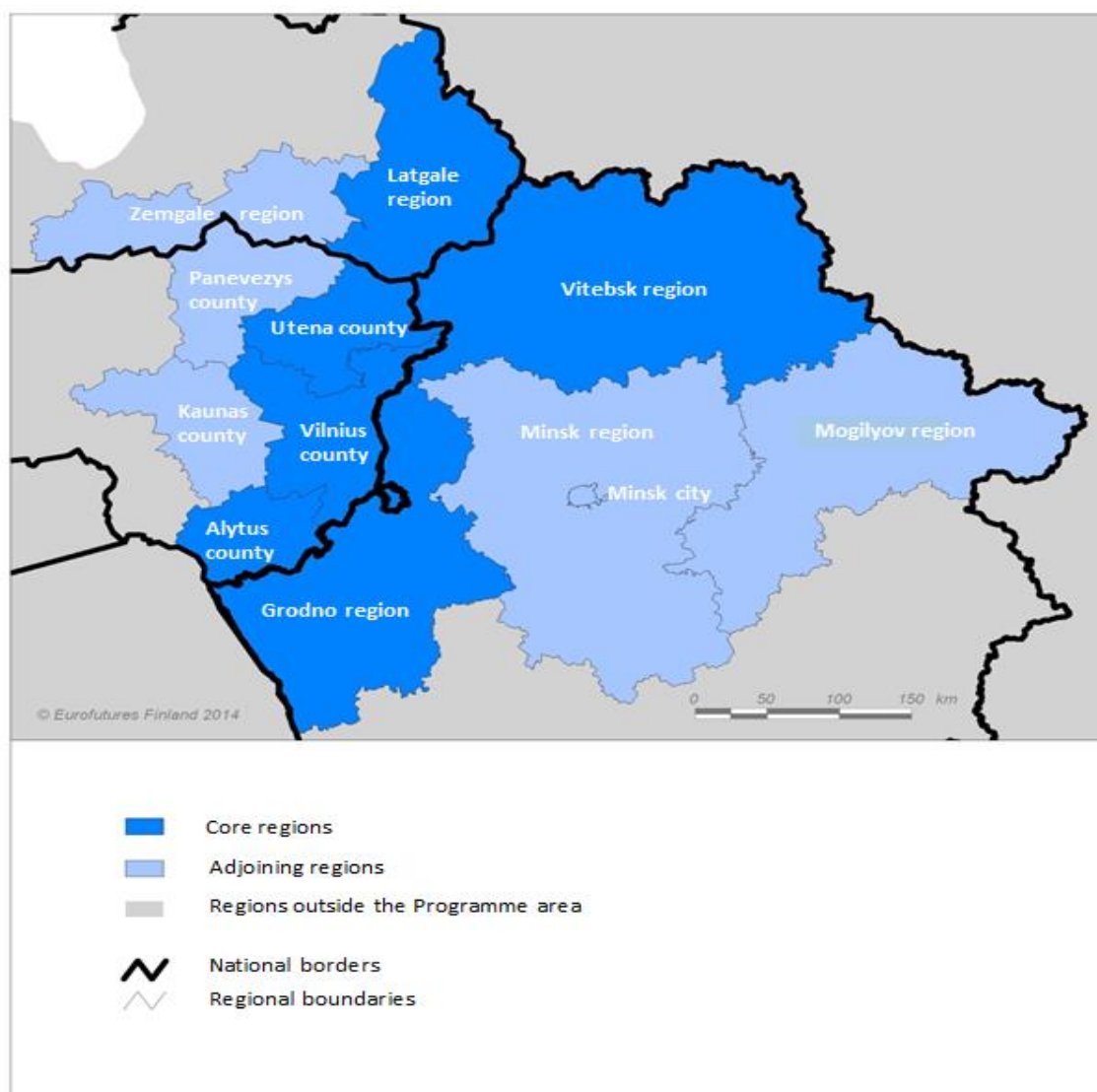
**and**

- b) be located<sup>7</sup> (be registered or have a registered operating office) in the eligible area of the Programme (see map and list of regions below):

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<sup>7</sup> Organisation's statutes or equivalent documents according to the national legislation should demonstrate that the organisation has been established by an instrument governed by the national law of the country participating in the Programme. In this respect, any legal entity whose statutes or equivalent documents according to the national legislation have been established in another country cannot be considered an eligible local organisation, even if the statutes or equivalent documents according to the national legislation are registered locally or a "Memorandum of Understanding" has been concluded. This obligation does not apply to international organisations with a base of operation in the Programme area.

**Map 1: Programme area**



**Table 12. Programme eligible area, list of regions:**

Core regions	Adjoining regions
Latgale Region (Latvia)	Zemgale Region (Latvia)
Utena County (Lithuania)	Kaunas County (Lithuania)
Vilnius County (Lithuania)	Panevezys County (Lithuania)
Alytus County (Lithuania)	Minsk Region (Belarus)
Grodno Region (Belarus)	Mogilyov Region (Belarus)
Vitebsk Region (Belarus)	Minsk City (Belarus)

Eligibility of organisations or their registered operating offices must be proven by providing a registration certificate or an equivalent document according to the national legislation. Exception to the requirement

of registration applies only for international organisations, for them a legal proof of having a base of operations in the Programme area shall be provided.

In case a registered operating office which is located in the Programme eligible area is not a legal person, **its headquarters being a legal person and located outside of the Programme eligible area in Lithuania, Latvia or Belarus shall be indicated as a Lead Beneficiary or as a beneficiary in the Grant Application Form.** In this case the headquarters (registered as a legal person) shall act as the Lead Beneficiary who shall prepare and submit the documents referred to points 1-3, 5-13 *in sections 2.3.3 and 2.3.4 of the Guidelines* on behalf of the registered operating office (not a legal person), as well as sign the Grant Application Form. Respectively, if the headquarters (registered as a legal person) acts as a beneficiary, it shall prepare and submit the documents referred to in points 4, 6-13 *in sections 2.3.3 and 2.3.4 of the Guidelines* on behalf of the registered operating office (not a legal person). In order to prove the existence of a registered operating office which is located in the Programme eligible area, the respective Lead Beneficiary or/and a beneficiary shall provide documental proofs e.g. statutes or its establishing regulations where it is explicitly indicated that the headquarters has a registered operating office in the Programme eligible area.

The registered operating office should be established in the Programme area at least **one year** before the launch of this Call for Proposals.

- c) **Lead Beneficiary** shall be established **three years or longer** before the launch of this Call for Proposals. Each of the **beneficiaries** shall be established **one year or longer** before the launch of this Call for Proposals.

#### **ii) Number of applications and grants per Lead Beneficiary**

A **Lead Beneficiary** may not be awarded more than one grant from EU funding per **Thematic Objective**, described *in sections 2.1.1-2.1.3 of these Guidelines*, under this Call for Proposals.

A Lead Beneficiary may at the same time be beneficiary in other applications within the same or different Thematic Objectives.

Beneficiaries may take part in more than one application.

#### **iii) Partnership Requirements**

Partnership should consist of **at least one** organisation from the Programme area in Lithuania or Latvia and **at least one** organisation from the Programme area in Belarus. One of these organisations will act as a Lead Beneficiary (Applicant), and the other(s) shall act as beneficiary(ies) (partners). In the project there may participate up to 8 organisations (including a Lead Beneficiary and beneficiaries).

Each beneficiary intending to participate in the project has to sign a Partnership Statement to be submitted with the Grant Application Form. If the project is selected, a Partnership Agreement signed by the Lead Beneficiary and all the beneficiaries will have to be submitted before signature of the grant contract. This Partnership Agreement will not be part of or annex to the grant contract, however it is the responsibility of the Lead Beneficiary to ensure that the obligations and rules set in the grant contract are respectively applied to the beneficiaries via the Partnership Agreement.

Beneficiaries must participate in designing and implementing the project, and the costs they incur are eligible in the same way as those incurred by the Lead Beneficiary.

#### **iv) Exclusion from participation in the Call for Proposals and from award of Grant Contracts**

Potential Lead Beneficiaries and beneficiaries may not participate in the Call for Proposals if they are in any of the situation which are listed in Article 106 (1) of the Regulation (EU, Euratom) No 966/2012:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) they or persons having powers of representation, decision making or control over them have been convicted of an offence concerning their professional conduct by a judgment of a competent authority of a Member State which has the force of res judicata;
- c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify including by decisions of the EIB and international organisations;
- d) they are not in compliance with their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed;
- e) they or persons having powers of representation, decision making or control over them have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such illegal activity is detrimental to the Union's financial interests;
- f) they are subject to an administrative penalty referred to in Article 109(1) of the Regulation (EU, Euratom) No 966/2012.

A contract shall not be awarded to candidates or tenderers who, during the procedure for that contract are in the following situations:

- a) are subject to a conflict of interests;
- b) are guilty of misrepresenting the information required by the Contracting Authority as a condition of participation in the Call for Proposals procedure or fail to supply that information;
- c) find themselves in one of the situations of exclusion, referred to in Article 106(1) of the Regulation (EU, Euratom) No 966/2012, for the Call for Proposals procedure.

By signing the *Declaration by the Applicant* in the Grant Application Form, Lead Beneficiaries must declare that they do not fall into any of these situations. By signing the Partnership Statement, beneficiaries must make the same declaration.

### **2.2.2 Eligibility of Projects**

#### **a) Duration**

The planned duration of a project (implementation period) **may not exceed 24 months.**

During implementation of approved and contracted projects, in duly justified cases the implementation period of the project may be extended by decision of the MA, if requested by the Lead Beneficiary at least one month before the original expiry of the implementation period of the project, unless there are special circumstances duly substantiated by the Lead Beneficiary and accepted by the JTS/MA.

Prolongation cannot be longer than 31 December 2022.

## b) Types of Projects

EU funding from the Programme might be assigned to projects implemented in the Programme area, delivering a clear cross-border cooperation impact and benefits, demonstrating added value to EU strategies and programmes, and falling within one of the following categories:

- Integrated projects, where each beneficiary implements a part of the activities of the project on its own territory;
- Symmetrical projects, where similar activities are implemented in parallel in the participating countries;
- Single-country projects, where projects are implemented mainly or entirely in one of the participating countries but for the benefit of all or some of the participating countries, and where cross-border impacts and benefits are identified. The requirements for eligibility of beneficiaries and partnership *in section 2.2.1 and in sub-section iii) "Partnership Requirements" of these Guidelines* shall apply.

As the general principles, all beneficiaries shall:

1. actively cooperate in development of projects and implementation of projects; *and*
2. furthermore, they shall cooperate in one of the following or both ways: staffing and/or financing of projects.

## c) Location

Projects must be implemented in the Programme area (please see *section 2.2.1 i) b) of these Guidelines*).

Projects meeting the criteria described *in section 2.2.2 of these Guidelines* may be partially implemented outside the Programme area provided that:

- They are necessary for achieving the objectives of the Programme and benefit the Programme area;
- The total amount allocated under the Programme to activities outside the Programme area does not exceed 5 % of the EU contribution at Programme level.

The activities outside of the Programme area must be planned in advance and listed in the approved Grant Application Form (Project Description); if during the project implementation beneficiaries (partners) discover that it is necessary to organise an activity or part of it outside of the Programme area, the Lead Beneficiary has to receive a prior written approval of the JTS.



## 2.2.3 General Principles for Eligibility of Costs

Eligible costs are costs actually incurred and paid by the Lead Beneficiary and beneficiaries<sup>8</sup> which meet all of the following criteria:

- a) they are incurred and paid during the implementation period of the project. In particular:
  - (i) costs relating to services and works shall relate to activities performed during the implementation period. Costs relating to supplies shall relate to delivery and installation of items during the implementation period. Signature of a contract, placing of an order, or entering into any commitment for expenditure within the implementation period for future delivery of services, works or supplies after end of the implementation period do not meet this requirement; cash transfers between the Lead Beneficiary and the beneficiaries, or between the beneficiaries may not be considered as costs incurred;
  - (ii) an exception is made for costs relating to final reports, including expenditure verification and audit related to preparation of the final report, which shall be incurred within 2 months after the implementation period of the project and before submission of the final report;
  - (iii) an exception is made for costs budgeted in Budget Heading 5 related to preparation of technical documentation for an infrastructure component for the project, which can be incurred before the start of the project but not earlier than 17 December 2015;
  - (iv) an exception is made for costs for the preparation of strong partnerships including costs of travel and subsistence incurred by all project beneficiaries in relation to preparation of the Grant Application Form, which can be incurred and paid after the publication of this Call for Proposals;
  - (v) procedures to award contracts, as referred to in *section 3.4 of these Guidelines and Annex II "Detailed Rules on Procurement" to these Guidelines*, may have been initiated and contracts may be concluded by the beneficiary(ies) before the start of the implementation period of the project, provided the provisions of *section 3.4 of these Guidelines and Annex II "Detailed Rules on Procurement" to these Guidelines* have been respected;
- b) they are indicated in the project's estimated budget;
- c) they are necessary for the project implementation;
- d) they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the accounting standards and the usual cost accounting practices applicable to the beneficiary;
- e) they comply with the requirements of applicable tax and legislation on social security payments;
- f) they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy<sup>9</sup>, efficiency<sup>10</sup> and effectiveness<sup>11</sup>;
- g) they are supported by invoices or documents of equivalent probative value;
- h) they are not claimed in this or any other EU co-financed programme or other donor programmes (to avoid double financing);

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<sup>8</sup> In case the national legislation requires that the bank account of a beneficiary (e.g. schools, libraries, culture centers, etc.) is managed by an authorised public body, payments from such bank account can be considered as payments made by the beneficiary. In case the public institution own co-financing from the country national or local public budgetary funds is paid by the State Treasury, or its department, or similar public body according to the national legislation, such payments may be considered as payments made by the respective public institution.

<sup>9</sup> Principle of economy – the Lead Beneficiary and beneficiaries must use the resources needed for the achievement of action results in due time, in appropriate quantity and quality and at the best price.

<sup>10</sup> Principle of efficiency – the Lead Beneficiary and beneficiaries must ensure the best relationship between resources employed and results achieved.

<sup>11</sup> Principle of effectiveness – the Lead Beneficiary and beneficiaries must attain the specific objectives set and achieve the intended results.

- i) they are complying with the rules of the communication and visibility;
- j) they are complying with the rules of nationality and origin;
- k) they are complying with the public procurement rules laid down in the section 3.4 of these Guidelines and in the Annex II “Detailed Rules on Procurement” to the Guidelines;
- l) they are complying with the applicable national regulations;
- m) they are proved by expenditure supporting documents.

No grant may be awarded retroactively for projects already completed.

Indirect administrative costs related to office running for the purposes of the project (e.g., consumables, rent of office, electricity, heating, cleaning, phone, etc.) can be claimed in the Budget Heading 7 “Indirect Administrative Costs” and calculated as a flat rate up to 7 % of budget heading 1 “Human Resources”.

The total amount of financing on the basis of lump sums and flat rate financing may not exceed EUR 60 000 per project.

## 2.2.4 Eligibility of Costs per Budget Heading

The detailed breakdown of the budget of the project shall be provided in the Detailed Budget that is Annex I to the Grant Application Form and the amount of the total costs and budget headings must coincide with the *Table 1 Budget – Expected Distribution per Beneficiaries and Cost Categories* in the Grant Application Form (section 10). This breakdown covers all eligible costs of the project, which consist of the EU funding and Lead Beneficiary’s and beneficiaries’ co-financing. All expenditures included into the budget breakdown shall follow the rules on eligibility of expenditure.

The budget of the project is divided between 6 main budget headings and further detailed into budget items.

Please note that the detailed requirements regarding eligibility of costs within each budget heading are set *in Annex I “Detailed Rules on Eligibility of Expenditure” to these Guidelines*. Please read them carefully in order to correctly estimate and plan costs in the project budget!

The following costs can be included into the budget of the project as eligible:

### **Budget Heading 1 “Human Resources”**

This budget heading includes costs of the staff of the Lead Beneficiary and beneficiaries employed and/or assigned to the project under the following cumulative conditions:

- they relate to the costs of activities which the Lead Beneficiary and beneficiaries would not carry out if the project was not implemented, and
- they must not exceed those costs normally borne by the Lead Beneficiary and beneficiaries unless it is demonstrated that this is essential to carry out the project, and
- they relate to actual gross salaries including social security charges and other remuneration-related costs. Eligibility of social security charges is defined by the national legislation and, in case of Belarus, by the legal acts concluded between the EU and Belarus.

The cost of staff assigned to a project shall not be considered as a contribution in kind but may be considered part of 10% co-financing paid by beneficiaries based on the real costs made.

Note: no external subcontractors can be listed under this budget heading. All external experts (both legal entities and individuals) working on the basis of service contracts should be listed under budget heading 3 “Supplies, external services and other costs”.

## **Budget Heading 2 “Travel and accommodation”**

In this budget heading there can be budgeted **travel and subsistence costs** of staff and other persons (participants) taking part in the project, provided they do not exceed the costs normally paid by the beneficiaries according to their rules and regulations and the rates published by the European Commission at the time of the travel if reimbursed on the basis of real costs.

Expenses for **travel** to project-related activities and events cover the costs of the transportation, car rent and other costs related to travelling (insurance, visas, fuel, etc.). Only travel costs for the project staff listed in budget heading 1 and participants of the events are eligible.

**Subsistence costs** are calculated as costs of accommodation, local transport within the place of travel and daily allowances. These costs are paid for the travels abroad and within the home country of beneficiary requiring **an overnight stay**. Subsistence costs are allowed only for the staff members of the project indicated in the budget heading 1 “Human Resources” and for participants in project activities. In all relevant cases the applicable procurement procedures described *in section 3.4 of these Guidelines* and in *Annex II “Detailed Rules on Procurement” to these Guidelines* shall be respected.

Note: travel and subsistence costs of external experts must be included in their respective service contracts which must be included in the budget heading 3.

## **Budget Heading 3 “Supplies, external services and other costs”**

Only the costs related to procurement contracts awarded by the beneficiaries to third organisation/external service providers, respecting the applicable procurement procedures described *in section 3.4 of these Guidelines* and in *Annex II “Detailed Rules on Procurement” to these Guidelines* for the purposes of the project can be included into this budget heading. Examples of such costs can be expert services, research, publications, external assistance for project management, organisational costs of events (e.g. rent of premises, catering, interpretation, printing of materials), etc. As well this budget heading includes the costs deriving directly from requirements imposed by the Programme rules (such as communication and visibility activities, expenditure verification, translations) including financial service costs (such as costs of bank transfers).

## **Budget Heading 4 “Works and long-term investments”**

In this budget heading the costs of works related to construction, renovation, reconstruction, modernisation, installation of infrastructure and purchase for equipment specifically for the purpose of the project can be included provided they correspond to the market prices. Investments are eligible only if they were planned in the Project Description, including budget, and are in line with the technical documentation; the applicable procurement procedures described *in section 3.4 of these Guidelines* and in *Annex II “Detailed Rules on Procurement” to these Guidelines* shall be respected.

## **Budget Heading 5 “Preparation costs”**

Either costs related to technical documentation for an infrastructure component for the project which is required by the Programme rules and national legislation **or** costs for the preparation of strong partnerships including costs of travel and subsistence incurred by all project beneficiaries in relation to preparation of the Grant Application Form can be budgeted in this Budget Heading.

The following can be included under this budget heading:

**a) costs related to technical documentation and studies**, which are required by the Programme rules and national legislation, for projects including an infrastructure component may be considered as eligible if they comply with the following conditions:

- i) they were incurred before the start of the project but not earlier than 17 December 2015, and

- ii) the Programme rules for procurement described in *section 3.4 of these Guidelines and Annex II “Detailed Rules on Procurement” to these Guidelines*, as well as the rules on eligibility of expenditures described in *section 2.2.3 of these Guidelines and in Annex I “Detailed Rules on Eligibility of Expenditure” to these Guidelines* shall be followed.

The costs related to technical documentation and studies, which are required by the Programme rules and national legislation for projects, will be reimbursed as real costs. The amount to be reimbursed shall not exceed 5% of the cost of the infrastructure component financed by the Programme within the project to which these documents were required. These costs will be reimbursed only for those applications which are selected for funding, sign grant contracts and report these costs in the first progress report as compliant with eligibility and procurement rules of the Programme.

**or**

**b) costs related to preparation of strong partnerships** incurred before submission of the Grant Application Form by projects to which a grant has been awarded can be considered as eligible provided that the following conditions are also met:

- i) they are incurred and paid after the publication of this Call for Proposals;
- ii) they are limited to travel and subsistence costs of staff employed by the beneficiaries;
- iii) they do not exceed the maximum amount – EUR 2 000.

These costs will be reimbursed as lump sum only for those applications which are selected for funding, sign grant contracts and report these costs in the first progress report.

### **Budget Heading 7 “Indirect Administrative Costs”**

Indirect administrative costs are related to office running for the purposes of the project (e.g., consumables, rent of office, electricity, heating, cleaning, phone, etc.). Indirect costs are calculated as a flat rate up to 7 % of budget heading 1 “Human Resources”.

## **2.2.5 Ineligible Costs**

The following costs relating to the implementation of the project shall not be considered eligible:

- a) debts and debt service charges (interest);
- b) provisions for losses or liabilities;
- c) costs declared by the Lead Beneficiary or beneficiary and already financed by the European Union budget;
- d) purchases of land or buildings for an amount exceeding 10 % of the eligible expenditure of the project concerned;
- e) exchange-rate losses (differences between exchange rate required by the Programme and exchange rate of national bank, exchange rate used by beneficiary’s bank or other), including bank fees for currency exchange;
- f) duties, taxes and charges, including VAT, except where non-recoverable under the relevant national tax legislation, unless otherwise provided in appropriate provisions negotiated with Belarus;
- g) loans to third parties;
- h) fines, financial penalties and expenses of litigation;
- i) contributions in kind, which are defined as any provision of non-financial resources free of charge by a third party;
- j) costs related to activities falling under State aid rules;
- k) depreciation costs;
- l) costs of subcontracting project beneficiaries or employees of project beneficiary.

## 2.3 APPLICATION PROCEDURE

### 2.3.1 Preparation of Applications

The Applicant's Pack for this Call for Proposals, which includes the Grant Application Form, these Guidelines, the grant contract and other relevant annexes, is available for download at the Programme web site: [www.eni-cbc.eu/lb/en](http://www.eni-cbc.eu/lb/en).

The information provided in the Grant Application Form should be clear and make it possible for the assessors and the Joint Monitoring Committee to conduct an objective assessment.

Any error or major discrepancy related to the points listed in the instructions for filling in the Grant Application Form or any major inconsistency in the Grant Application Form (e.g. the amounts mentioned in the budget are inconsistent with those mentioned in the Grant Application Form) may lead to the rejection of the application.

It is advised that at the stage of a development of the application the Lead Beneficiary and beneficiaries pay attention to the information *in section 3 of these Guidelines* and provisions of the grant contract which relates to the set-up, implementation matters of the project and contracting.

All beneficiaries shall actively cooperate in the development and implementation of the projects. In addition, they shall cooperate in the staffing and/ or financing of projects. Each beneficiary shall be legally and financially responsible for the activities that it is implementing and for the share of the EU funding that it receives.

Prior to the submission of the proposal, each project shall designate one Lead Beneficiary from the project beneficiaries responsible for management and coordination of the entire project and directly accountable to the MA for the operational and financial progress of all project activities. The Lead Beneficiary shall submit the project application and project implementation reports to the JTS.

#### **The Lead Beneficiary shall:**

- a) receive the EU funding from the MA for the implementation of project activities;
- b) ensure that the beneficiaries receive the total amount of the grant as quickly as possible and in full in accordance with the arrangements referred to in the Partnership Agreement. No amount shall be deducted or withheld and no specific charge with equivalent effect shall be levied that would reduce these amounts for the beneficiaries;
- c) the Lead Beneficiary shall sign the Partnership Agreement with other beneficiaries (partners) before signature of the grant contract. In the Partnership Agreement the Lead Beneficiary shall lay down the arrangements for its relations with beneficiaries in an agreement comprising, *inter alia*, provisions guaranteeing the distribution of the grant to the project beneficiaries, the joint project implementation, staffing, reporting, financing, and the sound financial management of the funds allocated to the project, including the arrangements for recovering amounts unduly paid;
- d) assume responsibility for ensuring implementation of the entire project;
- e) ensure that the expenditure presented by the beneficiaries has been incurred for the purpose of implementing the project and corresponds to the activities set in the contract and agreed between all the beneficiaries;
- f) verify that the expenditure presented by the beneficiaries has been examined by the auditor or by a competent public officer according to *the section 3.5.3 of these Guidelines*;
- g) be responsible for recovery of the EU funding to the MA.

## 2.3.2 Information Activities and Publicity

A number of information events and trainings shall be carried in the Programme area during Call for Proposals. For the date and time of the events, please consult the Programme web site: [www.eni-cbc.eu/llb](http://www.eni-cbc.eu/llb) and/or subscribe to the news.

Questions may be sent by e-mail or by fax to the below address at the JTS:

E-mail: [information@eni-cbc.eu](mailto:information@eni-cbc.eu)

Fax: +370 5 261 0498

Please note that questions can be submitted to the JTS no later than 7 calendar days before the deadline for submission of applications (except for questions related to technical problems in operating the Grant Application Form file). In case of this Call of Proposals it means **no later than on 15 February 2018**.

Replies will be given within 5 calendar days since reception of questions by the JTS. In case opinion of the National Authorities is required, this deadline may be prolonged. All replies shall be provided no later than 2 calendar days before the deadline for the submission of applications.

The JTS cannot provide further clarifications after this date.

**In the interest of equal treatment of applicants, the JTS cannot give a prior opinion on the eligibility of a Lead Beneficiary, a beneficiary, a project or specific activities.**

Please note that all questions relevant to other beneficiaries together with the answers, will be published on the internet at the Programme's web site, *section "Questions and Answers"* at [www.eni-cbc.eu/llb](http://www.eni-cbc.eu/llb). It is therefore highly recommended to regularly consult the abovementioned website in order to be informed of the questions and answers published.

## 2.3.3 Submission of the Application

The full application must be submitted in paper version and in the electronic version. The documents in electronic version must be exactly the same as in paper version. The documents in the electronic version must be submitted on a CD-ROM or on USB flash memory, in separate and unique file (e.g. the Grant Application Form must not be split into several different files). The paper version is considered as the official application.

Application documents must be submitted in English. The documents listed below in the points 6, 7, 8, 9, 10, 11, 12, 13 may be submitted in Latvian, Lithuanian, Russian or Belarusian. Hand-written applications will not be accepted.

The Head of the Lead Beneficiary organisation or its authorised representative signs and dates the Declaration by the Applicant in the Grant Application Form.

In case it is not the Head of the Organisation, but its authorised representative who signs the Declaration by the Applicant, the Partnership Statement(s), the proof of authorisation in the national language according to the national law should be attached separately.

Both the originals and photocopies of the originals must show legible stamps and registration numbers where it is required by the national legislation, signatures and dates.

The Programme shall apply the principle that the documents, when possible, would be submitted only once by the same institution within the same Call for Proposals: in case the same annexes as were attached to one application shall be relevant for the other applications with the same Call for Proposals, indication of the

name of the application and the annex number shall be satisfactory and there will be no need to attached the paper versions of the documents once again – electronic copies shall be accepted.

All documents in the application must be bound. The application in paper version and the electronic version should be submitted in one or several folders. The folders must bear the words “***Application for the European Neighbourhood Instrument Cross-Border Cooperation Programme Latvia-Lithuania-Belarus 2014-2020. The second Call for Proposals***” together with the full name and address of the Lead Beneficiary.

Applications must be submitted by registered mail, private courier service or by hand-delivery (a signed and dated certificate of receipt will be given to the deliverer) at the address below:

**Address for registered mail, private courier and hand delivery:**

Joint Technical Secretariat  
Konstitucijos pr. 7, 24<sup>th</sup> floor,  
LT-09308, Vilnius, Lithuania

The deadline for the receipt of the applications is **22 February 2018 until 12.00 (Vilnius time, GMT+2)**. Any application received after the deadline will automatically be rejected.

Where a Lead Beneficiary sends several different applications, each one has to be sent separately.

Applications sent by any other means (e.g. by fax, email), received after the deadline or delivered to other addresses will be rejected.

**The paper version of the application consists of the following documents:**

**Table 13: Contents of the Paper Version of the Application**

1.	<u>Cover Letter</u> by the Lead Beneficiary, preferably on the letterhead of the organisation, duly registered and signed, listing the contents and number of pages of the application.	original
2.	<u>Grant Application Form</u> duly filled-in, with the <u>Declaration by the Applicant</u> duly filled-in, dated, signed by the Lead Beneficiary’s Head of Organisation or authorised representative.	original
3.	<u>Detailed Budget (Annex I to the Grant Application Form)</u> , duly completed, dated and signed by the Lead Beneficiary.	original
4.	<u>Partnership Statements</u> preferably on the letterhead of the organisation, dully filled-in, dated and signed by each of the beneficiaries’ Heads of Organisations or authorised representatives.	original or copy
5.	<u>Detailed Description and Justification of Equipment and Works</u> (Annex II to the Grant Application Form), duly filled-in (only for the applications where the total amount in the Budget Heading 4 “Works and long-term investments” equals or exceeds EUR 50 000).	original
6.	<u>Statutes or articles of association or other establishing documents</u> of the Lead Beneficiary and each beneficiary <sup>12</sup> proving their compliance with eligibility requirements in section 2.2.1 i) of these Guidelines.	copy certified as true

<sup>12</sup> Existence of the registered operating offices shall be mentioned in the statutes or articles of association. The international organisations shall provide a proof that they are established by intergovernmental agreement; their

7.	<u>Registration certificate or equivalent</u> , proving that the Lead Beneficiary's and beneficiary'(-ies') organisations are legal persons, according to national law of the Lead Beneficiary and of each beneficiary organisation <sup>13</sup> .	copy certified as true
8.	<u>Lead Beneficiary's latest accounts</u> (the profit and loss account and the balance sheet, or equivalent according to the national legislation) <u>for the two previous financial years</u> for which the accounts have been closed <sup>14</sup> .	copy certified as true
9.	<u>Each beneficiary's latest accounts</u> (the profit and loss account and the balance sheet, or equivalent according to the national legislation) <u>for the last financial year</u> for which the accounts have been closed <sup>15</sup> .	copy certified as true
	<p>The Latest Accounts referred to in positions 8 and 9 of Table 13 consist of the following:</p> <p><b>Latvia</b></p> <p>For non-governmental non-profit organisations:</p> <ul style="list-style-type: none"> <li>– balance sheet ('bilance');</li> <li>– income and expenditures account ('ieņēmumu un izdevumu pārskats');</li> <li>– summary of donations and gifts/grants ('ziedojumu un dāvinājumu pārskats');</li> <li>– statement ('ziņojums');</li> <li>– statement by the sworn auditor for NGOs whose turnover is more than 800 000 EUR per year.</li> </ul> <p>For public equivalent bodies having partly industrial or commercial character:</p> <ul style="list-style-type: none"> <li>– balance sheet ('bilance');</li> <li>– profit or loss account ('peļņas un zaudējumu aprēķins');</li> <li>– cashflow statement ('naudas plūsmas pārskats');</li> <li>– statement of changes in equity ('pašu kapitāla izmaiņu pārskats');</li> <li>– explanatory notes ('paskaidrojumi pie bilances un peļņas vai zaudējumu aprēķina').</li> </ul>	

agencies shall provide a proof that they are established by international organization which in turn is established by intergovernmental agreement. This proof can represent, for example, a link to an establishing agreement or act. Where the Lead Beneficiary and/or (a) beneficiary(-ies) are created by a law, a registration number and the name of the said law as well as the link to this law shall be indicated in the Cover letter.

The requirement to submit copies of the statutes or articles of association or other equivalent documents does not apply for the Lead Beneficiaries and beneficiaries who are national, regional and local public authorities. However it applies for the Lead Beneficiaries and beneficiaries who are separate units (departments) of the public authorities for the purpose of proving that they have rights of the legal person; as well this requirement applies in cases where it is necessary to prove existence of registered operating offices. In any case the JTS reserves the right to request the statutes or articles of association or other equivalent establishing documents from any Lead Beneficiary or beneficiary in order to prove their compliance with eligibility requirements in section 2.2.1 i) of these Guidelines, additionally during administrative compliance and eligibility check.

<sup>13</sup> The requirement to submit copies of the registration certificates or other equivalent documents does not apply for the Lead Beneficiaries and beneficiaries who are national, regional and local public authorities. For international organisations with a base of operations in the Programme area, a legal proof of having such base of operations in the Programme area shall be provided.

<sup>14</sup> This obligation does not apply to international organisations, to national, regional and local public authorities, and to bodies governed by public law and financed by the public budget (budgetary institutions).

<sup>15</sup> This obligation does not apply to international organisations, to national, regional and local public authorities, and to bodies governed by public law and financed by the public budget (budgetary institutions).



	<p><b>Lithuania</b></p> <p>For non-governmental non-profit organisations:</p> <ul style="list-style-type: none"> <li>- balance sheet ('balansas');</li> <li>- Statement on income and costs or Profit (loss) account ('veiklos rezultatu ataskaita arba pelno (nuostolio) ataskaita');</li> <li>- explanatory notes ('aiškinamasis raštas').</li> </ul> <p>For public equivalent bodies having partly industrial or commercial character:</p> <ul style="list-style-type: none"> <li>- balance sheet ('balansas');</li> <li>- profit (loss) account ('pelno (nuostolių) ataskaita');</li> <li>- cashflow statement ('pinigų srautų ataskaita');</li> <li>- statement of changes in equity ('nuosavo kapitalo pokyčių ataskaita');</li> <li>- explanatory notes ('aiškinamasis raštas').</li> </ul> <p><b>Belarus</b></p> <p>For non-governmental non-commercial organisations:</p> <ul style="list-style-type: none"> <li>- balance sheet ('бухгалтерский баланс');</li> <li>- profit and loss report ('отчет о прибылях и убытках');</li> <li>- report on use of a special purpose funding ('отчет об использовании целевого финансирования');</li> <li>- explanatory notes ('примечания к отчетности').</li> </ul> <p>For public equivalent bodies having partly industrial or commercial character:</p> <ul style="list-style-type: none"> <li>- balance sheet ('бухгалтерский баланс');</li> <li>- profit and loss report ('отчет о прибылях и убытках');</li> <li>- explanatory notes ('примечания к отчетности').</li> </ul>	
10.	A full set of <u>technical documentation for construction works</u> requested under national legislation in order to implement the works and detailed cost estimates, in case it is planned to implement construction works in the project (contents of technical documentation are described in section 2.3.4).	copy
11.	<p><u>Full feasibility study or equivalent</u> carried out (for projects including an infrastructure component of at least EUR 1 million or more), providing information according to the following questions:</p> <ul style="list-style-type: none"> <li>- Social – economic analysis of the situation, justifying need for investments;</li> <li>- Location of investment object and ownership of investments/buildings/land;</li> <li>- Detailed description of object/investments and planned works (construction, reconstruction, modernization), including technical parameters, photos;</li> <li>- Compliance of implementation with national legislation, environmental impact assessment and readiness for implementation;</li> <li>- Estimated results and their quantification (i.e. increase in capacity, improved service by number, %);</li> <li>- Analysis of options (alternatives) and justification of selected option;</li> <li>- Financing plan;</li> <li>- Financial, institutional sustainability and action plan for the future;</li> <li>- Planned social – economic impact of investments for region and target groups;</li> <li>- Impact on environment;</li> <li>- Independent quality review.</li> </ul> <p>The feasibility study or equivalent can be prepared in the national language <u>with a</u></p>	original

	<u>short summary in English.</u>	
12.	<p>For projects including an infrastructure component of at least EUR 1 million or more, the following shall be provided:</p> <p>i) <u>An assessment of its environmental impact</u> in compliance with the Directive 2011/92/EU of the European Parliament and of the Council (1) and, for the participating countries which are parties to it, UN/ECE Espoo Convention on Environmental Impact Assessment in a Transboundary Context of 25 February 1991. In case of Belarusian Lead Beneficiaries and beneficiaries it shall comply in addition with the national legal acts related to preparation of Environmental Impact Assessment (the Law of 18 July 2016 No.399-3, Decision of the Council of Ministers of 19 January 2017 No. 47), or</p> <p>ii) In case an assessment of environmental impact is not provided, the following documents shall be submitted:</p> <p>a) For Latvian and Lithuanian Lead Beneficiaries and beneficiaries: an official letter from the national responsible body on environment protection, confirming that the Environmental Impact Assessment (EIA) is not needed.</p> <p>b) For Belarusian Lead Beneficiaries and beneficiaries: a copy of the document of the implemented screening, and based on this screening - a copy of decision by the national competent authority (Ministry of Natural Resources and Environmental Protection of the Republic of Belarus) confirming absence of harmful impact, including cross border impact, on environment.</p>	original or copy
13.	Documents confirming ownership rights, or rights of use, or owner's permission with respect to the premises/land, where large items of equipment (e.g. showcases, information terminals, etc.) will be stationary installed.	copy

The Applicant is recommended to fill-in and submit together with the application the Checklist for Self-Check on Submission of the Application (Annex XVI). The Applicant and beneficiaries planning construction works are recommended to fill-in and submit together with the application the Checklists for Self-Check on Technical Documentation for Construction Works, for works in Latvia, Lithuania and Belarus (Annexes XVII-XIX). These checklists are tools for self-check by the Applicant (Lead Beneficiary) and beneficiaries in order to facilitate preparation of quality applications and submission of full package of supporting documents, as well as to speed up the process of Administrative and Eligibility Check. At the same time, non-submission of these checklists together with the application, or any information written in them will not affect the results of Administrative and Eligibility Check, or Quality Assessment.

***Electronic version of the application includes the following documents:***

- 1) A digital version of the Grant Application Form, saved as a Filemaker file. The Identification number (id number) in the digital version of the Grant Application Form and in the paper version of the Grant Application Form shall be identical.
- 2) A digital version of the Detailed Budget (Annex I to the Grant Application Form), saved as an Excel file.
- 3) A Detailed Description and Justification of Equipment and Works (Annex II to the Grant Application Form), saved as a Word file, if applicable.

Please note that only the Grant Application Form, the requested annexes which have to be filled-in and supporting documents which have to be provided will be evaluated. It is therefore of utmost importance that these documents contain **all** relevant information concerning the project application. No additional annexes, except for those requested, should be sent.

## 2.3.4 Requirements to the Technical Documentation

Regarding the technical documentation for construction mentioned *in Section 2.3.3 of the Guidelines* the following shall be noted:

- i. The owner (or legal user) of the object and land, as well as the Contracting Authority for whom all necessary permissions and technical documentation for construction works were issued, shall be Lead Beneficiary or one of the beneficiaries in the Grant Application Form. The respective beneficiary shall have legal right to implement the works on the object. The respective beneficiary shall have necessary capacities and qualifications to act as Contracting Authority (or shall hire an engineering service).
- ii. The Programme will co-finance only those elements of works which can be finalised within the project and independently commissioned into exploitation (e.g. the whole construction project, separated stages or launching complexes, etc.) according to the national legislation, if commissioning into exploitation is required by the national legislation, or accepted as current renovation, by the end of the project. Only the costs related to such elements of works can be included in the budget. Presentation of a valid proof of commissioning into exploitation and registration according to the national legislation, if commissioning into exploitation is required by the national legislation, or acceptance as current renovation according to the national legislation is a necessary requirement to consider the whole cost of works as eligible for EU financing.
- iii. In case a separate stage/a launching complex is planned to be implemented within the project, for the purpose of quality assessment of project applications the following is recommended to the beneficiaries:
  - a) In the Grant Application Form it shall be clearly indicated which stage or launching complex is planned to be implemented within the project.
  - b) Technical and economic indicators for the stage or the launching complex shall be clearly indicated in the construction documentation and in description of activities in the Grant Application Form.
  - c) The cost of the works for the stage or a launching complex to be implemented within the project shall be clearly identified on the basis of the cost estimates.

The detailed list of necessary documents for construction is indicated per each participating country separately. Please note that the technical documentation shall be in line with national requirements set in legal acts for construction and construction norms in each participating country. There might be difference in the listed documents in case the legal provisions and norms are changed during the Call for Proposals and the valid legal acts shall be followed.

In case of rent or lease or other allocation of the land or the object, the rent or lease or allocation period shall cover the project duration and the period according to requirements set in section 3.8 "Project Closure"; a copy of the legally valid agreement shall be provided.

### **Technical documentation for construction works for Lithuanian organisations:**

1. Evidence of ownership or access to the land / real estate by respective beneficiary, documents confirming the right for land / real estate disposal (extract from State Enterprise Centre of Registers – valstybės įmonė "Registrijų centras");
2. An official decision on land or building using conditions for a period which covers the planned project duration, taking into account requirements set in section 3.8 "Project Closure" (according to the national legislation document from the Centre of Registers contains necessary information);

3. The Decision on the construction permit or other document of the probative value according to the national legislation. In case according to the national legislation Decision on the construction permit is not required – the explanatory letter justifying the legal basis with reference to the article/paragraph of the relevant legal act/or construction norms must be submitted;
4. Technical project including cost estimates:
  - a) approved full technical project;
  - b) in case object is to be financed from the project budget partly, i.e. only part of the bigger technical project is to be financed from the project, it should be possible to implement the works separately. In this case:
    - i. cost estimates for the amount included into the project budget have to be submitted;
    - ii. in the Grant Application Form it shall be clearly indicated which stage or part of the technical project is planned to be implemented within the project;
    - iii. technical and economic indicators for the stage or the part of technical project shall be clearly indicated in the construction documentation and in description of activities in the Grant Application Form;
    - iv. Beneficiary's declaration (provided in a free form) regarding procedure of acceptance of the object for using after works, financed from the project, shall be submitted.
5. Approval of the technical project (order of the contracting authority, approving technical design project and its general and economic indicators);
6. In case according to the national legislation technical project is not required:
  - a) Explanatory letter with reference to the article/paragraph of the relevant legal act and/or construction regulations;
  - b) Simplified renovation project, if required;
  - c) Defect acts or explanatory notes proving necessity of works, technical specifications and quantities;
  - d) Approved and signed cost estimates;
  - e) Photos of the current situation of the object or premises;
  - f) Extract from cadastral survey file of the real estate and schemes of premises where investments (works) are planned;
  - g) Other relevant documents, if required by national legal acts.
7. Expertise of the technical project (if applicable according to the national legislation);
8. Extract from cadastral measurements file ("kadastrinių matavimų byla") of the land / real estate (schemes of places where investments (works) are planned);
9. Environmental impact assessment (if applicable according to the national legislation);
10. When object is registered as well as it is located in the cultural heritage site, therefore such documents have to be submitted additionally:
  - a) certificate/ extract from the data of the Register of Cultural Property issued by the Department of Cultural Heritage under the Ministry of Culture;
  - b) official approval of the technical design project by the Department of Cultural Heritage under the Ministry of Culture;
  - c) a (special) expert examination of heritage protection ("specialioji paveldosaugos ekspertizė").

11. In case the simplified construction (“nesudėtingi statiniai”) is planned (e.g. outdoor children playground, outdoor sport equipment, etc.), the following documents have to be submitted:
  - a) Documents confirming ownership rights, or rights of use, or owner’s permission with respect to the premises/land allowing installation of equipment for a period which covers the planned project duration, taking into account requirements set in section 3.8 “Project Closure”;
  - b) Extract from the relevant territory plan with scheme of location of equipment approved by a competent body (chief architect of municipality, etc.);
  - c) Approved technical documentation or specification of planned works (installation and equipment), sketches according to the national requirements;
  - d) Approved and signed cost estimates and, if required, other documents proving type of works, quantities and costs.

### **Technical documentation for construction works for Latvian organisations:**

1. Legally valid evidence of ownership or possessory rights to the land, building or premises, or a contract on the basis of which the user has the right to construct and which covers the planned project duration, taking into account requirements set in section 3.8 “Project Closure”, in national language;
2. Technical documentation which is evidence that if the project is approved, the tender procedure for (re)construction works can be started immediately, consisting of:
  - a) approved technical project;
  - b) environmental impact assessment, if relevant;
  - c) decision on confirmation of the application of a construction conception, depending on the group of the structure and type of construction (e.g. *construction permit, certification card or explanatory memorandum*);
  - d) technical inspection task, if relevant;
  - e) approved and signed cost-estimates (local estimates and general estimates) for (re)construction works in line with national legislation and in national language;
  - f) other relevant documents, if required by national legal acts (including permits from cultural heritage protection boards, nature protection boards and other relevant institutions).

If the project includes (re)construction works, yet according to the national legislation technical documentation is not necessary the following shall be provided:

1. Legally valid ownership or possessory rights to the land, building or premises, or a contract on the basis of which the user has the right to construct and which covers the planned project duration, taking into account requirements set in section 3.8. “Project Closure”;
2. Defect acts, if relevant;
3. Explanatory note;
4. Approved and signed cost estimates (local estimates and general estimates) for the planned (re)construction works in line with national legislation and in national language;
5. Photos of the current situation of the object;
6. Extract from cadastral survey file of the real estate and schemes of premises where investments (works) are planned);
7. Other relevant documents, if required by national legal acts (including permits from cultural heritage protection boards, nature protection boards and other relevant institutions).

## **Technical documentation for construction works for Belarusian organisations:**

A) For objects of the **1st-5th class of complexity** (or 1-3 levels of responsibility according to previous classification) the following documents shall be submitted:

1. Document confirming the right for land and/or building (certificate on the state registration, state act for land; decision of authorized state body as the basis for the emergence or transfer of the right for land, other equivalent documents according to the national legislation). In case of rent or lease or other allocation of the building, premises or the land plot, the period of rent, or lease or other allocation shall cover the project duration and take into account the requirements set in section 3.8 "Project Closure"; a copy of the legally valid agreement for rent, or lease or other allocation shall be provided;
2. Permissive documentation (decision of Executive Committee authorizing the development of construction documentation and the construction or equivalent, with the documents referred to in articles 4.1-4.5 of the Decision of the Council of Ministers of the Republic of Belarus Nr.223 of 20 February 2007);
3. Construction and cost-estimate documentation (architectural project and construction project during two-stage project development, or construction project in case of one-stage project development, with separated stages, launching complexes, cost-estimates). In the construction documentation, the class of complexity shall be clearly indicated. Cost estimate documentation shall be provided in current prices, in currency of the Republic of Belarus effective after 01 July 2016;
4. Documents from the Ministry of Culture of the Republic of Belarus:
  - a. A letter from the Ministry of Culture of the Republic of Belarus proving that the object is not included in the List of historical and cultural values, and the planned works do not affect the protection zones of historical and cultural values, or
  - b. Permission of the Ministry of Culture of the Republic of Belarus to carry out i) scientific-research and project development activities on objects which are historical and cultural values and ii) documental proof of agreement of scientific-project documentation by the Ministry of Culture of the Republic of Belarus.
5. The valid positive conclusion of State Expertise on construction documentation in cases indicated in the Decision of the Council of Ministers of the Republic of Belarus No.791 of 30.09.2016;
6. The Contracting Authority's order approving the construction documentation.

B) **In addition to the documents in point A)** above, for objects of the **1st-4th class of complexity** (or 1-2 level of responsibility according to older classification) the following documents shall be provided:

7. Declarations on conformity of design documentation to the essential requirements of safety, the according to the Technical Regulations of the Republic of Belarus (TP 2009/013/BY), labelling of design documentation with conformity sign;
8. Certificate of conformity for the beneficiary organization or for the engineering company giving a right to perform the functions of a Contracting Authority, to provide engineering services for construction activity of the objects of 1<sup>st</sup>-4<sup>th</sup> classes of complexity.

The beneficiaries shall be advised that according to the national legislation and technical legal acts, for construction, installation, arrangement of such objects in Belarus as transport infrastructure objects (streets, passages, driveways, bridges, transport transfer nodes, squares, car parking, bicycle parking, pedestrian ways such as pavements, lanes, avenues, pedestrian streets and squares, pedestrian crossings, stairs, pedestrian and bicycle ways, and other similar objects), drainage systems, toilets, barriers, tourniquets, small architectural forms (fountains, arbors, equipping of sport and children playgrounds, benches, waste bins, and other similar objects), pavilions, sheds, booths, other temporary or modular buildings, objects of territory

improvement, greenery, landscaping works, creation of parks of different kinds and recreation zones, and other similar objects it is obligatory to submit the permissive documentation, the construction project together with the documents indicated in points A) positions 1-6 above and depending on the objects' class of complexity – documents in point B) positions 7-8 above.

C) **For current renovation** the following documents shall be submitted:

1. Document confirming the right for land and/or building (certificate on the state registration, state act for land; decision of authorized state body as the basis for the emergence or transfer of the right for land, other equivalent documents according to the national legislation). In case of rent or lease or other allocation of the building, premises or the land plot, the period of rent, or lease or other allocation shall cover the project duration and take into account the requirements set in section 3.8 "Project Closure"; a copy of the legally valid agreement for rent, or lease or other allocation shall be provided;
2. Duly filled-in, dated and approved by the Contracting Authority in accordance with the established procedure deficiency act with the properly filled-in list of deficiencies and Indicative List of Works;
3. Documents from the Ministry of Culture of the Republic of Belarus:
  - a. A letter from the Ministry of Culture of the Republic of Belarus proving that the object is not included in the List of historical and cultural values, and the planned works do not affect the protection zones of historical and cultural values, or
  - b. Permission of the Ministry of Culture of the Republic of Belarus to carry out i) scientific-research and project development activities on objects which are historical and cultural values and ii) documental proof of agreement of scientific-project documentation by the Ministry of Culture of the Republic of Belarus.
4. Cost-estimate documentation approved by the Contracting Authority in accordance with the established procedure;
5. Technical passport of the building with the plans of each floor. In the plan of each floor there shall be indicated the premises and elements where current renovation works will be implemented;
6. Photos of the premises where current renovation works will be implemented in their current condition.

The beneficiaries shall be advised that current renovation in Belarus is limited to works and activities in existing objects in order to prevent wear and tear, removal of small damages and faults, improving of esthetic characteristics of the objects. The planned works shall correspond to the List of Works in Current Renovation in Annex A to TKP 45-1.04-206-2010 (02250).

In case of selection of an application for the grant award, for the works, for which the conclusion of the State Expertise is not obligatory under the national legislation, in case of need and in order to justify the cost of works the approval of the State Expertise of the cost estimates and architectural and construction solutions may still be requested as condition of the grant award.

All documentation indicated in points A), B) and C) above shall be prepared according to the rules, rates and forms applicable for public organisations in Belarus.

In all cases, for all objects, if the national legislation and/or technical legal acts require to provide other relevant documents, they shall be submitted.

If any of the above mentioned documents related to the construction in Lithuania, Latvia, Belarus are not required according to the national legislation and construction norms, an original of Explanatory letter from the Developer of the construction documentation shall be provided justifying the reason, with reference to the article/paragraph of the legal act and/or construction norms. If the construction project does not have to be developed, the Explanatory letter shall be provided by the respective beneficiary organisation.

In case of approval of the applications, the Lead Beneficiary will be requested to submit the documents specified *in section 3.1.2 of these Guidelines* before signature of the grant contract.

### **2.3.5 Registration of Applications**

The JTS will register the submitted applications as soon as received. Notification on receipt will be given on reception, if application is submitted in person. All Lead Beneficiaries will be informed by email on reception of their applications within 5 working days after the end of the Call for Proposals.

Applications received after deadline will not be registered and thus will not undergo administrative and eligibility check. These applications will be sent back to the Lead Beneficiary (Applicant).

## **2.4 EVALUATION AND SELECTION OF APPLICANTS**

### **2.4.1 Administrative and Eligibility Check, Quality Assessment**

The evaluation of applications is the process whereby the applications for projects which are eligible for financing and are contributing most to the Programme objectives are identified and proposed for funding. The evaluation process is carried out in several steps:

- Administrative compliance (on the basis of administrative criteria to verify that the application fulfils the minimum technical requirements of the Programme) and technical eligibility check (on the basis of eligibility criteria to verify that the application fulfils the eligibility requirements of the Programme);
- Quality assessment (on the basis of quality assessment criteria) to provide the JMC members with sufficient information on the quality of each application).

No single project may be financed by more than one EU funding (grant). The project cannot receive EU funding (grant) for the already financed activities. Financing of the same interventions under the Programme and under the national programmes shall be avoided.

For this purpose, a declaration shall be signed by all the beneficiaries in the Grant Application Form and Partnership Statements stating that the proposed project has not been financed (neither in full, nor in part) from other international, national, regional or EU financial instruments or programmes.

The contents of the submitted applications cannot be changed or modified during the assessment.

### **Administrative and Eligibility Check**

The JTS shall check administrative compliance of applications on the basis of administrative criteria described below.



**Table 14. Administrative criteria**

Administrative criterion	Yes	No
1. The Application in full has been received <sup>16</sup> at the JTS by the set deadline.		
2. The paper version and e-version of Grant Application Form are identical; the e-version of Detailed Budget (Annex I) and, where applicable, the Detailed Description and Justification of Equipment and Works (Annex II) are submitted.		
3. The technical documentation, where applicable, is submitted in full.		
4. The paper version of the Grant Application Form and the Detailed Budget (Annex I) are provided in one original, all the obligatory Annexes and supporting documents have been provided in original or copy certified as true.		
5. The Grant Application Form, the Detailed Budget (Annex I) and the Detailed Description and Justification of Equipment and Works (Annex II), if applicable, are complete, typed, duly filled-in, in a due form and are in English.		
6. The Declaration by the Applicant and Detailed Budget (Annex I) have been filled in and have been legibly signed by the Head or an authorised representative of the Lead Beneficiary (Applicant), dated.		
7. Each Beneficiary (partner) has printed preferably in letterhead, completed, legibly signed by the Beneficiary's Head or authorised representative the Partnership Statement on a provided template and all the Partnership Statements are included.		

During eligibility verification the eligibility of beneficiaries and planned project activities will be verified according to the eligibility criteria set out below. The eligibility verification will be carried out on the basis of the documents indicated in *the section 2.3.3 and 2.3.4 of these Guidelines*, which will be provided by the Lead Beneficiary.

**Table 15. Eligibility criteria**

Eligibility criterion	Yes	No
1. The Lead Beneficiary (Applicant) complies with the eligibility requirements.		
2. All the beneficiaries (partners) comply with the eligibility requirements.		
3. All the beneficiaries are free from being in the situations, indicated <i>in section 2.2.1 point iv) of these Guidelines</i> .		
4. In the Grant Application Form there is at least one entity from the Programme area in Latvia or Lithuania and at least one entity from the Programme area in Belarus.		
5. The duration of the project is no longer than the maximum allowed duration.		
6. The requested EU funding (grant) is not less than the set minimum size for EU funding (grant) and does not exceed the set maximum size for EU funding (grant).		
7. The requested EU funding (grant) is 90 % of the total eligible cost of the project. The total co-financing by the Lead Beneficiary (Applicant) and/or by the beneficiaries		

<sup>16</sup> The Grant Application Form and the supporting documents shall be received no later than the deadline indicated in *section 2.3.3 of these Guidelines* as evidenced by the date of delivery in case of registered mail, private courier service delivery or by the date of receipt in case of hand-delivery.

(partners) is 10 % of the total eligible costs of the project.		
8. The proposed activities are located in the Programme area. <sup>17</sup>		

During the administrative compliance and technical eligibility check the JTS may request submission of missing documents in writing from the Lead Beneficiary. Missing documents are requested in the situations where the answer of the assessors to any of the criteria listed above is not clear or where there is a doubt.

Documents, including construction documentation, issued after the deadline for submission of applications will not be accepted. This condition does not apply to the letters with the explanations and clarifications which are dated after the deadline; they will be accepted.

In case of submission of missing documents, a letter via fax/email will be sent to the Lead Beneficiary with a request to provide necessary documents. The Lead Beneficiary has to provide the requested information within the **5 working days** from sending a letter by fax/email. Such a request can be sent only once during this assessment stage. Failure to provide the requested missing documents within the deadline may result in rejection of the application.

No request for submission of missing documents shall be made in case if the following documents are not provided within the application:

- the full original Grant Application Form with signed Declaration by the Applicant in paper version,
- signed Partnership Statement(s) (originals or at least as copies) in paper version,
- signed original Detailed Budget (Annex I) in paper version.

In any of these cases the application shall be rejected.

All fields in the Grant Application Form must be filled in. In case any of the fields is not applicable for the project, they shall be filled in by indicating “not applicable” or “n/a”.

Any clear answer “No” to any of the criteria listed above will result in rejection of the application on that sole basis; in this case the application will not be evaluated further. Incomplete applications will be rejected. Such applications shall be considered as non-admissible, shall not undergo further assessment and be rejected.

The outcomes of administrative compliance and eligibility check shall be approved by the MA and communicated to the Lead Beneficiaries without delay.

Following the administrative compliance and technical eligibility verification, the JTS will send letters to the Lead Beneficiaries which applications were examined, indicating whether their application passed the administrative compliance and technical eligibility check and has been recommended for further evaluation.

Complaints regarding the results of administrative and eligibility check, if any, shall be submitted to the JTS within the deadline of 10 working days after the letter regarding the results of administrative and eligibility check was sent by the JTS. Only the complaints submitted by the Lead Beneficiary representing the whole partnership will be considered. The complaint shall give clear arguments why the rejection of the application is not acceptable. Complaints shall be assessed by the JTS. Subsequently, the decision regarding approval or rejection of complaints shall be proposed to the MA, which, in turn, shall take the final decision.

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<sup>17</sup> Please, refer to provisions of the sections 2.2.1, 2.2.2 c) of these Guidelines.

## Quality Assessment of the Applications

Quality of the applications will be evaluated by assessors of the JTS/external assessors for those applications that have passed the administrative compliance and technical eligibility check. The evaluation of the quality of the applications, including the proposed budget and the capacity of the Lead Beneficiaries (Applicants) and beneficiaries (partners), will be carried out in accordance with the quality assessment criteria. The assessors shall evaluate the quality of the applications by filling in the Quality Evaluation Grid according to the quality assessment criteria.

Following the quality assessment, the assessment report shall be issued for the decision by the Project Selection Task Force which is in charge of evaluation of submitted applications based on the assessment results. The Project Selection Task Force consists of the NAs of all three participating countries. It enables the JMC to select applications which clearly will comply with the Programme objectives and will achieve the expected results and guarantee the visibility of the European Union financing.

The quality assessment is intended to evaluate the strategic relevance of the project and its operational capacity by evaluating:

- *To what extent the project will help the Programme achieve its objectives?*
- *What is the added value of cross-border cooperation?*
- *To what extent the project outcomes will be beneficial to its target groups and wider public?*
- *What is the sustainability and expected impact of the project for the border regions?*
- *Quality of project design, readiness for implementation and cost effectiveness;*
- *Will project partnership succeed in delivering of the proposed outcomes?*
- *What is the value for money within the project?*
- *Lead Beneficiary's (Applicant's) and beneficiaries' (partner(s)') financial and operational capacity to ensure that they:*
  - ✓ *have stable and sufficient sources of financing to implement the project;*
  - ✓ *have the management capacity, professional competencies and qualifications required to successfully implement the proposed activities.*

### Scoring:

The quality assessment criteria are divided into sections and subsections. The quality assessment criteria are divided into strategic and operational. If strategic quality assessment criteria are not passed, the application is not recommended for approval. Each section has the maximum score which consists of the sum of scores received in subsections. Each subsection will be given a score between 5 and 1 in accordance with the following guidelines: 5 - very good, 4 – good, 3 – sufficient, 2 – weak, 1 – insufficient.

**Table 16. Explanation of the Scores**

<b>5</b> Very good	The application fulfils the given criteria to an excellent and the provided information is sufficient, clear and coherent for assessing the criteria
<b>4</b> Good	The application fulfils the given criteria well, however the provided information includes minor shortcomings (e.g. the timeline provides little space for unexpected delays, details are missing in the given information in minor parts of the application)
<b>3</b> Sufficient	The application fulfils the given criteria to a sufficient level, however some aspects of the given criteria have not been fully met or not explained in full clarity or detail (e.g. the partnership lacks certain expertise to address the identified challenge; the implementation steps are not fully clear based on the

	description in the work plan)
<b>2</b> Weak	The application has serious shortcomings fulfilling the given criteria and/or the provided information is of low quality (e.g. the cross-border relevance of the project is not clearly justified; the main outputs are not clearly described; the target groups of main outputs are not described)
<b>1</b> Insufficient	The application does not fulfil the given criteria or information required is missing (e.g. the application addresses issues that are not relevant to the Programme priorities, the information in the application is not complete or is unclear)

The quality assessment criteria are divided into strategic and operational ones.

The strategic quality assessment criteria are set under *Section 1 "Relevance"* and *Section 2 "Financial and Operational Capacity"*:

- Note on *Section 1 "Relevance"*: if the total score is less than 20 for this section, the application will be rejected on this sole basis. Note on *Section 2 "Financial and Operational Capacity"*: if the total score is less than 12 for this section, the application will be rejected on this sole basis.
- The minimum score the application has to receive to be recommended for approval is 65.

If project applications receive equal total score, then the higher ranking is given to project application which received higher scoring in section "*Relevance*". If the total scoring and score in section "*Relevance*" is equal, than the higher ranking is given to project application which received higher scoring in section "*Financial and Operational Capacity*".

**Table 17. Quality assessment criteria**

No.	Quality Assessment Criterion	Description	Maximum Score	Grant Application Form and Annexes, in particular:
<b>Strategic Quality Assessment Criteria</b>				
<b>1</b>	<b>Relevance</b>		<b>25</b>	
1.1.	The project is relevant to the Programme objectives and will contribute to the achievement of the selected Programme Thematic Objective's and Priority's outputs and results. There is assurance that the works (if applicable) will be implemented in compliance with	<p>The targeted problem, needs and objectives of the project are relevant to the selected Programme Thematic Objective (TO) and Priority and will contribute to their achievement.</p> <p>Project tackles common territorial challenges and opportunities of the Programme area - there is a real demand for the project.</p> <p>The proposed project and activities do not fall under the category of non-supported projects and activities. The proposed project is free from profit or income generating activities. The provided documentation gives assurance that the construction works (if applicable) will be implemented in compliance with the national</p>	5	1.2; 1.4; 2.1; 2.2.; 4; Annex II, FS

	the national requirements.	requirements.		
1.2.	The need for cross-border cooperation is clearly demonstrated.	<p>The project objectives and results cannot (or only to some extent) be achieved without cross-border cooperation.</p> <p>Cross-border cooperation contributes to the solution of the joint problem.</p> <p>The proposed approach and the partnership demonstrate the need for cross-border cooperation.</p> <p>The project and its outcomes such as procured supplies, services and works have the cross-border nature and there will be results and, if applicable, outputs on the both sides of the border.</p>	5	1.2; 1.4; 1.5; 1.7; 5
1.3.	The problem, objectives and target groups are feasible and clearly defined.	<p>The problem is clearly defined, can be solved within the project, and is relevant for the Programme area and target groups. The objectives are clearly defined and can be reached within the project.</p> <p>The target groups are clearly defined and strategically chosen (in particular, specific target groups for selected TO and Priority are involved, e.g. vulnerable groups, youth and pre-retirement persons), their needs have been clearly specified and addressed properly. The project is likely to have a tangible impact on its target groups.</p>	5	1.1; 1.2; 1.4; 5
1.4.	Project clearly shows the added value and will contribute to regional development and cross-cutting issues.	<p>The planned project activities do not duplicate the already existing activity(-ies) nor they are regular activities of the beneficiary(-ies) (demonstration of added value/ innovation).</p> <p>Project's activities demonstrate positive sustainable regional development impact on both sides of the border, including economic, social impact and impact on environment (will provide the social - economic benefit for the border regions and will contribute to increasing their overall quality of life (e.g. by strengthening competitiveness, creating stronger opportunities for employment, raising qualifications according to market needs, stronger involvement of local communities, social inclusion, combating poverty, increase in public safety, etc.).</p> <p>The project has a neutral or positive contribution to the cross-cutting issues such as environmental sustainability (proposes effective use of resources, environmentally friendly solutions, etc.), equal opportunities and non-discrimination and gender equality.</p> <p>The proposed project activities are/ were not</p>	5	1.2; 1.3; 1.5; 2.3.; 2.4; 5; Declaration ; Annex II/FS

		financed from other international, national, regional, or European Union's financial instruments or programmes (there is no double-financing).		
1.5.	The project will produce sustainable results.	<p>The project will produce outputs and/or results, which are tangible and sustainable and will be used beyond the project implementation phase.</p> <p>There is clear division between the project beneficiaries regarding ownership of outputs/results and a concrete plan to ensure financial and institutional sustainability of project results, including responsible bodies, financing, policies, procedures and duration.</p> <p>The stakeholders and target groups are sufficiently involved in the development of the main outputs in order to ensure their durability.</p> <p>Provisions for further use of the project outcomes (outputs and results) are defined and specified.</p> <p>The target groups (users) for produced outcomes are clearly defined. The produced outputs shall be available for the public for free and publicly accessible, unless special provisions apply and are described and justified.</p>	5	1.2; 1.4; 4; 5; 6, Annex II, FS
<b>2</b>	<b>Financial and operational capacity</b>		<b>20</b>	
2.1.	The Lead Beneficiary and beneficiaries have sufficient project management experience and management capacity.	<p>The Applicant (Lead Beneficiary) and partners (beneficiaries) have sufficient experience in project management for EU funded or other national instruments or international programmes' projects.</p> <p>The Applicant (Lead Beneficiary) and partners (beneficiaries) have sufficient management capacity (including qualified management staff, technical staff and ability to handle the budget for the project) to implement the project, including its elements such as reporting, communication, procurement and, if applicable, construction works.</p>	5	9.1; 9.2; 9.4
2.2.	Proposed partnership is relevant for solving concrete problem, necessary for project, strategically important and is fulfilling the cooperation criteria.	<p>The Applicant (Lead Beneficiary) and partners (beneficiaries) have sufficient sectoral/technical expertise and experience in the field (notably knowledge of the issues to be addressed).</p> <p>Partnership involves the appropriate partners (beneficiaries) with the capacity to achieve the project objectives and to deliver and make use of the project results.</p> <p>Partnership is manageable and of an appropriate size.</p> <p>Partnership is well balanced, meaning that the different partners (beneficiaries) contribute and</p>	5*2	1.2; 1.4; 1.6; 1.7; 1.8, 3; 4; 5; 6; 9.3 Annex I

		<p>benefit to a similar extent without the dominance of one country or one partner.</p> <p>The relevant administrative levels, e.g. local, regional or national institutions or organizations are involved.</p> <p>The partnership is relevant for ensuring sustainability of results (ownership).</p> <p>The way how beneficiaries actively cooperate in fulfilling at least 3 of cross-border cooperation criteria is clearly described (joint development, joint implementation as obligatory criteria and in addition joint staffing and/ or joint financing criteria are fulfilled).</p>		
2.3.	<p>The Lead Beneficiary and beneficiaries have stable and sufficient sources to finance their contribution to the project and its finalization.</p>	<p>The Applicant (Lead Beneficiary) and partners (beneficiaries) have stable and sufficient sources to finance their contribution to the project (provide co-financing).</p> <p>The Applicant (Lead Beneficiary) and partners (beneficiaries) will be able to finance activities of the project until reception of the interim payments and payments of the balance from the Managing Authority and will have sufficient financial resources to pay outstanding contracts and commitments.</p> <p>The co-financing statement matches the sum indicated in the Grant Application Form budget.</p>	5	9.6; 9.7; Table 2; balances/ reports
<b>Operational Quality Assessment Criteria</b>				
<b>3</b>	<b>Methodology</b>		<b>20</b>	
3.1.	<p>The project methodology and approach is relevant for achievement of results.</p>	<p>The activities proposed are appropriate and consistent with the problem, objectives and expected results, as well as proposed implementation methods are adequate.</p> <p>The selected methodology and approach is appropriate for achievement of planned results and justified. The results can be achieved through the proposed activities and outputs.</p> <p>Necessary provisions for quality are planned (procedures and criteria to ensure quality of implementation and results).</p> <p>There is a clear link between the investments (equipment/software and works) and soft cooperation activities.</p>	5	1.2.; 1.5; 1.8; 4.5; 7; 8; 9, Annex II, FS
3.2.	<p>The activity plan and the time-schedule are realistic, logical and feasible.</p>	<p>Project activities are consistent and concrete, clearly described and properly justified in the application.</p> <p>The time-schedule is realistic, logical and feasible.</p> <p>The provided documents and information give assurance that the project is ready for</p>	5	4; 5; 7; 8; 9; Annex II

		<p>implementation and will be implemented in compliance with the national legislation of the concerned countries and Programme rules.</p> <p>Necessary provisions for risk management (e.g. possible delays in procurement procedures, construction works) are in place.</p>		
3.3.	The project contains objectively verifiable and measurable indicators for achievement.	<p>The qualitative and quantitative indicators for specific objectives, outputs and results are set.</p> <p>Results and outputs are in accordance with the need of the selected target group, are specific, are realistic (it is possible to achieve them with the given resources – i.e. time, partners, budget – and they are realistic based on the quantifications provided).</p>	5	2.1; 4; 5
3.4	The beneficiaries' involvement in the project is balanced.	<p>All partners (Lead Beneficiary and beneficiaries) contribute to the content of the project (none of the partners has a managing task only). – i.e. all partners implement the activities, own outputs and results and sustain them after the project.</p> <p>Clear and logical division of tasks between the beneficiaries is proposed in line with their role in the project. All beneficiaries play a defined role in the partnership and get a real benefit from it.</p> <p>Different beneficiaries have a role in leading specific activities (the tasks are shared among different partners/countries).</p>	5	1.7; 5; 9.1; Annex II
<b>4</b>	<b>Budget and cost-effectiveness</b>		<b>20</b>	
4.1.	Project demonstrates value for money.	<p>The ratio between the estimated costs and the expected outputs and results is appropriate and reasonable.</p> <p>The budget is clear and realistic.</p>	5*2	4; 5; Annex I, Annex II, FS
4.2.	The proposed expenses are necessary for the implementation of the project and costs are realistic, clearly defined and efficient.	<p>The costs are realistic and correspond to average market rates/or rates in the public/private sector of the participating countries. Deviations, if any, are justified.</p> <p>Proposed investments in supplies, services and works are justified and coherent with the rationale of the project.</p> <p>Involvement of external experts is justified, costs of external expertise are reasonable. Costs of human resources are based on the actual salaries levels in the countries and institutions involved.</p> <p>Activities outside the Programme area, if planned, are clearly for the benefit to the Programme area.</p> <p>Total beneficiaries' budgets reflect real beneficiaries' involvement (is balanced and realistic).</p>	5*2	4; 5; Annex I, Annex II, FS
<b>5</b>	<b>Management, coordination and communication</b>		<b>10</b>	



5.1.	The proposed management structure and procedures are relevant for sound implementation of the project and financial management.	The proposed management, implementation, monitoring/evaluation structures and procedures are clearly defined and correspond to the project set-up (size and complexity). Clear and fair division of management and coordination tasks between Lead Beneficiary (Applicant) and beneficiaries (partners) has been set. Management procedures (such as reporting and evaluation procedures in the area of finance, project content, communication, progress) are clear, transparent, efficient and effective. They correspond to the needs and allow partners' involvement in decision-making. Project management includes regular contact between beneficiaries and ensures transfer of expertise across the partnership (internal communication within the partnership).	5	5.1; 9
5.2.	Project strategy for dissemination and communication is appropriate to reach communication objectives.	The strategy for dissemination and communication corresponds to the objective of the project and is sufficient to acknowledge the EU support to the project. The selected approach/tactics is appropriate to reach communication objectives. It is designed to effectively reach the target groups, stakeholders/ wider public and capitalise the results of the project on both sides of the border.	5	5; 6
<b>Maximum total score</b>			<b>95</b>	

## 2.4.2 Strategic Regional Relevance Evaluation and Selection of Applications

Following the assessment carried by the assessors, the Assessment Report listing the applications ranked according to their score will be established. The Project Selection Task Force, taking into account the information laid out in the Assessment Report, shall perform the strategic regional relevance assessment and shall recommend projects for funding. In order to enact the principles of transparency, equal treatment, non-discrimination, objectivity and fair competition, the Project Selection Task Force and the JMC shall comply with the following requirements:

- the projects shall be selected and awarded on the basis of pre-announced selection and award criteria which are defined in the evaluation grid;
- the grants shall be subject to *ex ante* and *ex post* publicity rules;
- the Lead Beneficiaries shall be informed in writing about the evaluation results;
- the same rules and conditions shall be applied to all beneficiaries.

During the selection, the Project Selection Task Force additionally takes into account the following:

- a) the Lead Beneficiary may not be awarded more than one grant per one Thematic Objective under this Call for Proposals;

- b) the total scores of the application in *sections 1 “Relevance”* and/or *2 “Financial and Operational Capacity”* shall not be lower than the indicated above thresholds.

Based on the results in the Assessment Report, the Project Selection Task Force shall perform the strategic regional relevance assessment only towards the projects, which received at least 65 scores in the quality assessment by assessors and passed the above thresholds for sections 1 and 2.

During this assessment, the Project Selection Task Force might give additionally maximum 5 scores. Regional relevance assessment shall be performed according to the criteria indicated in the table below.

During Project Selection Task Force meeting the ranking list, incorporating both quality assessment by assessors and strategic regional relevance assessment by Project Selection Task Force is prepared.

The strategic regional relevance assessment shall be performed by answering each question (criterion) from 1 to 5. Answer “YES” to any question (criterion) means 1 (one), while answer “NO” means 0 (zero) points.

**Table 18. Strategic Regional Relevance Evaluation**

	<b>STRATEGIC REGIONAL RELEVANCE CRITERION (maximum score - 5; performed by Task Force)</b>	<b>YES/NO</b>	<b>Comments and justification</b>
Project demonstrates the contribution to regional and national priorities and relevance for regional partnership.	<ol style="list-style-type: none"> <li>1. Project is relevant to particular needs and constraints of the target regions.</li> <li>2. Project is in line with regional development objectives and priorities. Project is compliant with relevant local/ regional/ national or transnational development strategies/ development plans and will be sustainable on a policy level.</li> <li>3. Project shows clear impact on development of the border regions and wider Programme area.</li> <li>4. The project builds on existing practices/ results and clearly shows the added value and demonstrates novelty.</li> <li>5. Project contributes to the achievement of the objectives and targets of the European Union Strategy for the Baltic Sea Region.</li> </ol>		

### 2.4.3 Decision Making on Applications

The JMC takes the grant award decision for those applications, which have the highest total score and fall within the available financial envelope. The minimum score the application has to receive to be financed from the Programme is 70.

The JMC may set the conditions and corrections to be fulfilled within a deadline of 2 months for the selected applications. During clarification process the JTS will check the fulfilment of the conditions and clarifications and will carry checks to ensure the correctness of the budget of the project (e.g. correction of all arithmetical errors, inaccuracies, reduction of all unrealistic costs and removal of all ineligible costs). The checks may give rise to requests for clarification and may lead the MA to impose modifications or reductions to address such mistakes, inaccuracies or unrealistic costs. The amount of the grant and the percentage of co-financing as a result of these corrections may not be increased.

Failure to submit to the JTS acceptably fulfilled conditions requested by the JMC until the set deadline may result in cancellation of the grant award decision.

The MA will consult the list of projects recommended for funding with the European Commission to avoid double funding and promote synergies with the existing projects, where possible. Following this consultation, the JMC may decide to reject initially recommended proposals.

The JMC might either approve or reject an application indicating the reasons for selection or rejection, or approve the application conditionally, indicating a list of conditions to be made. However, conditions should cover technical aspects only and not change the content or objectives, main outputs or activities of the proposed project. Following selection of projects, the JTS shall immediately inform the Lead Beneficiaries about the results concerning their proposals and prepare the grant contracts.

Also, the JMC can create a reserve list of the applications. In case if any of the selected for funding projects does not implement the requested conditions by the JMC decision within the indicated deadline, or does not sign the contracts, or does not return the contracts in due time, the Lead Beneficiary cannot be awarded the grant. If the project fails to receive approval by the Belarusian Government within the set period of time, the MA reserves its right not to sign the grant contract with the Lead Beneficiary of the project. In such cases the application with the highest score from the reserve list, falling within the available financial allocation for the respective Call for Proposals may be offered a grant contract.

The MA will sign the grant contracts with the Lead Beneficiaries of the selected applications.

If at any stage of evaluation, implementation of conditions and corrections requested by the JMC, it is identified that the selected application includes activities falling under the State Aid rules, the respective activities either will be requested to be removed, or the award decision will be cancelled by the JMC.

## **2.5 NOTIFICATION ON THE JMC DECISION**

### **2.5.1 Content of the Decision**

Following selection of projects, the JTS shall inform the respective Lead Beneficiary within 5 working days about the results concerning its application.

### **2.5.2 Complaints**

Within 10 working days after communication of the JMC decision, together with the reasons for rejecting the application, the Lead Beneficiaries may submit a complaint to the JTS, giving clear arguments why the rejection of the application is not acceptable. Complaints shall be assessed by the MA with support of the JTS. Subsequently, the decision regarding approval or rejection of complaints shall be proposed to the JMC, which, in turn, shall take the final decision.

## **2.6 CANCELANATION OF THE CALL FOR PROPOSALS**

The JMC may decide to cancel the Call for Proposals procedure at any stage but particularly in the light of the assessment report, if:

- the Call for Proposals has been unsuccessful, i.e. no worthwhile proposals have been received or there were no replies;

- the economic or technical data of the Programme have been fundamentally altered;
- exceptional circumstances or *force majeure* render the normal implementation of the planned actions impossible;
- there have been irregularities in the procedure, in particular where these have prevented equal treatment.

If a Call for Proposals is cancelled, all Lead Beneficiaries will be notified by publishing a cancellation notice on the Programme website <http://www.eni-cbc.eu/llb/en>. The beneficiaries will not be entitled to any compensation.

## 3. IMPLEMENTATION OF PROJECTS

### 3.1 SIGNING THE GRANT CONTRACT

#### 3.1.1 Responsibilities and Parties to the Grant Contract<sup>18</sup>

The MA acting as the Contracting Authority will sign the grant contract with the Lead Beneficiary. With the signature of the grant contract the contractual relations and responsibilities between the Contracting Authority and the Lead Beneficiary emerge. The Lead Beneficiary becomes solely responsible and financially liable towards the Contracting Authority for efficient implementation of the project in compliance with the provisions of the grant contract, Guidelines for Grant Applicants and Project Description (on a basis of the Grant Application Form). It is only the Lead Beneficiary who may request and receive payments in line with the provisions of the grant contract; at the same time, if any ineligible costs are discovered, the Contracting Authority deducts them from payments to the Lead Beneficiary or initiates recovery procedure. It is responsible for preparation and submission of reports under the grant contract to the Contracting Authority. The practical monitoring of the implementation of the project is carried out by the Contracting Authority via the JTS.

The beneficiaries participating in implementation of the project are not parties to the grant contract and are not accountable to the Contracting Authority. However, the beneficiaries should actively assist the Lead Beneficiary in efficient implementation of the project. Relations between beneficiaries and the Lead Beneficiary, their specific obligations as well as the financial responsibilities and liabilities are regulated by the Partnership Agreement signed between the Lead Beneficiary and all beneficiaries of the project. The Lead Beneficiary shall ensure that beneficiaries comply with the relevant provisions of the grant contract as based in the provisions of the Partnership Agreement. The costs of beneficiaries incurred for implementation of the project are eligible in the same way as the costs incurred by the Lead Beneficiary.

#### 3.1.2 Conditions for Signing the Grant Contract

The following procedures have to be carried out before the signature of the grant contract:

- a) The Lead Beneficiary submits to the JTS acceptably fulfilled conditions requested by the JMC in its award letter, if applicable, within the deadline of 2 months. Only after these conditions are fulfilled the grant contract can be prepared. Failure to submit to the JTS acceptably fulfilled conditions requested by the JMC until the set deadline may result in cancellation of the grant award decision.
- b) During preparation of the grant contract the JTS will carry checks to ensure the correctness of the budget of the project (e.g. correction of all arithmetical errors, inaccuracies, reduction of all unrealistic costs and removal of all ineligible costs). The checks may give rise to the requests for clarification and may lead the MA to impose modifications or reductions to address such mistakes, inaccuracies or unrealistic costs. The amount of the EU funding and the percentage of co-financing as a result of these corrections may not be increased.
- c) The Lead Beneficiary submits to the JTS the signed Partnership Agreement with its beneficiaries.
- d) The Lead Beneficiary provides the original of the financial identification form with the details of its banking account to which payments of the grant funding will be made by the MA.
- e) The Lead Beneficiary provides Communication Plan for the project, approved by the JTS.

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<sup>18</sup> Contractual responsibilities of the Lead Beneficiary and beneficiaries are provided in the provisions of the grant contract.

- f) The Lead Beneficiary submits the Procurement Plan for the project, approved by the JTS.
- g) **Within 4 months** after the date of the project approval by the JMC the Lead Beneficiary provides a documental proof that the project is approved<sup>19</sup> by the Belarusian Government in compliance with the legislation of Belarus.
- h) The beneficiaries submit the updated construction documentation (if applicable) in case the previously provided documents have expired, or changes in the legal acts or in condition of the object have occurred. In case it is explicitly required in the award decision, the conclusion of the State Expertise in construction for works in Belarus shall be submitted.

After finalization of the above indicated procedures the Lead Beneficiary will be offered a grant contract based on the Programme standard grant contract available at the Programme website. By signing the Grant Application Form the Lead Beneficiary declares accepting, in case where it is awarded a grant, the contractual conditions as laid down in the standard grant contract. The MA via JTS sends the signed grant contract to the Lead Beneficiary indicating the deadline when the countersigned contract shall be returned to the MA.

### 3.1.3 National Procedures in Belarus

#### National Procedures in Belarus

Belarusian beneficiaries are obliged to observe a number of national procedures and requirements. In order to receive Programme funding and implement activities of the project the Belarusian beneficiaries have to pass the national procedure of approval and registration of international technical assistance (hereinafter – ITA) projects in Belarus. These procedures are necessary for all types of grants, regardless of numbers of events and amounts of financial resources. The relevant legislation can be downloaded here: <http://cu4eu.by/politics/legislation/>.

**Note:**

- Implementation of international technical assistance projects without their prior registration at the Ministry of Economy is prohibited!
- Fulfilment of the state approval procedure provides an opportunity to use the mechanism of tax and customs exemption.

#### Legal Framework for ITA Procedures:

1. Decree of the President of the Republic of Belarus No. 460 dated October 22, 2003 “On International Technical Assistance provided to the Republic of Belarus”;
2. Resolution of the Council of Ministers of the Republic of Belarus No.1522 dated November 21, 2003 “On Certain Measures Aimed at Implementing the Decree of the President of Belarus No. 460 dated October 22, 2003”;
3. Resolution of the Council of Ministers of the Republic of Belarus No. 590 dated July 13, 2015 “On Amendments and Additions to Some Decisions of the Council of Ministers of the Republic of Belarus”;
4. Framework Agreement between the Commission of the European Communities and the Government of the Republic of Belarus dated December 18, 2008;

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<sup>19</sup> For the detailed description please refer to *the section 3.1.3 of these Guidelines*.

5. Regulation of the Ministry of Economy of the Republic of Belarus No. 85 dated July 6, 2010 "On Approval of the Instructions for the International Technical Assistance Projects (Programmes) Registration Procedure in the Republic of Belarus and Registration Stamp Form";
6. Regulation of the Ministry of Economy of the Republic of Belarus No. 82 dated May 4, 2010 "On the Form of the List of Goods (Property, Including Monetary Means), Works and Services, Provided for Implementing the International Technical Assistance Projects (Programmes)";
7. Resolution of the Council of Ministers of the Republic of Belarus No. 1513 dated November 26, 2004 "On Approval of the Regulations for the Assessment of International Technical Assistance Projects (Programmes) and Their Effectiveness";
8. Resolution of the Council of Ministers of the Republic of Belarus No. 193 dated February 14, 2009 "On the Rules of Procedures of the Council of Ministers of the Republic of Belarus";
9. Resolution of the Council of Ministers of the Republic of Belarus No. 1027 dated September 15, 2005 "On Some Measures to Implement the Presidential Decree No. 382 dated 17 August, 2005";
10. Regulation of the Ministry of Economy of the Republic of Belarus No. 58 dated October 2, 2015 "On Amending Resolution of the Ministry of Economy of the Republic of Belarus No. 86 dated May 12, 2010";
11. Regulation of the Ministry of Economy of the Republic of Belarus No. 57 dated 2 October 2015 "On the passport of the international technical assistance project";
12. Regulation of the Ministry of Economy of the Republic of Belarus No. 56 dated October 2, 2015 "On Amending Resolution of the Ministry of Economy of the Republic of Belarus No. 82 dated May 4, 2010".

**List of documents to be submitted by ITA beneficiaries to the Ministry of Economy of the Republic of Belarus for project approval:**

1. Application of the ITA beneficiary (cover letter), composed in accordance with the record keeping requirements;
2. Application for project registration of the international technical assistance project (programme) in accordance with a form provided by the Ministry of Economy;
3. Original document or a duly certified copy of the project in 2 copies;
4. Translation of the original project document into Belarusian or Russian in 2 copies;
5. Passport of the project in a form provided by the Ministry of Economy in 2 copies.

More detailed information, the forms and requirements can be found at the website of the Ministry of Economy: [http://www.economy.gov.by/ru/mtp\\_1-ru/](http://www.economy.gov.by/ru/mtp_1-ru/).

**Within one month from the date of receipt of the above-mentioned documents** the Ministry of Economy shall ensure coordination of the project approval procedure with Ministry of Foreign Affairs, State Security Committee, Ministry of Finance, Ministry of Taxes and Duties and other state bodies within their competence and submit to the Commission on International Technical Cooperation under the Council of Ministers of the Republic of Belarus (hereinafter – Commission) for review and (or) approval.

In case of any comments and suggestions concerning the project, it shall be sent back in the original by the Ministry of Economy to ITA beneficiary within five days from the date of receipt of the last review.

The Commission decision on project approval or recommendation for approval by the Council of Ministers shall be taken at the regular meeting with a record in the minutes of the meeting.

Please note that the overall procedure of project approval and registration may take up to several months.

**Information on Registration of ITA Projects**

In accordance with i. 18 of Chapter 4 of the Regulations on procedures of preparation, consideration and registration of ITA projects (programmes) and the lists of goods (property including monetary funds), works and services provided for the implementation of these projects (programmes), approved by Resolution of the Council of Ministers of the Republic of Belarus dated November 21, 2003 No. 1522 "On Certain Measures Aimed at Implementing the Decree of the President of Belarus No. 460 dated October 22, 2003" registration of projects shall be carried out by the Ministry of Economy on the basis of:

1. Decision of the Commission for mini-projects and projects to be realized through the method of national implementation;
2. Resolutions of the Council of Ministers of the Republic of Belarus on the approval of specific projects;
3. Project proposals included into approved ITA Programmes;
4. The provisions of international treaties of the Republic of Belarus.

In the cases referred to in items 1 and 2, the beneficiary shall not re-submit the documents.

In the cases referred to in items 3 and 4, the beneficiary shall submit the following documents to the Ministry of Economy:

1. Application of the ITA beneficiary, composed in arbitrary form (cover letter);
2. Application for project registration in accordance with a form provided by the Ministry of Economy;
2. Original document or a duly certified copy of the project in 2 copies;
3. Translation of the original project document into Belarusian or Russian in 2 copies.

More detailed information, the forms and requirements can be found at the website of the Ministry of Economy: [http://www.economy.gov.by/ru/mtp\\_2-ru/](http://www.economy.gov.by/ru/mtp_2-ru/).

**Important: Information on registration of changes and (or) addenda to ITA projects**, as well as the requirements, list of documents and forms to be submitted for registration of changes can be downloaded at: [http://www.economy.gov.by/ru/mtp\\_3-ru/](http://www.economy.gov.by/ru/mtp_3-ru/).

### **The Procedure of Tax Exemption in Belarus**

The approved by the Council of Ministers list of goods, works and services provided for the implementation of ITA project (further list of goods) is one of the most important documents for Belarusian beneficiaries and their subcontractors. This document is the basis for tax exemption of goods, works and services for project implementation and supplies.

The list of goods is to be submitted by the beneficiary:

- By the beneficiary, at the stage of the project approval and registration, or
- By the beneficiary or supplier, during the project implementation period, or
- By the beneficiary, not later than 40 days after the project finalisation date (as specified on the registration stamp of the Ministry of Economy).

The following documents should be submitted to the Ministry of Economy for the registration of the list of goods, works and services:

1. Application letter (no form or template specified);
2. List of goods, works and services filled in according to the form of the Ministry of Economy by the Belarusian beneficiary, duly signed and sealed in 4 originals and *electronically in Microsoft Excel format*;
3. Justification of the list of goods;
4. Copies of documents certifying that the beneficiary has been assigned a tax identification number;



5. If the documents confirming the delivery of goods (property, including money), works and services are available, - a copy of conveyance, shipping documents, agreement (contract) for money receipt, including in a foreign currency, goods (property), performance of works, providing of services within the framework of the project. If the list is made after the project registration, the above-noted conveyance, shipping documents, agreement (contract) shall contain a reference to a project registered according to the established procedures.

More information on the approval of list of goods can be found at the website of the Ministry of Economy: [http://www.economy.gov.by/ru/mtp\\_4-ru/](http://www.economy.gov.by/ru/mtp_4-ru/).

### **National Monitoring and Evaluation System**

The monitoring and evaluation system is based on the analysis of reporting provided by ITA beneficiaries in accordance with the Resolution of the Council of Ministers of the Republic of Belarus No. 1513 dated November 26, 2004 "On approval of the Regulations for the Assessment of International Technical Assistance Projects (Programmes) and their effectiveness".

For monitoring purposes, ITA beneficiaries shall submit to the Ministry of Economy annual reports on the progress of project implementation in accordance with a form provided by the Ministry of Economy. The report is to be submitted by 15 January of the year following the reporting one.

After the completion of a project (programme), the beneficiaries shall have no later than 40 days after the project completion date to submit a final report to the Ministry of Economy of Belarus according to the set rules.

**Important: Reports to the Ministry of Economy should be submitted by one applicant on behalf of all the project beneficiaries.**

More information on reporting, comprehensive examination and control over the proper use of funds, goods (property), works and services rendered within ITA projects/programmes can be found at the website of the Ministry of Economy site:

[http://www.economy.gov.by/ru/mtp\\_5-ru/](http://www.economy.gov.by/ru/mtp_5-ru/) and [http://www.economy.gov.by/ru/mtp\\_6-ru/](http://www.economy.gov.by/ru/mtp_6-ru/).

In their work for passing the National procedure for approval of the project, as well as with respect to all issues of application of national legislation to their projects, the Belarusian organizations are advised to actively cooperate with the Belarusian national body which is in charge of coordination of the EU programmes and projects and controls their implementation:

### **EUROPEAN UNION INTERNATIONAL TECHNICAL ASSISTANCE CENTRE IN BELARUS**

Address: 1 Kalvariyskaya Str., 7th floor, office 707

220004, Minsk, Belarus

**Tel.:** +375 (17) 200 64 65

**Fax:** +375 (17) 327 26 15

**E-mail:** [cu4eu@mail.ru](mailto:cu4eu@mail.ru)

<http://cu4eu.by/>

## **3.1.4 Start and End Date of the Project**

The start date is important for calculating the end date of each project, until which the project activities shall be finalised.

The start date of the project will be fixed in the grant contract.

The end date of the project will be set according to the implementation period which is indicated in the grant contract.

## 3.2 MANAGEMENT AND COORDINATION OF THE PROJECT

### 3.2.1 Management and Coordination

Management and coordination must be organised as a separate Group of Activities within the project and shall include clear provisions and structures for coordination on strategic and day-to-day management level, as well as financial management, decision making, coordination with the beneficiaries and other involved parties, ensuring visibility and internal and external communication, as well as monitoring and evaluation and regular reporting to the JTS/ MA. Thus the Lead Beneficiary and its beneficiaries will have to establish an efficient management and coordination system corresponding to specifics, size and complexity of a project. The system has to clearly define responsibilities and duties of the beneficiaries, as well as procedures to be followed in order to implement the activities of the project. The division of responsibilities related to management and coordination between beneficiaries shall be fair and correspond to the project set-up. Management procedures (such as reporting and evaluation procedures in the area of finance, project content, communication, decision making) shall be clear, transparent, efficient and effective.

The effective monitoring and evaluation system to be established by the Lead Beneficiary with the beneficiaries shall relate to the following aspects of implementation of the project:

- monitoring of progress towards achievement of the objectives of the project;
- effectiveness and efficiency of implementation of the project in regards to activities and finances (cost-benefit);
- quality of management, co-ordination and communication;
- evaluation of implementation of the project (e.g. criteria for evaluation and measuring of achievement, responsibilities, methods such as evaluation sheets, interviews, reports, external expert evaluation);
- quality of the outputs and results of the project.

The Lead Beneficiary has to allocate or employ a project manager and a **financial manager** for the project who are employed as regular staff in the Lead Beneficiary's organisation. They must have a sufficient knowledge of English as well as previous experience in project management or financial management. The project manager has to be qualified to handle the thematic coordination of the activities of the project, and to be able to act as a driving force in the partnership. Financial manager is responsible for the accounts, financial reporting, internal handling of the grant and co-financing. Financial manager has to work in close cooperation with the project manager and the beneficiaries in order to enable efficient overall financial management of the project and respect of procurement rules.

In addition, each beneficiary (except Lead Beneficiary) must allocate or employ a local coordinator, who is the contact person with the project manager, **and a local accountant**, who is responsible for book-keeping and financial management for the project in the partner organisation. These local coordinator and local accountant shall be employed as regular staff in the beneficiary organisation.

Depending on complexity of the construction component in the project (where applicable) it is strongly recommended to involve a **specialist for construction** with necessary expertise to supervise implementation of the works.

## **3.2.2 Decision-making**

The Lead Beneficiary with the beneficiaries has to determine the necessary procedures for decision-making and coordination appropriate for specifics of the project, project size and needs and allow beneficiaries' involvement in decision-making. In case of complex projects it is advised to establish a steering group, which is composed of stakeholders in the particular field and/or representatives of the beneficiaries, who are not involved in daily implementation of the project. In the steering group it is also recommended to involve members of the staff assigned to the project. Suggested tasks of the steering group could include monitoring and guiding the implementation of the project, as well as reviewing and approving work plans and reports as well as produced outputs and results.

Working groups, task forces and advisory groups may be established to coordinate daily running of the activities, to fulfil specific tasks, to carry out certain activities, etc.

Projects of a small size are also advised to foresee decision-making mechanisms and to explain them in the Grant Application Form. Adequate representation of involved beneficiaries should be observed in establishing decision-making and coordination mechanisms, though over-complication of the structures should be avoided.

Project management includes regular contact between project beneficiaries (partners) and ensures transfer of expertise across the partnership (internal communication within the partnership).

## **3.3 GENERAL RULES OF FINANCIAL MATTERS**

### **3.3.1 Conflict of Interests and Corruption**

The Lead Beneficiary and beneficiaries must undertake all necessary precautions to avoid conflicts of interest and must inform the MA/JTS immediately about any situation constituting or likely to lead to any conflict of this kind.

There is a conflict of interest where the impartial and objective exercise of the functions of any person involved in the project is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person. For this reason, all the beneficiaries have to follow the respective public procurement laws and rules for the sub-contracting activities in order to avoid situations where conflict of interests or corruption might occur.

### **3.3.2 Public Benefit and No Profit**

The project should have a non-commercial nature. Grants shall not have the purpose or effect of producing a profit within the framework of the project.

The objectives and the results of the project have to be of the public benefit, thus freely accessible to the wider public. In case if any publications (e.g. guidelines, teaching materials, studies) within the project are made, they have to be available to the public freely. All the investments and other results of the project co-financed by the Programme should be aimed at public use. Other provisions on availability of outputs and results of the project are allowed only with the prior consent of the MA.

### **3.3.3 Revenue from the Project**

Grants shall not have the purpose or effect of producing a profit for the Lead Beneficiary and beneficiaries within the framework of the project. In the case of a grant, profit is defined as a surplus of receipts over the costs incurred by the Lead Beneficiary and/or beneficiaries when the request is made for the payment of the balance.

Any interest or equivalent benefits accruing from the pre-financing paid by the MA to the Lead Beneficiary and beneficiaries shall be mentioned in the final report. Any such interest or equivalent benefit accruing from the pre-financing received by the Lead Beneficiary and beneficiaries shall be reported, assigned to the project and deducted from the payment of the balance of the EU funding (grant).

### **3.3.4 Accountancy and Exchange Rates**

Beneficiaries involved in the implementation of projects and receiving the financing from the EU shall:

- a) open separate bank account or sub-account eligible for reception of financing from MA/Lead beneficiary in Euro;
- b) maintain either a separate accounting system or a suitable accounting code for all transactions relating to payments for projects and accountancy of all project costs;
- c) indicate the project No on the original invoices which are paid from the project budget and reported as project costs, or in the invoice it shall be indicated that invoice is issued in the frame of the implemented project. In case the invoice is partly paid from the project budget or only part of the amount reported as project costs - exact paid/reported amount from the project (EU funding and/or own co-financing of beneficiaries) should be indicated in the invoice;
- d) have book-keeping lists/ overviews/ estimates – i.e. list of all expenditure for all transactions relating to the project without prejudice to the national accounting rules.

The above mentioned requirements will ensure that project expenditure can be clearly identified and verified as well as properly managed and monitored.

Beneficiaries shall have accurate and regular accounting of project costs according to the national legislation requirements. The accounting system shall be based on double-entry book-keeping system and may either be an integrated part of the beneficiary's regular book-keeping system or an adjunct to that system.

All beneficiaries must ensure that all accounting documentation related to the project is available and filed separately and that all related payments of the project have a clearly distinguishable book-keeping code.

Beneficiaries are allowed to file and keep original accounting documents related to the project in a centralized filing system, e.g. in beneficiary's organisation financial unit or, in case the beneficiary's account is legally managed by other public body - in this public body, according to the national legislation requirements or rules. It is highly recommended to make the certified copies of the accounting documents, file and keep them separately in a project folder with a reference to the place where the original documents are kept. The project folder should also contain the evidence of the project outputs, where possible (e.g. copies of brochures, photos). Access to the originals of expenditure supporting and other project documents, which are kept in the beneficiary organization, or in other place than the beneficiary organisation, shall be granted to the MA or its authorised third parties, JTS or the EC, the European Anti-Fraud Office, the European Court of Auditors and any external auditor/ public officer authorised by the MA for the control purposes according to the provisions indicated in the grant contract.

Lead beneficiary is responsible to ensure that an adequate audit trail is documented at all levels of the project, including all costs of other project beneficiaries. The Lead beneficiary shall be aware of who

(beneficiary) paid the costs reported, what was paid, who verified the costs incurred and paid and where the costs related documents and expenditure supporting are kept.

The Lead beneficiary should request that all beneficiaries keep the documents related to the project in a safe and orderly manner at least five years after the payment of the balance of the Programme. The documents are archived either as originals or as certified copies in compliance with the national legislation. In case of the need, the Lead beneficiary may ask for copies of accountancy documents from the beneficiaries.

MA shall make payments in Euro, according to the provisions indicated in the grant contract. The payments of the Programme funding shall be made by MA in Euro to the bank account of the Lead Beneficiary indicated in the grant contract or referred in the Financial Identification Form that is *Annex XV "Template of Financial Identification Form" to these Guidelines*. In case bank account holder is other institution than beneficiary (e.g., in case the beneficiary is the school, but the holder of the bank account is the municipality or department responsible for education in the municipality), relevant information has to be indicated/provided in the Partnership Agreement and Grant Application Form by indicating the legal background for such situation. The organisation which is the holder of the bank account shall authorize the payments from the bank account on behalf of the partner. MA shall be informed in written via JTS on all such cases in advance.

Expenditure incurred in a currency other than euro shall be converted into euro by the beneficiaries using the monthly accounting exchange rate of the Commission in the month during which that expenditure was incurred (invoiced). The expenditure in national currency (other than Euro) must be converted in Euro with an accuracy of four digits after comma.

Please note that currency exchange losses are not eligible costs to be declared in the reports. Any difference between national exchange rates, exchanges rates used by beneficiary's bank and exchange rate published by Commission shall be treated as currency exchange losses.

### **3.4 PROCUREMENT BY LEAD BENEFICIARY AND BENEFICIARIES WITHIN PROJECTS**

#### **Applicable rules**

1. If the implementation of a project requires procurement of goods, works or services by a beneficiary, the following rules shall apply:

- a) where the beneficiary is a contracting authority or a contracting entity within the meaning of the Latvian and Lithuanian legislation applicable to procurement procedures, it may apply national laws, regulations and administrative provisions adopted in connection with European Union legislation or rules of point 2 of this section;
- b) where the beneficiary is a non-contracting authority within the meaning of the Lithuanian legislation, national rules, approved by The Order of the Minister of Interior, shall be applied. Where the beneficiary is a non-contracting authority within the meaning of Latvian legislation, national rules approved by the Regulations of the Cabinet of Ministers of the Republic of Latvia No 299 of June 4, 2013 regarding the Procurement Procedure and the Procedures for the Application thereof to the Projects Financed by the Commissioning Party, shall apply.
- c) where the beneficiary is an international organisation, it may apply its own procurement rules if they offer guarantees equivalent to internationally accepted standards.

2. In all other cases *Annex II "Detailed Rules on Procurement" to these Guidelines* shall apply. The following rules shall be strictly followed:

- a) the contract is awarded to the tender offering best value for money, or as appropriate, to the tender offering the lowest price, while avoiding any conflict of interests;
- b) for contracts with a value of more than EUR 10 000, the following rules shall also apply:
  - i) an evaluation committee shall be set up to evaluate applications and/or tenders on the basis of the exclusion, selection and award criteria published by the beneficiary in advance in the tender documents. The committee must have an odd number of members with all the technical and administrative capacities necessary to give an informed opinion on the tenders/applications;
  - ii) sufficient transparency, fair competition and adequate ex-ante publicity must be ensured;
  - iii) equal treatment, proportionality and non-discrimination shall be ensured;
  - iv) tender documents must be drafted according to best international practice;
  - v) deadlines for submitting applications or tenders must be long enough to give interested parties a reasonable period to prepare their tenders;
  - vi) candidates or tenderers shall be excluded from participating in a procurement procedure if they fall within one of the situations described in Article 106(1) of Regulation (EU, Euratom) No 966/2012 (see *Chapter 3 of the Annex II "Detailed Rules on Procurement" to these Guidelines* ). Candidates or tenderers must certify that they are not in one of these situations. In addition, contracts may not be awarded to candidates or tenderers which, during the procurement procedure fall within one of the situations referred to in Article 107 of Regulation (EU, Euratom) No 966/2012 (see *Chapter 4 of the Annex II "Detailed Rules on Procurement" to these Guidelines*);
  - vii) procurement procedures set out in Articles 53 to 56 of Regulation No 897/2014 (EU, Euratom) shall be followed (see *Chapter 10 of the Annex II "Detailed Rules on Procurement" to these Guidelines*)

3. In all cases, the rules of nationality and origin set forth in Articles 8 and 9 of Regulation (EU) No 236/2014 shall apply (see *Chapter 2 of the Annex II "Detailed Rules on Procurement" to these Guidelines*).

### **Procurement procedures for service contracts**

1. Service contracts with a value of EUR 300 000 or more shall be awarded by means of an international restricted tender procedure following publication of a procurement notice. The procurement notice shall be published in all appropriate media beyond the Programme area, stating the number of candidates which will be invited to submit tenders within a range of four to eight candidates and ensuring genuine competition.
2. Service contracts with a value of more than EUR 10 000 but less than EUR 300 000 shall be awarded by means of a competitive negotiated procedure without publication. The beneficiary shall consult at least three service providers of its choice and negotiate the terms of the contract with one or more of them.
3. For services of a value of EUR 10 000 or less, the Beneficiary may place orders on the basis of a single tender.

### **Procurement procedures for supply contracts**

1. Supply contracts with a value of EUR 300 000 or more shall be awarded by means of an international open tender procedure following publication of a procurement notice, which shall be published in all appropriate media beyond the Programme area.

2. Supply contracts with a value of EUR 100 000 or more but less than EUR 300 000 shall be awarded by means of an open tender procedure published in the Programme area. Any eligible tenderer must be provided with the same opportunities as local firms.
3. Supply contracts with a value of more than EUR 10 000 but less than EUR 100 000 shall be awarded by means of a competitive negotiated procedure without publication. The beneficiary shall consult at least three suppliers of its choice and negotiate the terms of the contract with one or more of them.
4. For supplies of a value of EUR 10 000 or less, the Beneficiary may place orders on the basis of a single tender.

### **Procurement procedures for works contracts**

1. Works contracts with a value of EUR 5 000 000 or more shall be awarded by means of an international open tender procedure, or in view of the specific characteristics of certain works by means of a restricted tender procedure, following publication of a procurement notice which shall be published in all appropriate media beyond the Programme area.
2. Work contracts with a value of EUR 300 000 or more but less than EUR 5 000 000 shall be awarded by means of an open tender procedure published in the Programme area. Any eligible tenderer must be provided with the same opportunities as local firms.
3. Work contracts with a value of more than EUR 10 000 but less than EUR 300 000 shall be awarded by means of a competitive negotiated procedure without publication. The beneficiary shall consult at least three contractors of its choice and shall negotiate the terms of the contract with one or more of them.
4. For works of a value of EUR 10 000 or less, the Beneficiary may place orders on the basis of a single tender.

### **Use of Negotiated Procedure**

The beneficiary may decide to use negotiated procedure on the basis of a single tender in the cases referred to in Articles 266, 268, 270 of Delegated Regulation (EU) No 1268/2012 (see *Chapter 11.5 of the Annex II "Detailed Rules on Procurement" to these Guidelines*).

### **Rules common to all procedures**

Detailed description of procurement procedures to be followed is indicated in *the Annex II "Detailed Rules on Procurement" to these Guidelines*.

## 3.5 MONITORING AND REPORTING

### 3.5.1 Monitoring of the Project Progress

Project monitoring shall aim at improving the quality of the design and implementation of projects, as well as at assessing and improving the projects consistency, effectiveness, efficiency and impact. Furthermore, the findings of monitoring shall be taken into account in the programming and implementation cycle.

The MA, with assistance from the JTS, shall carry out result-oriented monitoring of the projects. The latter shall be performed by reference to the indicators for outputs and results specified in this Programme and shall be based on:

- grant contracts with the Lead Beneficiaries, setting up quantifiable outputs and results as well as indicators for their achievement for each project.
- project progress reports, regularly submitted to the JTS by the Lead Beneficiary (as requested in the grant contracts). The JTS shall be responsible for gathering the data necessary for monitoring activities from project progress reports and, where relevant, official statistic databases of the participating countries. The reports are the central source for monitoring of the progress of the implementation of the project. The reports together with the requests for payments are the basis for transferring the payments to the Lead Beneficiary. The JTS monitors all components of the reports, such as the description of activities, the report on achievement of the planned outputs and results, the lists of expenditure, as well as verification of expenditure by the auditors. The achievement of the planned outputs is monitored in relation to the work plan presented in the Project Description (prepared on a basis of Grant Application Form). During the financial monitoring the JTS cross-checks whether what has been validated by the auditor complies with the provisions of the grant contract and the Programme rules as well as with the Project Description.
- on-the-spot checks, performed by the JTS, with participation of MA or its third authorized parties, construction experts, where relevant, in order to assess the progress of the projects against the objectives of the Programme. The checks-on-spot are thorough examinations of the projects in order to provide reasonable level of assurance that the project operates effectively, the objectives will be achieved and errors and irregularities will be prevented.

The JTS will select the projects to be checked-on-spot on the basis of the qualitative analysis of the progress of the projects and taking into account a number of structural, systematic, financial and other risk factors in the projects.

The Lead Beneficiary (if relevant, partner) will be informed about the check-on-spot of its project in advance by sending a letter by e-mail or fax. The Beneficiaries are obliged to participate in the check-on-spot, provide access to the documents and products of the project, as well as access to the sites where the project is implemented. The Beneficiary will be informed about the findings and recommendations within 10 working days after the check-on-spot, when the JTS will send a check-on-spot report.

- Monitoring visits performed by the JTS with the purpose of clarifying the project progress and effectiveness or solving the problems arising in the project might be carried, upon need. The form of interview with the project stakeholders and final beneficiaries (those, the project should bring benefit to) would mainly be used during monitoring visits.
- In addition, site visits can help to follow the implementation of the projects. These are visiting the project conferences, seminars, workshops, meetings of the working group, opening of the new infrastructure, etc. During these visits the JTS will provide advice to the beneficiaries, or tackle the problems in partnership, monitor the delivery of outputs and results. If needed, the authorised third parties might carry the task on behalf of JTS.



Moreover, constant communication with the JTS monitoring officers and the Lead Beneficiary shall be ensured during the implementation period of the project. The Lead Beneficiaries are requested to send the prior information to the JTS in regards to the major upcoming events and drafts of information and publicity materials.

### 3.5.2 Reporting

Reports are contractual obligations of the Lead Beneficiary according to the provisions indicated in the grant contract. If the Lead Beneficiary fails to supply the JTS with a progress or final report by the deadline, and fails to furnish an acceptable and sufficient written explanation of the reasons why it is unable to comply with this obligation, the MA may terminate the grant contract in accordance with the provisions indicated in the grant contract and recover the amounts already paid and not substantiated.

#### General requirements

Reports provide a documented record of what has been achieved during the reporting period by informing on the progress of the project, delivered outputs, achieved results, faced difficulties and spent resources. However, reports are not only the means of providing the MA/JTS with information on the implementation of the project; these are also the grounds to receive further instalments of pre-financing and payments of the balance.

It is important to keep in mind that although the Lead Beneficiary is responsible for submission of the reports, the report has to contain information from all beneficiaries and cover the entire implementation of the project. Reporting must cover the project as a whole, not just the part funded by the EU, but also the beneficiaries' co-financing.

Reporting has to be done in English, but the supporting documents that must be submitted to the auditors or activities supporting documents, e.g. invoices, contracts, technical documents, materials, etc., can be submitted in national languages.

#### Types of reports

There are 2 types of reports: *progress report* and *final report*.

The number of reports to be submitted depends on duration of each project. The reporting schedule will be sent to the Lead Beneficiary together with the signed grant contract.

**Table 19. Main Requirements for Reporting**

	<b>PROGRESS REPORT</b>	<b>FINAL REPORT<sup>20</sup></b>
<b>Contents</b>	Reflects a progress of implementation of the project within the reporting period	Is more extended as includes additional sections providing information on achievement of the Programme indicators, describing impact on the target groups and planned sustainability and evaluating the whole implementation of the project and

<sup>20</sup> Final report is a pre-requisite for a request of the payment of the balance. The last 2 months of the implementation of the project must be planned and allocated for preparation of the final report.

		cooperation among the beneficiaries
<b>Submission to the auditor (by each beneficiary)<sup>21</sup></b>	Within 10 calendar days after the end date of the respective reporting period	Within 10 calendar days after the end date of the project
<b>Submission to the JTS (by Lead Beneficiary)</b>	For each 6-months period of the project implementation, no later than 45 calendar days after the end of this period	In 2 months after the end date of the project
<b>Request for payment</b>	The report is accompanied by the Lead Beneficiary's request for the further pre-financing payment and other supporting documents (see table 20)	The report is accompanied by the Lead Beneficiary's request for the payment of the balance and other supporting documents (see table 20)
<b>Submission to the JTS (by Lead Beneficiary) in case of extended deadline</b>	The deadline can be extended in duly justified cases (e.g., in case further verifications and control, including check-on-spot are needed, auditor/competent public officer requires the Lead Beneficiary/beneficiaries to submit additional clarifications/documents for verifications of costs)  In such cases, the Lead Beneficiary must inform the JTS 14 calendar days in advance before the deadline for submission of progress/final report on the unforeseen circumstances by an informative letter, indicating the justification for delay	
<b>Signatures, stamps, dates</b>	Progress/final reports have to be signed in indicated places by the Head of Lead Beneficiary organisation or the person authorised to sign such documents, and by the chief accountant (financial forms), dated and stamped	
<b>Number of copies</b>	Each report must be submitted bound and stamped <b>in 1 original and 1 copy</b> , certified as true, in paper version	
<b>Annexes</b>	Should be submitted in the order and following the form as described (see Table 20).	
<b>E-version</b>	An electronic version has to be submitted to the JTS with the paper version and it has to contain identical information and documents to the paper version	
<b>Cover letter</b>	Progress/final report in paper and electronic version accompanied by annexes and the cover letter should be delivered to the JTS	

### Supporting documents to the Progress report/Final report:

Each progress report/final report has to be accompanied by the following supporting documents which are attached to the progress report/final report as its annexes:

**Table 20. Supporting Documents to the Progress report / Final Report**

No.	Supporting documents/annex	Submission
1.	Individual Expenditures Verification Reports ( <i>Annex X to these Guidelines</i> ) for each beneficiary, covering its financial report and produced by approved beneficiary's auditor.	1 original and 1 certified copy

<sup>21</sup> Expenditure verification is performed by the auditor/competent public officer of each beneficiary and Lead Beneficiary and such reports shall be attached to each progress/final report, together with the relevant supporting documents. The Lead Beneficiary is responsible for collecting expenditure verification reports from all beneficiaries, drafting a progress/final report for the whole project and presenting it to JTS.

2.	Request for further pre-financing/balance payment	1 original and 1 certified copy
3.	Economic Classification of Requested Amount, filled in by the Lithuanian Lead Beneficiary/beneficiary	1 original and 1 certified copy
5.	Economic Classification of the Expenditures (Report) filled in by the Lithuanian Lead Beneficiary/beneficiary	1 original and 1 certified copy
6.	Proof of publication for international tender	2 certified copies
7.	Exploitation/commissioning act for works (allowing exploitation of the building/object) and proof of registration of the object. In case it is not required according to national laws - Acceptance act/certificate for works and proof of registration of the object.	2 certified copies
8.	Evidence of the achieved outputs and implemented activities, e.g.: In case of meetings and events: a) list of participants with signatures for each day; b) meeting/ event agenda; c) photos from public events/trainings/ seminars, major project meetings (e.g. steering group meeting) with visible communication elements on them (e.g., EU flag and Programme logo, etc.). Any additional documents are to be prepared by the project, but submission is optional (memo/ minutes/ report of meetings/ events in English or other working language of the partnership, evaluation summary from trainings/skills raising events/ workshops/ consultations based on individual participant's assessment sheets; handouts from seminars, presentations, etc.) and might be requested to submit upon need.	2 copies
9.	Materials proving outputs, which have been produced by sub-contractors and/or by the Lead Beneficiary/beneficiaries: a) developed documents (e.g. studies, research, programmes, etc.); b) information and communication materials (e.g. press articles, press releases published in media, leaflets, CDs, printouts of websites, brochures, photos of billboards, posters, video or audio material, photos of small promotion materials such as pens, cups, shirts, etc.); c) pictures of infrastructure objects built and substantial equipment items purchased with stickers containing communication elements on them.	2 copies
10.	Letters of Endorsement signed by each beneficiary (except the Lead Beneficiary) (template is available under section "Documents" on the Programme website: <a href="http://www.eni-cbc.eu/llb">www.eni-cbc.eu/llb</a> )	2 certified copies
11.	Document which proves the right/authorisation to sign the documents in case the Head of Organisation is substituted by an authorised representative	2 certified copies
12.	Declaration on infrastructure sustainability for 5 years, in case of Final report	1 original and 1 certified copy

The supporting documents (annexes) have to be grouped according to the reported activities. The number of the respective activity (e.g., Activity 2.2) should be indicated on the right top corner of the page in paper version.

The photocopies of the originals must show legible stamps where it is required by the national legislation, signatures and dates.

Copies are to be certified as true by the Head of Organisation or its authorised person.

### Examination and approval of reports

The submitted report is examined by the JTS within 30 calendar days. If the information indicated in the reports is insufficient, the JTS may ask for further information or clarifications, missing documents from the Lead Beneficiary that must be provided within latest 30 calendar days from sending a letter by fax/email, unless otherwise specified. If necessary, the JTS, MA or its authorised third parties may also ask the Lead Beneficiary to provide more in depth documentation, such as the documents listed in the expenditure verification report, contracts, agreements, copies of invoices, proofs of payment, timesheets, employment documents and any other documents related to the declared costs. The Lead Beneficiary should provide all the answers to the JTS within the set timeframe. If the submitted clarifications and documents are insufficient, or there are other outstanding issues regarding the project, further requests for clarifications may be sent by the JTS to the Lead Beneficiary. Once there are no further questions concerning the respective report or other outstanding issues regarding the project, the respective report and request for the payment are approved by the JTS and transferred to the MA for the payment procedure. The JTS will issue an approval letter and send it to the Lead Beneficiary, informing on forwarding of the report to the MA.

Any progress and final report shall be considered approved if no written reply from the MA is received within 30 calendar days of its receipt accompanied by the required documents.

The MA may suspend the time-limit for approval of a report by notifying the Lead Beneficiary that the report cannot be approved and that it finds it necessary to carry out additional checks. Suspension shall take effect when the notification is sent by the MA. In such cases, the MA may request clarification, alteration or additional information, which must be produced within 30 calendar days of the request, unless otherwise indicated. The time-limit starts running again on the date the required information is received.

### 3.5.3 Expenditure verification

Expenditure declared by the beneficiary in the project progress report shall be examined by an auditor or by a competent public officer being independent from the beneficiary.

In Latvia expenditure verification process is centralized and functions of auditors shall be carried out by the Investments Supervision Department of the Ministry of Environmental Protection and Regional Development of the Republic of Latvia.

In Lithuania and Belarus a decentralized system for expenditure verification is applied. Each beneficiary from Lithuania and Belarus shall select an auditor using the applicable public procurement procedure. The agreements with the selected auditors can be signed only after the approval of selected auditor for beneficiaries in Lithuania and Belarus by the MA.

Lead Beneficiary shall collect the information on selected auditors from each Lithuanian and Belarusian beneficiary and send the information to JTS by indicating the name of **auditor(-s)** (including address, telephone and fax numbers, email) of each beneficiary before the Lead Beneficiary's request for the initial pre-financing instalment.

The MA/JTS will check that the selected auditors comply with national and Programme requirements for auditors. The MA has the right of rejecting the selected auditor(s).

Moreover the MA reserves the right to require that the auditor be replaced if considerations which were unknown when grant contract was signed cast doubt on the auditor's independence or professional standards.

Parts of progress reports and final reports for the activities and costs reported by each beneficiary together with accompanying documents shall be submitted by each beneficiary to its auditor, approved by the MA/JTS (in case of Lithuanian and Belarusian beneficiaries), or to the competent public officer (in case of Latvian beneficiaries) no later than 10 calendar days after the end of the respective reporting period.

The expenditure verification shall be performed on the basis of an agreed-upon procedure which will be undertaken in accordance with:

- the International Standard on Related Services 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by International Federation of Accountants (IFAC);
- IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC's International Ethics Standards Board for Accountants.

For public officers, those procedures and standards shall be laid down at national level taking account of international standards (expenditure verification procedures are performed on the basis of Regulation No. 124 adopted by the Cabinet of Ministers on 10 March 2015 *“Procedures for Carrying Out the Financial Control of the Projects Funded by the Programmes of the Objective “European Territorial Cooperation” of the European Structural and Investment Funds”*).

The auditor shall meet at least one of the following requirements:

- be a member of a national accounting or auditing body or institution which in turn is member of IFAC;
- be a member of a national accounting or auditing body or institution. Where this organisation is not a member of IFAC, the auditor shall commit to undertake the work in accordance with IFAC standards and ethics;
- be registered as a statutory auditor in the public register of a public oversight body in a Member State in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council;
- be registered as a statutory auditor in the public register of a public oversight body in a CBC partner country, provided this register is subject to principles of public oversight as set out in the legislation of the country concerned.

Public officers shall have necessary technical expertise in carrying out the expenditure verification procedures according the Regulation No. 124 adopted by the Cabinet of Ministers on 10 March 2015 *“Procedures for Carrying out the Financial Control of the Projects Funded by the Programmes of the Objective “European Territorial Cooperation” of the European Structural and Investment Funds”*).

The auditor or the competent public officer shall examine whether the costs declared by the beneficiary and the revenue of the project are real, accurately recorded and eligible in accordance with the grant contract. 100 % of the expenditure of the project must be verified and the results of the verification should be reflected in the expenditure verification report for each beneficiary separately. Expenditure verification report shall be drafted in English.

Auditors and public officer (hereinafter – auditor) in carrying the expenditure verification shall check whether:

- activities indicated in the progress/final reports have been actually implemented;
- services, supplies or works have been performed, delivered and/or installed;
- expenditure is planned in the project budget;
- documents justifying the expenditure incurred and paid are existing and checked by auditor;

- expenditure declared by the beneficiaries has been paid by them and expenditure complies with applicable national legal acts, Programme rules on eligibility of costs, visibility requirements and conditions for support of the projects;
- expenditure is reported under the relevant budget heading/item;
- correct exchange rate is applied for conversion of expenditure from national currency to Euros;
- expenditure is identifiable, verifiable, recorded and traced to and within beneficiaries' accounting and bookkeeping systems.

The above-mentioned verifications shall include the following procedures:

- administrative verifications for each payment request and progress/final report by beneficiaries;
- on-the-spot project verifications (at least once during project implementation period).

Beneficiaries should allow auditor to carry out verifications on the basis of originals of supporting documents for the accounts, accounting documents and any other documents relevant to the financing of the project as well as on the-spot-checks. Beneficiaries shall give access to all documents and databases concerning the technical and financial management of the project, project outputs, deliverables and sites. Beneficiaries are responsible to provide the requested documents and explanations at any time on verification process to the auditor within requested deadlines.

Each beneficiary is responsible separately for having its expenditure validated by an auditor. Costs for the verification of the expenditure for Lithuanian and Belarusian beneficiaries shall be included in project budget. Each beneficiary is required to submit to the Lead Beneficiary the expenditure verification report for its part of activities and costs, produced by the auditor. The Lead Beneficiary is responsible for collecting expenditure verification reports from all beneficiaries, drafting a progress/ final report for the whole project basing on received individual expenditure verification reports and presenting it to the JTS. The expenditure verification reports shall be submitted to the JTS together with the progress/ final reports and requests for interim payments/ payments of the balance. Copies of expenditure supporting documents do not need to accompany the progress/final reports unless specifically requested by the MA/JTS during approval process of the progress/ final reports.

### **3.5.4 Payment of the EU Funding**

Payment procedures are set out in the provisions of the grant contract and correspond to one of the three options below:

#### **Option 1: *projects with an implementation period not exceeding 12 months.***

The MA will make payments of the EU funding to the Lead Beneficiary in the following manner:

- A pre-financing of 40 % of the EU funding.
- Further pre-financing of 40 % of the EU funding within 30 calendar days after the MA receives an approved progress report from the JTS. The total sum of pre-financing under the contract may not exceed 80 % of the EU funding amount.
- The balance within 30 calendar days after the MA receives an approved final report from the JTS.

If additional clarifications for the progress or final report are requested by the MA, the term for payment of further pre-financing or balance is prolonged.

Further pre-financing may only be paid in full if the part of the expenditure actually incurred and which is financed by the Contracting Authority stands at 70% at least of the previous payment as supported by the corresponding progress report and by individual expenditure verification reports.

Where the consumption of the previous pre-financing is less than 70 %, the amount of the further pre-financing payment shall be reduced by the unused amounts of the previous pre-financing payment.

**Option 2: projects with an implementation period of more than 12 months.**

The MA shall make payments of the EU funding to the Lead Beneficiary in the following manner:

- A pre-financing of 30 % of the EU funding.
- further pre-financing instalments designed to normally cover the 80 % of beneficiaries financing needs for each six month period of the project implementation, but each instalment not exceeding 25 % of the EU funding, within 30 calendar days after the Contracting Authority receives an approved progress report from the JTS. The total sum of pre-financing under the contract may not exceed 80 % of the EU funding amount.
- The balance within 30 calendar days after the MA receives an approved final report from the JTS.

If additional clarifications for the progress or final report are requested by the MA, the term for payment of further pre-financing or balance is prolonged.

Further pre-financing may only be paid in full if the part of the expenditure actually incurred and which is financed by the Contracting Authority stands at 70% at least of the previous payment (and at 100% of any previous payments) as supported by the corresponding progress report and by individual expenditure verification reports.

Where the consumption of the previous pre-financing is less than 70 %, the amount of the new pre-financing payment shall be reduced by the unused amounts of the previous pre-financing payment.

**Option 3: any project**

The EU funding shall be paid to the beneficiary by the MA within 30 calendar days after the MA receives an approved progress/final report from the JTS.

If additional clarifications for the progress or final report are requested by the MA, the term for payment of further pre-financing or balance is prolonged.

The amount of EU funding paid by MA after approval of the progress/ final report shall depend on expenditures actually incurred during reporting period and percentage fixed in the grant contract.

## **3.5.5 Irregularities and Recoveries**

### **Irregularities**

According the paragraph 2 of article 166 of the Regulation (EU) 1268/2012 a substantial error or irregularity shall be any infringement of a provision of a contract or regulation resulting from an act or an omission which causes or might cause a loss to the Union budget.

The above-mentioned irregularity occurs due to the project or failure to act of the beneficiaries, and has or might have a negative influence on the general budget of the Union.

The participating countries shall prevent, detect and correct irregularities, including fraud, and recover amounts unduly paid, together with any on their territories. They shall notify these irregularities without delay to the MA and the EC and keep them informed of the progress of related administrative and legal proceedings.

Expenditure that does not comply with the EU or national rules is irregular (an 'irregularity') or ineligible and cannot therefore be declared to the EC as eligible expenditure. But if the above-mentioned expenditure is detected by an auditor or by competent public officer (in case of Latvia) during their expenditure verification procedure, or by the MA/JTS during the monitoring, clarification and approval procedure, it does not result in reduction of the grant amount according the grant contract, because it will be deducted from the payment of the respective progress or final report and will not be declared to the EC.

The irregularities can be detected on the basis of any information available by: beneficiary, Lead Beneficiary in respect on the own or other beneficiary expenditure, the auditors/public officers, the JTS, the MA, the NA, the AA and other EU or national control bodies authorised to carry out controls.

The following cases can be recognized as irregularities in the projects:

- a) providing of false information in the Grant Application Form or project progress reports and final report;
- b) not providing the necessary documents to auditors, JTS/MA, EC and other institutions responsible for carrying control tasks;
- c) not observing the requirements of project sustainability and ownership;
- d) not observing the public procurement requirements or procurement rules;
- e) infringements of other grant contract provisions or provisions of EU or national legal acts which have caused or may cause that irregular expenditure is incurred;
- f) failure to reach project outputs and results according to the grant contract;
- g) publicity and visibility requirements are not observed;
- h) other cases, that imply the ineligible project costs.

## **Recovery procedure**

MA recovery procedures shall perform following the requirements set in Resolution of the Government of the Republic of Lithuania No 590 of 30 May 2005 (amendment No. 1459 of 23 December 2014) on the Rules on Recovery of Financial Support and Co-financing to the State Budget of the Republic of Lithuania.

In case decision related to the detected irregularity is taken, the MA shall issue the decision on recovery of funds related to irregular expenditures or amount of pre-financing paid in excess to the Lead beneficiary; prior to that, the MA will inform the NA of the country concerned. After the MA shall take a decision on recovery of expenditures or pre-financing, recovery process shall be initiated.

The Lead Beneficiary shall be informed about this decision according the provisions indicated in the grant contract. The basic provision of the procedure for recovery of irregular expenditure and amounts of pre-financing paid in excess from beneficiaries will be established in the grant contract. Basing on them, the MA shall ask the Lead Beneficiary to recover the unduly paid amounts. The MA shall recover from the Lead Beneficiary the amounts unduly paid together with any interest on late payments. The Lead Beneficiary basing on Partnership Agreement shall request the repayment of the relevant amount from the beneficiary, committed irregularity.

Following the provisions set in the article 75 of the EU Regulation No 897/2014 and provisions of the Programme document if the Lead Beneficiary does not succeed in securing repayment from other beneficiaries or if the MA does not succeed in securing repayment from the Lead Beneficiary or other beneficiary (partner), the Member State (Lithuania or Latvia) on whose territory the beneficiary concerned is located shall reimburse the MA any amounts unduly paid to that beneficiary and claim it back from the beneficiary.



Where the recovery relates to a claim against a beneficiary established in the Republic of Belarus and the MA is unable to recover the debt, the level of responsibility of the Republic of Belarus shall be such as it is laid down in the relevant financing agreement between the EU and the Republic of Belarus.

### 3.6 INTRODUCTION OF AMENDMENTS TO THE PROJECT

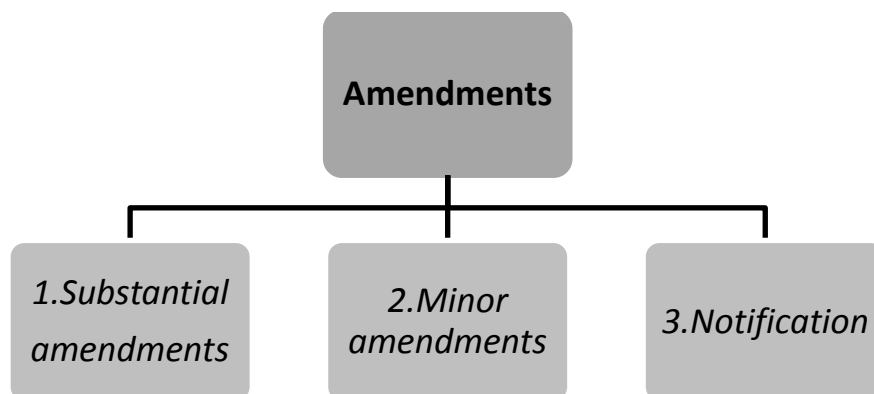
The beneficiaries must do their best to implement the project as defined in the approved Project Description (based on the Grant Application Form). It is important that the budget of the project and activities are carefully planned and observed during the whole period of project implementation. Nevertheless, situations may arise where there is a need to make changes in the activities or budget, update the contact information, replace personnel and provide more detailed information of implementation of activities, etc.

All amendments must be clearly and sufficiently justified, needed for more efficient implementation of the project and conform to the eligibility rules of the Programme. These amendments cannot affect the overall objective of the project.

Any minor or substantial amendment or addendum may not have the purpose or the effect of making changes to the grant contract that would call into question the grant award decision or be contrary to the equal treatment of applicants.

#### 3.6.1 Types of amendments to the project

Based on the nature of amendments there may be 3 categories of amendments which require different procedures to be followed:



##### ***Substantial amendments***

Substantial amendments are the changes which considerably modify the terms and conditions of the grant contract, the activities and the budget of the project.

Any substantial amendment to the grant contract, including its annexes, must be set out in writing in an addendum which is signed between the Contracting Authority and the Lead Beneficiary. This Contract can be modified only during its execution period.

If a substantial amendment is requested by the Lead Beneficiary, it must submit a request with supporting documents to the MA via the JTS **at least 1 month** before the date on which the amendment should enter into force, unless there are special circumstances duly substantiated by the Lead Beneficiary and accepted by the MA. Addenda **cannot be retroactive**, i.e. they cannot refer to already carried out activities, incurred and/ or paid costs.

The substantial amendments enter into force when the last party signs the addendum.

**Table 21. Types of Substantial Amendments**

<p>1. <u>Changes in the Budget</u> between the budget headings involving a variation of 15% or more of the amount originally entered or as modified by an addendum to the grant contract. Changes are necessary for more efficient implementation of the project and eligibility rules are followed. <b>NOTE:</b> reserves in construction cannot be reallocated from the Budget Heading 4 to any other Budget Headings.</p>
<p>2. <u>Changes of the flat rate percentage</u> in the Budget Heading “Indirect administrative costs”. These changes are necessary for more efficient implementation of the project and eligibility rules are followed.</p>
<p>3. <u>Changes in the Project Description</u> by modifying significant activities of the project with impact on the project outputs or results, including introduction of additional or new outputs or activities financed from the savings.</p> <p><b>Example:</b></p> <ul style="list-style-type: none"> <li>- <i>a significant activity/ an output is replaced by another one due to impossibility to implement it: it was impossible to organise a promotion conference. In view of that, this event was replaced by a series of seminars.</i></li> </ul>
<p>4. <u>Changes in location of activities</u>, if activities from the Programme area are transferred outside the Programme area.</p> <p><b>Example:</b></p> <ul style="list-style-type: none"> <li>- <i>organisation of the event outside the Programme area: the Lead Beneficiary plans to organise a final conference in Šiauliai instead of Daugavpils in order to combine it with an International tourist fair and thus to attract more representatives of mass media, cover bigger target groups.</i></li> </ul>
<p>5. <u>Changes in the technical documentation</u> which have significant impact on performance or functioning of works or affect the Programme or project indicators (e.g.: replacement of the approved technical documentation (construction project) with a new one requiring new permissions and approval of competent public bodies for construction and by the Contracting Authority; significant change of indicators in the technical documentation compared to initial values, including where this results from exclusion of elements of works; changes affecting the Programme or project indicators; etc.). If such changes happen during implementation of the construction, they shall correspond to the rules of contract implementation published during procurement and fixed in the contract.</p> <p><b>Examples:</b></p> <p><i>Changes in technical documentation significantly affecting performance or functioning of works:</i></p> <ul style="list-style-type: none"> <li>- <i>during the works for current renovation, it was discovered a necessity to implement works affecting the load-carrying structures of the building, resulting in a need to develop a construction project to undergo State expert examination.</i></li> <li>- <i>works related to external lightning were added in order to ensure safety at the bicycle track.</i></li> </ul>
<p>6. <u>Change of the period of implementation</u> of the project with condition that extension is not a result of ineffective planning, all activities can be successfully implemented within the extended period, extension is sufficiently justified and the end date of the project is no later than 31 December 2022.</p>

**Example:**

- *delays in delivery and setting up of the purchased equipment: due to specific customs procedures a beneficiary faces a delay in delivery and setting up of the purchased equipment within the initially planned period of implementation of the project.*

7. Changes in the Partnership and the legal form or type of organisation of the beneficiary including replacement or dropping out of a beneficiary. Usually such change involves replacement of the establishing documents of the organization (e.g., Statutes, Regulations) or registration certificate by new ones. It shall be remembered that such change may not affect any of the objectives and results of the project or put under question the award decision. A new/ replacing beneficiary must meet the eligibility criteria and have the similar or higher operational, management and financial capacity.

If one of the beneficiaries is withdrawn and no other organisation replaces it, partnership still has to meet the eligibility criteria – at least one beneficiary represents Belarus and another – Latvia or Lithuania and those activities excluded from the project are not crucial for the achievement of the objectives, results and outputs of the project.

If a new beneficiary enters the partnership, it must be justified why the particular new beneficiary is considered to be the best choice, what are the competences of the beneficiary valuable for the project, what is its previous experience in the project implementation and capacities, etc.

**Examples:**

- *Reorganisation of the beneficiary's organisation: due to reorganisation of the beneficiary's organisation a newly established organisation takes over the rights and obligations of the previous beneficiary and ensures further implementation of the project, signs partnership agreement.*
- *Changes in the legislation forbidding the further participation in the project: due to changes in the legal acts of the participating country, the initial beneficiary cannot participate in the project and it is replaced by other organisation which corresponds to the eligibility requirements and has the similar or higher operational, management and financial capacity.*
- *A replacing beneficiary has a different legal form: a municipality is replaced by a municipal agency. The new beneficiary corresponds to the eligibility requirements and has similar or higher operational, management and financial capacity. The new beneficiary is relevant to the project objectives and thematic field and is capable to implement the planned activities.*

**Minor amendments**

Minor amendments are the changes, where modification of the budget or description of the project activities does not affect the basic purpose of the project and the financial impact is limited to a transfer between items within the same main budget heading including cancellation or introduction of a budget item, or a transfer between main budget headings involving a variation of less than 15% of the amount originally entered (or as modified by an addendum) in relation to each concerned main heading for eligible costs.

If minor amendments are introduced to the Budget Heading "Human Resources" or to the Technical documentation for construction, the request for amendments shall be submitted to the JTS **one month in advance**. Reserves in construction can be reallocated to other items within the Budget Heading 4 only **after reception of prior approval from the JTS**.

In all other cases the Lead Beneficiary is recommended to send the Request for amendments to the JTS 1 month before the requested modifications come into force. If the Request for amendments is submitted to the JTS after the modified activity has come into force, or after the modified costs have been incurred, the Lead Beneficiary assumes all the risks that such Request for amendments may be rejected.

**Remember:** minor amendments cannot amend the flat rate percentage in the Budget Heading “Indirect administrative costs”!

The minor amendments are considered to be approved or rejected by a respective decision taken by the JTS. The JTS informs the Lead Beneficiary on its decision by an official letter.

**Table 22. Types of minor amendments:**

<p>1. <u>Changes to the Budget</u> where the financial impact is limited to a transfer between items within the same budget heading including cancellation or introduction of an item, or a transfer between main budget headings involving a variation less than 15 % of the amount originally entered (or as modified by addendum) in relation to each concerned main heading for eligible costs. This method may not be used to amend the Budget Heading 6 “Indirect administrative costs”.</p> <p><b>Examples:</b></p> <ul style="list-style-type: none"> <li>- <i>organisation of the seminar can be ensured by another beneficiary more effectively, that’s why financing is transferred to another budget line within the same budget heading.</i></li> <li>- <i>in the initial budget there was no financing allocated for visas. As some of the work group meetings/steering committee meetings are organised in Belarus, Latvian and Lithuanian beneficiaries need financing for Belarusian visas and a new budget item needs to be introduced to the budget.</i></li> </ul> <p><b>NOTE:</b> reserves in construction cannot be reallocated from the Budget Heading 4 to any other Budget Headings. Reserves in construction can be reallocated to other items within the Budget Heading 4 only after reception of prior approval from the JTS.</p>
<p>2. <u>Changes in the Description of the Project Activities</u>, if they do not affect the basic purpose of the project and do not alter significantly activities of the project (except for inclusion of new or additional outputs financed from savings).</p> <p><b>Examples:</b></p> <ul style="list-style-type: none"> <li>- <i>change of similar outputs (e.g., posters changed to flyer, TV broadcast to radio broadcast) or similar activities (e.g., skiing competition changed to running marathon due to lack of snow), or insignificant increase of outputs (e.g., 120 brochures were produced instead of 100 brochures initially planned due to increased interest, 2 days long marathon for the disabled instead of 1 day long marathon initially planned) within the same financing.</i></li> <li>- <i>change of location of the activity within the Programme area, such as the venue of the conference, seminar.</i></li> <li>- <i>insignificant modification of the description of the project activity, e.g. introducing visit to the construction sites within the planned final conference.</i></li> </ul>
<p>3. <u>Changes in technical documentation (works)</u> which have no significant impact on the performance and functioning of the works. Such changes may include amendments of the technical documentation (construction project) with insignificant change of technical and economic indicators, change of materials, emergence of unexpected and unforeseen works necessary for finalization of construction and functioning of the objects according to its purpose, minor change of location of small architectural forms, division in stages/launching complexes where it does not affect the scope of works to be implemented within the project, etc. If such changes happen during implementation of the construction, they shall correspond to the rules of contract implementation published during procurement and fixed in the contract.</p> <p><b>Examples:</b></p> <ul style="list-style-type: none"> <li>- <i>changes in technical documentation (works) which have no significant impact on the performance and functioning of the works.</i></li> <li>- <i>change of material of covering of the stadium for better quality and durability.</i></li> <li>- <i>during works related to renovation of the entrance it was discovered that electrical cables under the asphalt are not in adequate conditions and shall be replaced, this could not be known during</i></li> </ul>

<i>development of construction project.</i>
4. <u>Change of any Lead Beneficiary's or other beneficiary's legal address</u> on condition that it remains in the Programme area;
5. <u>Change of the bank account</u> opened for the project by the Lead Beneficiary.

### **Notification**

The changes indicated below may be notified to the JTS by an official informative letter.

If the auditor of Lithuanian or Belarusian beneficiary is changed, the Lead Beneficiary submits to the JTS the contact details of the new auditor, the documents required from the auditor to enable him/her/it to carry out auditing, according to the national legislation. The new auditor has to be approved by the MA.

**Table 23. Types of Notifications**

1. <u>Changes in management staff</u>
2. <u>Change of the correspondence address</u>
3. <u>Change of the auditor</u>

## **3.6.2 Procedure for handling minor and substantial amendments**

The Lead Beneficiary collects correct and complete information regarding the requested amendments from other beneficiaries, fills in Request for amendments (*Annex VI "Template of the Request for Amendments"*) and checks if all necessary supporting documents are attached.

When filling in the Request for amendments, the following information should be indicated:

1. initial formulation of the activity or budget heading/ budget item in the project description or project budget (e.g. title of activity, outputs, cost item, budget item, equipment, etc);
2. desired formulation including the requested changes;
3. clear and sufficient justification of changes, their purpose and necessity;
4. impact of requested changes – how proposed changes will help to achieve the objective/results of the project in more efficient way and will foster cooperation as well as what might be the negative impact if such changes will not be approved.

In case of the minor amendments the Lead Beneficiary submits the Request for amendments with the supporting documents to the JTS in paper version by post or scanned version by email/fax.

In case of the substantial amendments the Lead Beneficiary submits the Request for amendments with the supporting documents to the JTS in paper version by post.

The JTS examines the submitted documents within 15 working days. The request for clarifications or missing documents may be sent to the Lead Beneficiary.

If the JTS finds the Request for substantial amendments satisfactory, the JTS prepares the addendum and sends it to the Lead Beneficiary for its signature. When the addendum signed by the Lead Beneficiary is submitted to the JTS, the JTS forwards the Request for amendments with supporting documents and addendum to the MA for the approval of amendments. If the MA agrees with the Request for amendments, it signs the addendum, 1 copy of which is returned to the Lead Beneficiary by the JTS. If MA rejects the changes, the respective decision is submitted to the Lead Beneficiary.

***The supporting documents to the Request for amendments***

The Request for amendments must be accompanied by the supporting documents as listed in the table 24 below.

**Table 24. Supporting Documents to be Attached to the Request for Amendments**

	Type of amendment	Supporting documents attached to the Request for amendments
<b>Minor amendments</b>	1. Changes in the <b>Budget</b>	<b>Budget Transfers Table</b> describing transfers of financing between the Budget Headings or items, in 1 copy.  <b>The signed pages of the Project Description with changes</b> , if changes in the budget affect also the description of project activities and outputs, in 1 copy, each page being signed by the Head or authorised representative of the Lead Beneficiary.
	2. Changes in the <b>Project Description</b>	<b>The signed pages of the Project Description with changes</b> , in 1 copy, each page being signed by the Head or authorised representative of the Lead Beneficiary.
	3. Changes in <b>technical documentation</b>	<b>The signed pages of the Project Description with changes</b> , if changes in the technical documentation affect also description of activities or indicators (e.g. brief description of the new infrastructure elements, etc.), in 1 copy, each page being signed by the Head or authorised representative of the Lead Beneficiary.  <b>The updated/ new technical documentation, as well as necessary supporting documents according to the national legislation</b> must be submitted if amendments affect technical documentation for works or description, indicators for works, in 1 copy.
	4. Change of a <b>beneficiary's legal address</b>	<b>The signed pages of the Project Description</b> where changes are reflected, in 1 copy, each page being signed by the Head or authorised representative of the Lead Beneficiary.  <b>The documental proof of change of legal address</b> , in 1 copy.  The amended <b>Partnership Agreement</b> , in 1 copy.
	5. Change of <b>the bank account</b>	<b>Financial Identification Form</b> in 2 originals.
<b>Substantial amendments</b>	1.Changes in the <b>Budget</b> or in the flat rate percentage in the <b>Budget Heading "Indirect administrative costs"</b>	<b>Budget Transfers Table</b> describing transfers of financing between the Budget Headings or items, in 1 original.  <b>The signed pages of the Project Description with changes</b> if changes in the Budget affect also the description of activities and outputs, in 2 originals, each page being signed by the Head or authorised representative

		of the Lead Beneficiary.
	2.Changes in the <b>Project Description</b>	<p><b>The signed pages of the Project Description with changes</b> in 2 originals, each page being signed by the Head or authorised representative of the Lead Beneficiary.</p> <p><b>The updated/new technical documentation</b> must be submitted if amendments are connected with investments (construction works) affecting also technical documentation for works, in 1 copy.</p>
	3.Changes in <b>technical documentation</b>	<p><b>The signed pages of the Project Description with changes</b> if changes in the technical documentation affect also description of activities or indicators (e.g., brief description of the new infrastructure elements, etc.), in 2 originals, each page being signed by the Head or authorised representative of the Lead Beneficiary.</p> <p><b>The updated/new technical documentation</b> must be submitted if amendments affect technical documentation for works or description, indicators for works, in 1 copy.</p>
	4.Changes in the <b>Partnership and legal status/form of a beneficiary</b>	<p><b>Statutes or regulations of the organisation</b>, in 1 copy.</p> <p><b>Registration certificate</b> or equivalent, if applicable, in 1 copy.</p> <p><b>The signed pages of the Project Description with changes</b>, in 2 originals, each page being signed by the Head or authorised representative of the Lead Beneficiary.</p> <p>The <b>Partnership Statement</b> (if a new or reorganised beneficiary joins the project), in 1 original.</p> <p>The <b>Budget Transfers Table</b>, if partnership affects the budget of the Project, in 1 original</p>
	5.Change of the <b>period of implementation</b>	<b>The signed pages of the Project Description with changes</b> , in 2 originals, each page being signed by the Head or authorised representative of the Lead Beneficiary.
	6. Changes in <b>location of activities</b> outside the Programme area	<b>The signed pages of the Project Description with changes</b> , in 2 originals, each page being signed by the Head or authorised representative of the Lead Beneficiary.
	For all cases 1-6 above	<p><b>Addendum to the grant contract (prepared by the JTS in advance), duly signed, stamped and dated by the Head of Lead Beneficiary or authorised representative</b> – in 2 originals.</p> <p>If the substantial amendment relates to the Budget – <b>new version of the project budget, duly signed and dated by the Head of Lead Beneficiary or authorised representative</b> – in 2 originals.</p> <p><b>Proof of authorisation for the authorised representative of the Lead Beneficiary if he/she signs the addendum, budget or Request for amendments</b> – 1 copy.</p>

## 3.7 VISIBILITY, INFORMATION AND COMMUNICATION

### General principles

Every project, funded by the EU under the Programme must conduct communication and visibility activities in order to:

- ensure smooth operation of the project (resulting from efficient communication among beneficiaries);
- make the results of the project visible to the target groups concerned and to the public;
- ensure adequate visibility of the EU contribution to the Programme and its projects in order to strengthen public awareness of the EU project and create a consistent image of the EU support in all participating countries.

Communication has to focus on achievements and the impact of the project (e.g. the new equipment started operating or the international festival was organised), not on administrative and procedural milestones (e.g. the grant contract was signed or the meeting of the partners took place).

When planning the communication activities, all applicant and beneficiaries' organisations must take into account the following target groups:

- persons, communities and organisations, which will be directly affected by the project (how will the project inform these audiences about the benefit that it brings to them);
- general public (how will the project promote its achievements and the contribution of the EU to these audiences).

The communication of each project must be:

- contemporary (exploiting social media channels, looking for original ways to spread the information);
- measuring final audiences (e.g. how many people read or liked the article) rather than numbers of means of communication (e.g. how many articles, press releases or leaflets were produced);
- aiming at results (impact on people's behaviour and living) rather than outputs (numbers of booklets or brochures).

In order to carry out effective, concise and consistent communication, all the beneficiary organisations must plan the communication and promotion activities from the very stage of drafting the application. They have to comprehensively describe these activities in the application. If the project is approved for funding, the part of the application, where communication and visibility activities are described will be used as the communication plan of the project.

This equivalent of the communication plan of the project must to be agreed with the Programme Communication Manager before signing the grant contract.

The Lead Beneficiary and beneficiary organisations shall work in close cooperation with the Programme Communication Manager, Information and Project Manager and the Information Specialists working in the Latvian and Belarusian BOs of the Programme after project approval.

The Lead Beneficiary and beneficiaries should foresee resources for taking part in the Programme events (consultations, seminars, workshops, forums, conferences and promotion events).

The EC advises the beneficiaries to allocate at least 1000 Euro for communication in the budget of the project, as at least minimum requirements will have to be followed, e.g. printing the stickers for the equipment purchased or producing commemorative plaques for the premises renovated.



## Requirements

1. Each public document, information or promotion output or activity, and communication with the press or general public must bear three obligatory elements:
  - a) EU flag;
  - b) Logo of the Programme;
  - c) Inscription about the funding of the European Union in English and national language.

### Picture 1: the European Union flag, Programme logo and inscription on EU funding



This programme is funded  
by the European Union



2. Prior to making them public, the drafts and/or plans of each information or promotion output or activity foreseen in the Communication Plan of the project have to be agreed with the representative of the JTS responsible for communication (Senior Communication Manager, Information and Project Manager, Information Specialist in Latvia or Information Specialist in Belarus);
3. Each Lead Beneficiary and beneficiary organisation must publish at least two articles in the local, regional or national press and foresee funds for this, if needed. These articles must contain the EU and Programme logos, description of EU funding to the project, sum allocated by the EU to the project (in Euro and local currency), and short information about the Programme;
4. The Lead Beneficiary and all beneficiaries must publish the information on the project and the produced outputs and results, where available, on their websites and the project websites, if developed;
5. The Lead Beneficiary and the beneficiaries must send to the JTS the copies of press and internet articles, press and internet advertisements and press releases, as well as records of public video and radio clips, reports and other materials not later than 5 days after their appearance in the mass media.
6. Requirements by type of activities:
  - a) The printed publications of the projects (e.g. brochures, leaflets, books) must contain the EU flag, the Programme logo, the inscription about the EU funding in English and national language; the general information about the EU and the Programme; succinct information about the project; the disclaimer stating that the EU is not responsible for the information provided;
  - b) The websites, public social media accounts and pages (e.g. Facebook and YouTube) must contain the EU flag, the Programme logo, the inscription about the EU funding in English and national language; the disclaimer stating that the EU is not responsible for the information provided; the link to the Programme website, EuropeAid website and the website of the EU delegation to Belarus (applicable to Belarusian beneficiaries);
  - c) Publications in press and internet news portals (e.g. articles, advertisements, press releases) must contain the EU flag, the Programme logo, the inscription about the EU funding in English and

- national language; the amount of the EU funding to the project in EUR and national currency (in case of press releases and articles);
- d) Video and audio production (e.g. interviews, reports, clips, etc.) must contain the EU flag, the Programme logo (in case of the audio production, the EU and the Programme must be mentioned orally), the inscription about the EU funding in English and national language; the disclaimer stating that the EU is not responsible for the information provided. In exceptional cases the EU and Programme visibility can be ensured by text only (without EU and Programme logos). Such cases must be agreed with the representative of the JTS responsible for communication before broadcasting the production;
  - e) Each outdoor infrastructure object, which will be built or renovated under the Programme, will have to be identified by a clearly visible display panel while the works are carried out and a representative commemorative plaque or stand once the works are over;
  - f) Each building or part of the interior of the building, which will be built or renovated under the Programme, will have to be identified by a clearly visible representative commemorative plaque or stand once the works are over;
  - g) Each piece of equipment or supplies and promotion gadgets, purchased under the Programme, has to bear a clearly visible permanent sticker with the visibility elements of the EU and the Programme. In case the bulk of the equipment, furniture or other supplies is stored and used in one room, it is possible to mark the room with all necessary visibility elements (in the form of an informative plaque) and to avoid sticking each piece of equipment and supplies. If the purchased goods or produced promotion gadgets are of extraordinary function (e.g. folk costumes), the EU and Programme visibility must be discussed with the representative of the JTS responsible for communication;
  - h) Event invitations, agenda, lists of participants and posters, presentations and printouts must contain the EU flag, the Programme logo, the inscription about the EU funding in English and national language. The EU flag and/or movable stand of the project, containing the EU flag and the Programme logo should be placed in the premises of each public event. In cases of events lasting for more than one day, the lists of participants must be signed for each day of the event. The Lead Beneficiary and beneficiaries of the projects approved for the EU funding under the Programme must send to the JTS information on the upcoming major or public project events at least 10 days before carrying out these events.

The commitments of the Lead Beneficiaries and beneficiaries and the advice how to make communication successful can be found in *the Communication and Visibility Manual for European Union External Projects (2010)*. It can be downloaded from the web site of the Programme ([www.eni-cbc.eu](http://www.eni-cbc.eu)) or from the web-site of the EuropeAid ([http://ec.europa.eu/europeaid/work/visibility/index\\_en.htm](http://ec.europa.eu/europeaid/work/visibility/index_en.htm)). The Lead Beneficiaries and beneficiaries are obliged to follow the requirements of this document and to use the logo of the Programme together with the European flag and the inscription on the EU funding on all communication materials, should the project be approved for EU funding under the Programme.

The *Annex XIV "Communication Handbook"* to these Guidelines must be used by the Lead Beneficiaries and beneficiaries as a useful tool to conduct creative and consistent communication, complying with the Programme visibility rules.

## 3.8 PROJECT CLOSURE

### 3.8.1 Ownership of the Results of the Project

Ownership of the project results, reports and other documents and immaterial outputs related, as well as the intellectual and industrial rights to them and their titles shall be vested in the Lead Beneficiary and its beneficiaries, as indicated in the grant contract and Partnership Agreement.

At the same time the Lead Beneficiary and beneficiaries grant the JTS, MA and the EC the right to use freely all the documents deriving from the project, whatever their form, provided that this does not thereby breach existing industrial and intellectual property rights.

The objectives and the results of the project have to be aimed at the public benefit. In case any publications (e.g. guidelines, teaching materials, studies) are issued as a result of the project, they must be made available to the public freely (in printed copies or e-versions) and free of charge. Printed copies of the materials shall be freely available until all copies are given out. E-versions shall be available to the public until they are up-to-date and correspond to the real situation in the sphere of project implementation.

All the investments and other results of the projects should be open for public use and shall not be aimed at profit making activities. Limitations what regards the availability of outputs and results of the projects are only allowed with the prior consent of the MA.

Equipment and infrastructure financed by the project shall be kept by a respective Lead Beneficiary or beneficiary for at least 5 years after reception of the balance payment from the MA.

Any project including an infrastructure component shall repay the EU funding if, within five years of the project closure or within the period of time set out in state aid rules, where applicable, it is subject to a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives. In case of such change, the MA shall recover sums unduly paid in respect of the project in proportion to the period for which the requirement has not been fulfilled.

### 3.8.2 Closure of the Project

All projects should close their activities until the end of the implementation period stated in the grant contract. Preparation of the final report shall be started 2 months before the end of the project, evaluation of the project and expenditure verification shall be immediately after the end of the project implementation period.

It is important to include to the final report all the costs related to closure of the project (such as the costs related to final reports, expenditure verification and evaluation of the project).

The Lead Beneficiary and the beneficiaries shall keep all documents related to the project for 5 years from the date of payment of the balance for the Programme. In particular they shall keep:

- a) Original grant contract with annexes and its amendments;
- b) Original of Partnership Agreement and of all its amendments;
- c) Originals of all correspondence with Programme institutions and between the partners;
- d) All documents related to the amendments in the project and related justification (requests for amendments, decisions, etc.);
- e) Originals and copies of all reports submitted to the Lead Beneficiary or JTS and the auditor's expenditure verification reports including supporting documents;

- f) Originals of all accounts, financial and accounting documents, related to the project implementation (contracts, invoices, bills, public procurement documentation, timesheets, confirmations of money transfer, protocols of acceptance and other);
- g) Originals of all documents confirming implementation of project activities (agendas and minutes of the meetings, signed participants' lists, construction documents, protocols of acceptance and other);
- h) Originals or copies of publication materials and evidence of outputs (brochures, articles, printouts of websites, photos, examples of promotion gadgets, etc.);
- i) All other documents relating to the Programme funding, including documents related to contract award.

Notwithstanding the above, records pertaining to audits, appeals, litigation or pursuit of claims arising from the project performance shall be retained until such audits, appeals, litigation or claims have been completed.

The Lead Beneficiary and beneficiaries shall provide access to the documents and information regarding the project, as well as access to the sites where the project was implemented to the MA/JTS and EU authorised bodies, external auditor authorised by the MA to carry out respective verifications. These inspections may take place up to five years after the payment of the balance for the Programme. With regards to the project closure, it is important to be aware of the following:

- the Programme rules on information and publicity must be respected for all products produced with the assistance from the Programme including the time after the closure of the project;
- the Lead Beneficiary must allocate the contact person for at least 6 months after the end of the project for issues related to preparation of final report and closure of the project. During a period of 5 years after the payment of the balance for the Programme the Lead Beneficiary shall ensure effective arrangements to deliver information and project-related documents to the Programme management bodies and the EC related to control purposes.

## 4. LIST OF ANNEXES

Annex I “Detailed Rules on Eligibility of Expenditure”;

Annex II “Detailed Rules on Procurement”;

Annex III “Partnership Statement”;

Annex IV “Partnership Agreement Template”;

Annex V “Procurement Plan Template”;

Annex VI “Template of the Request for Amendments”;

Annex VII “Template of the Budget Transfers Table” (MS Excel tool);

Annex VIII “Progress Report Form”;

Annex IX “Final Report Form”;

Annex X “Expenditure Verification Report”;

Annex XI “Request for payment form”;

Annex XII “Timesheet form”;

Annex XIII “Letter of endorsement template”;

Annex XIV “Communication Handbook”;

Annex XV “Template of the Financial Identification Form”;

Annex XVI “Template of the Checklist for Self-Check on Submission of the Application” (recommended).

Annex XVII “Template of the Checklist for Self-Check on Technical Documentation for Construction Works. For Works in Belarus” (recommended).

Annex XVIII “Template of the Checklist for Self-Check on Technical Documentation for Construction Works. For Works in Lithuania” (recommended).

Annex XIX “Template of the Checklist for Self-Check on Technical Documentation for Construction Works. For Works in Latvia” (recommended).