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Lithuania-Russia
Cross-Border Cooperation Programme
2014-2020

EC Decision C(2016) 8463

Guidelines
for Applicants and Beneficiaries

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LIST OF ABBREVIATIONS

AA	Audit Authority		**IFAC**	International Federation of Accountants
BO	Branch Office		**JMC**	Joint Monitoring Committee
CCP	Control Contact Points		**JTS**	Joint Technical Secretariat
CD	compact disc		**MA**	Managing Authority
EC	European Commission		**Member State**	Member State of the European Union
EIB	European Investment Bank		**NA**	National Authority
ENI	European Neighbourhood Instrument		**NGO**	Non-governmental organisation
EU	European Union		**Programme**	Lithuania-Russia Cross-Border Cooperation Programme 2014-2020
EUR	Euro		**TO**	Thematic Objective
Guidelines	Guidelines for Applicants and Beneficiaries			

NOTICE

This is an open Call for Proposals for the Lithuania-Russia Cross-Border Cooperation Programme 2014-2020 (hereinafter – Programme), where all documents are submitted at one stage. Each application (Grant Application Form with the requested annexes and supporting documents) shall be submitted to the JTS and will be evaluated by the assessors from the JTS**.**

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 Programme is being co-financed by the European Union (hereinafter - EU) and the Russian Federation and has been developed within the framework of the *European Neighbourhood Instrument* (hereinafter - ENI) and the national legislation of the Republic of Lithuania and the Russian Federation. The Programme is aimed to promote and broaden the cross-border cooperation between the border regions of Lithuania and Russia.

A part of the ENI funds is reserved for cross-border cooperation under which the ENI finances joint programmes, bringing together regions of Member States and Partner Countries that share a common border. The cross-border cooperation 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.

1.2 LEGAL FRAMEWORK

The following legal framework provides detailed information on the implementation of the Programme:

- Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument;
- 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;
- 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 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing

Regulation (EU, EURATOM) No 966/2012;

- Commission Implementing Decision C(2016) 8463 final of 19 December 2016 on the Joint Operational Programme Lithuania-Russia 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;
- Agreement on financing and implementation of Cross-Border Cooperation Programme "Lithuania-Russia" 2014-2020 between the European Union, the Russian Federation and the Republic of Lithuania;
- "Communication and Visibility Manual for European Union External Actions" laid down and published by the European Commission (hereinafter – EC);
- Practical Recommendations for Project Participants on the Information Coverage of the Russian Federation Participation in Cross - Border Cooperation Programmes between Russia and the EU elaborated by the Russian National Authorities;
- Applicant's Pack and other Programme documents;
- Applicable national legal acts and the EU Regulations and Directives for the implementation of projects funded by the EU and the Russian Federation, including cross-cutting issues on local democracy, environmental sustainability, gender equality and HIV/AIDS.

1.3 OBJECTIVES OF THE PROGRAMME AND PRIORITIES

The overall objective of the Programme is to contribute to the progress towards an area of shared prosperity and good neighbourliness between Lithuania and Russia. In order to reach the main objective of the Programme the four priorities within the selected thematic objectives (hereinafter – TOs) are selected under which the applications can be submitted for the call for proposals:

- TO1: Promotion of local culture and preservation of historical heritage. Priority: Restoration and adaptation of historical and natural heritage, promotion of culture, cultural networking and tourism development;
- TO2: Promotion of social inclusion and fight against poverty. Priority: Promotion of social inclusion and cooperation in cross-border cooperation region through improved health, social and education services and community led initiatives;
- TO3: Support to local and regional good governance. Priority: Promotion of cooperation between public authority institutions and strengthening local communities;
- TO4: Promotion of border management and border security, mobility and migration management. Priority: Ensuring efficient functioning of border crossing.

The promotion of local cross-border people-to-people cooperation actions will be an important element in addressing the objectives of the Programme. These actions could include support for enhanced cooperation among local communities, non-governmental organisations (hereinafter – NGOs), education institutions, etc. The people-to-people actions could be the cross-cutting element of the Programme and could be supported under 3 TOs of the

Programme – Promotion of local culture and preservation of historical heritage, Promotion of social inclusion and fight against poverty and Support to local and regional good governance.

1.4 MAIN AUTHORITIES OF THE PROGRAMME

The main authorities of the Programme are:

- **Joint Monitoring Committee** (hereinafter – the JMC): a main decision-making body monitoring the implementation of the Programme. The main JMC responsibilities is to approve the selection criteria and procedure applicable to projects to be financed by the Programme, to make the final decision on approval or rejection of the project applications and decide on the final sums granted to them, take a final decision on approval or rejection of complaints regarding evaluation and/or selection of projects, be the final instance of the Programme in resolving conflicts, issue recommendations to the Managing Authority and the JTS regarding the implementation of the Programme and its evaluation and monitor actions undertaken as a result of its recommendations, approve the application package (Guidelines for applicants, application forms, etc.) before launching the Call for Proposals. The JMC is composed of a balanced number of representatives appointed by Lithuania and Russia (up to 5 representatives from each country). Other persons may be appointed and invited as observers.
- **Managing Authority** (hereinafter – the MA): an executive body responsible for the managing the Programme in accordance with the principle of sound financial management and ensuring that decisions of the JMC comply with the regulation, applicable law and legal provisions in force. It signs the Grant Contracts with the Lead Beneficiaries, ensures that the operational follow-up is carried out and makes payments to projects (EU funding). 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 Russia are allocated to the Ministry of Economic Development of the Russian Federation. The tasks of NA in Lithuania are allocated by the Regional Policy Department of the Ministry of the Interior of the Republic of Lithuania.
- **Joint Technical Secretariat** (hereinafter – the JTS): a joint operational body, assisting the MA, the JMC and, where relevant, the Audit Authority, in carrying out their respective functions. The JTS is responsible for the preparation, launching and managing the project selection procedures, informing the potential beneficiaries about funding opportunities under the Programme, making payments to projects (Russian Federation funding), 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 JTS 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.
- **Control Contact Points** (hereinafter – CCP): are responsible to support the MA and the JTS during on-the-spot checks and other controls of project beneficiaries and partners in the national territory, to provide clarifications on national rules, to support the MA and the JTS to ensure that the independent external auditors meet the legal requirements, including the necessary experience and know-how, to provide guidelines and training for the independent external auditors. The tasks of Lithuania CCP are allocated to the Ministry of the Interior of the Republic of Lithuania, and for Russia CCP to the Ministry of Economic Development of the Russian Federation.

1.5 THE PROGRAMME AREA

The Programme area lies in the east of the Baltic Sea and covers the whole Kaliningrad region of the Russian Federation as well as the western and southern parts of Lithuania. The cross-border region includes the following areas:

- Lithuania (core regions): Klaipeda, Marijampole, Taurage counties;
- Lithuania (adjoining regions): Alytus, Kaunas, Telsiai and Siauliai counties;
- Russia (core region): Kaliningrad Oblast.

Activities outside the Programme area can be implemented in exceptional cases and only provided that they are necessary for achieving the Programme's objectives and they benefit the Programme area. They shall be indicated and justified in the Grant Application Form (Part I Project Description, Part II Project Budget and Part III Declaration by the Applicant) (hereinafter – the Grant Application Form) and approved by the JMC. Total allocations to the activities outside the Programme area shall be limited to the amount of 10 % of the EU contribution to the Programme funds.

1.6 FINANCIAL ALLOCATIONS FOR THE PROJECTS

The overall indicative amount made available for projects under this Call for Proposals is EUR 15 256 035 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.

For projects submitted under priority 1.1, 2.1. and 3.1 the Programme funding (grant) requested under this Call for Proposals **shall not be less than EUR 100 000** and **shall not exceed EUR 1 000 000.**

For projects submitted under priority 4.1 the Programme funding (grant) requested under this Call for Proposals **shall not be less than EUR 100 000** and **shall not exceed EUR 2 000 000.**

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

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

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. PROJECTS AND ACTIVITIES SUPPORTED UNDER THIS CALL FOR PROPOSALS

Description of thematic objectives (hereinafter – TOs), priorities and actions to be supported is outlined in detail within the Programme document. In order to measure actual results planned within the Programme, result and output indicators have been defined in the Programme document. Each project to be implemented within this Programme has to contribute to at least one result and one output indicator defined under the respective TO and priority.

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 in sections below.

2.1.DESCRIPTIONS OF THEMATIC OBJECTIVES

TO 1: PROMOTION OF LOCAL CULTURE AND PRESERVATION OF HISTORICAL HERITAGE
Priority 1.1: Restoration and adaptation of historical and natural heritage, promotion of culture, cultural networking and tourism development

The TO has twofold targets:

1. Restoration and adaptation of historical, natural and cultural heritage of the cross-border cooperation region for tourism development.
2. Supporting cultural cooperation of local communities, supporting traditional crafts and customs.

The important element for promotion of cross border cooperation in the region is the reinforcement of cross-border cooperation between the local people and communities. In the framework of this cooperation, cultural awareness and cooperation plays a critical role.

With a view to building up such cooperation links, support under the TO will be provided for:

- cultural exchanges;
- joint cultural programmes;
- preservation of traditional crafts and customs;
- cultivation of traditional crafts and customs and etc.

Programme Result Indicator				
Indicator	**Measurement Unit**	**Baseline Value**	**Baseline Year**	**Target Value (2022)**
Number of tourists accommodated in Programme's core regions (R1.1)	Number of accommodations, thousands	761.6	2013	875.8

Programme Output Indicators		
Indicator (name of indicator)	**Measurement unit**	**Target value (2022)**
Number of improved sites of cultural, natural and historical heritage as a direct consequence of Programme support (O1.1)	Cultural, natural and historical heritage sites	3
Number of organisations using Programme support for promoting local culture and preserving natural and historical heritage (O1.2)	Organisations	15
Number of cross-border cultural events organised using Programme support (O1.3)	Events	12

The indicative list of activities to be supported includes:

- Conservation, preservation, restoration and adaptation of historical and natural heritage for tourism or other community use (social, cultural, educational and/or other community purposes);
- Joint projects concerning preparation and realisation of investments in tourist infrastructure and services; increasing the use of cultural and nature heritage for tourism purposes, including complementary tourist infrastructure;
- Development of joint natural, cultural and educational tourism routes (including small scale public tourism infrastructure) and products, development of relevant IT tools (dedicated websites, common databases of cultural and historical monuments and other tourist attractions), joint marketing and branding;
- Organization of joint initiatives and events regarding promotion and preservation of local culture and history (festivals, fairs, art exhibitions, cultural exchange activities and events, trainings for craftsmen and artists, etc.);
- Promotion of local and regional community initiatives in the area of culture, traditional crafts and customs;
- Joint training, transfer of knowledge, exchange of experience and good practice.

Investments in infrastructure shall be targeted at core regions of the Programme

For the Lithuanian side, the activities to be funded under this priority should be complementary to those of the 2014-2020 Rural Development Programme for Lithuania, particularly those undertaken under measure 7.6 ("Investment support to cultural and natural heritage and landscape in rural areas") and double funding should be avoided.

The obligation to avoid double funding also applies to the beneficiaries from Russia that will receive the Programme funding.

TO 2: PROMOTION OF SOCIAL INCLUSION AND FIGHT AGAINST POVERTY

Priority 2.1: Promotion of social inclusion and cooperation in cross-border cooperation region through improved health, social and education services and community led initiatives

The Priority is targeted to:

1. Reduce social exclusion, ensure better access and quality of health care, social services and education.
2. Promote the cooperation in education and building-up of knowledge about the cross-border neighbours, facilitate better mutual understanding, closer cooperation and diminishing of internal borders.
3. Promote access to life-long learning (including new forms of education such as distance learning which is of particular importance for the peripheral regions) and better linkage to labour market needs.
4. Combat social exclusion and unemployment and to minimise the effect of their peripheral profile.
5. Increase the quality and accessibility of social services in the cross-border cooperation region.

The activities to be supported under this priority shall be directed at the development of common approaches and solutions to promote social inclusion, employment, health and to combat poverty in the cross-border area.
The activities under this Priority to be aimed at vulnerable groups or social groups at risk: people with disabilities, mental health problems, elderly, children deprived of parental care, unemployed, marginalised groups, immigrants, ethnic minorities and etc.

Programme Result Indicator				
Indicator	**Measurement Unit**	**Baseline Value**	**Baseline Year**	**Target Value (2022)**
Persons served by improved social, healthcare and educational services (R2.1)	Persons	0	2013	300

Programme Output Indicators		
Indicator (name of indicator)	**Measurement unit**	**Target value (2022)**
Number of organisations cooperating in the area of improving social and other services for vulnerable groups (O2.1)	Organisations	8
Number of social service and other professionals	Persons	24

participating in cross-border exchanges or activities (O2.2)		
Number of developed/improved social, education and health care services for vulnerable groups (O2.3)	Services	8

The indicative list of activities to be supported includes:

- Cooperation and joint actions in improving quality of social and health care services;
- Cooperation and joint actions aimed at improving quality of education, development of joint educational programmes and initiatives, increasing access to lifelong learning;
- Cooperation and joint actions aimed at promotion of social inclusion and employment, targeted at unemployed, marginalised groups, elderly, immigrants, ethnic minorities and other social groups at risk;
- Investment, pilot and demonstration projects of cross-border relevance in the area of health, labour market, social services and education;
- Joint trainings, transfer of knowledge and exchange of experience and good practice to improve efforts of regions and different actors in promoting employment, labour mobility, education, social inclusion and combating poverty;
- Cooperation and joint actions in prevention, monitoring and treatment of communicable diseases (including tuberculosis and HIV/AIDS), alcohol/drug dependency;
- Support to joint local and regional community initiatives and services targeted at promotion of employment and social inclusion;
- Promotion of healthy lifestyle.

Investments in infrastructure shall be targeted at core regions of the Programme

TO 3: SUPPORT TO LOCAL & REGIONAL GOOD GOVERNANCE

Priority 3.1: Promotion of cooperation between public authority institutions and strengthening local communities

The Priority is targeted to:

1. Increase the capacity of local and regional authorities, promote/improve the coordination of their planning and management activities, promote legal and administrative cooperation as well as public-private partnerships.
2. Support people-to-people actions and joint local and regional community initiatives aimed at promoting traditions and culture of cooperation, strengthening local ties and mutual understanding, strengthening the capacities of local communities to provide community led services.

Programme Result Indicator				
Indicator	**Measurement Unit**	**Baseline Value**	**Baseline Year**	**Target Value (2022)**
Number of institutions that have established durable cross-border cooperation links as a direct consequence of the Programme (R3.1)	%	0	2013	10

Programme Output Indicators		
Indicator (name of indicator)	**Measurement unit**	**Target value (2022)**
Number of participating organisations cooperating across borders for improved governance (O3.1)	Organisations	10
Number of local and regional communities and NGOs, involved in cross-border cooperation initiatives (O3.2)	Organisations	10

The indicative list of activities to be supported includes:

- Promotion of cooperation and coordination of planning and management of joint natural assets (the Baltic Sea, the Curonian Lagoon and Curonian Spit, the Nemunas/Neman river basin and other natural assets), infrastructure and public services of cross-border importance;
- Cooperation and joint actions to reinforce the capacities to respond to emergency situations and natural or man-made disasters;
- Cooperation in solving common environmental problems, including the construction of the necessary infrastructure;
- Supporting knowledge transfer, capacity building and promotion of cooperation culture between public authorities, social and economic partners, etc.
- Promoting people-to-people actions and supporting joint local and regional community initiatives aimed at promoting tradition and culture of cooperation, strengthening local ties and mutual understanding, strengthening the capacities of local communities to provide community led services, etc.

Investments in infrastructure shall be targeted at core regions of the Programme

TO 4: PROMOTION OF BORDER MANAGEMENT AND BORDER SECURITY, MOBILITY AND MIGRATION MANAGEMENT

Priority 4.1: Priority: Ensuring efficient functioning of border crossing

A higher throughput capacity at border crossing points and their security is extremely important both for overall development of social and economic potential of the region (cargo flows, etc.) and for promoting cooperation links of the local communities.

The popularity of water transport is growing, the number of small boats is increasing therefore in order to develop the infrastructure of land border crossing points it is important to also focus on water border crossing points. That will facilitate promotion of shipping and water tourism.

The Priority is targeted to:

1. Increase transparency and efficiency of border controls and customs procedures.
2. Speed up the border procedures to provide faster and more secure border passage.

Programme Result Indicator				
Indicator	**Measurement Unit**	**Baseline Value**	**Baseline Year**	**Target Value (2022)**
Number of cars crossing the reconstructed border crossing point per year (R4.1)	Cars	272.000	2014	300.000

Programme Output Indicators		
Indicator (name of indicator)	**Measurement unit**	**Target value (2022)**
Number of professionals participating in joint trainings or other experience exchange events (O4.1)	Persons	20
Number of border crossing points with increased throughput capacity (O4.2)	Border crossing point	1

Indicative list of activities:

- Development and upgrading of border-crossing infrastructure;
- Acquisition and installation of new equipment and software;
- Exchange of experience and good practice in areas of common interest between border-crossing management services – customs, border guard services, etc.

The Programme will contribute to upgrading of border-crossing infrastructure and equipment as well as enhancing of professional knowledge and skills of the staff.

Investments in infrastructure shall be targeted at core regions of the Programme

In addition to the defined priorities and examples of possible actions, applicants and beneficiaries should consider the cross-cutting issues of local democracy, environmental sustainability, gender equality and HIV/AIDS in respect to their projects. These cross-cutting issues shall also be of a particular importance in the course of implementation of the Programme. The impact on these issues shall be described in the relevant section of each Grant Application Form.

An important role in terms of cooperation and regional development shall be given to active civil society. To pursue this objective the Programme will support people-to-people actions, joint local and regional community initiatives and initiatives aimed at strengthening the administrative capacities of local communities to provide community led services. Such actions and activities could contribute to strengthening local governance and cross-border ties.

Projects funded under the Programme shall contribute to the promotion of principles of equal opportunities and non-discrimination and such contribution shall be described in the relevant section of Grant Application Form.

2.2.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 and the Russian Federation strategies and the Programme will not receive the Programme funding. 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;
- 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 EU initiatives, other donors, other public sources;
- sub-granting, understood as giving received the Programme funding to third parties.

3. MAIN REQUIREMENTS FOR PROJECTS AND BENEFICIARIES

3.1. ELIGIBILITY OF PROJECTS

3.1.1. 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, 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 accepted longer than 31 December 2022.

3.1.2. Types of Projects

The Programme funding 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.

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.

3.1.3. Location of activities

Project activities can be implemented in the eligible area of the Programme (see section 1.5 of these Guidelines) and the activities outside the Programme area can be implemented in exceptional cases provided that:

- activities are necessary for achieving the Programme's objectives and they benefit the Programme area;
- activities shall be indicated and justified in the Grant Application Form and approved by the JMC;
- activities shall be limited to the amount of 10 % of the EU contribution to the Programme funds;
- the obligations of the MA and the AA in relation to management, control and audit

concerning the project are fulfilled either by the Programme authorities or through agreements concluded with authorities in the countries where the activity is implemented.

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

3.1.4. Number of applications and grants per Lead Beneficiary

A **Lead Beneficiary** may not be awarded more than one grant from the Programme funding per **TO**, described in section 2.1. of these Guidelines, under this Call for Proposals.

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

Beneficiaries may take part in more than one application.

3.2. ELIGIBILITY OF BENEFICIARIES

3.2.1. Partnership Requirements

Partnership should consist of **at least one** organisation from the Programme area in Lithuania and **at least one** organisation from the Programme area in Russia. 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 6 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.

3.2.2. Eligibility of Lead Beneficiary and beneficiaries

1) In order to be eligible, the Lead Beneficiary and beneficiaries shall be one of the following types of organisations:
   a) National, regional and local authorities.
   b) 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 a 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.

c) 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**):
- NGOs;
- local citizens' groups; communities; public enterprises (in case of Lithuanian beneficiaries only);
- 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:

d) 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 a 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.

2) In order to be eligible, the Lead beneficiary and beneficiaries shall be located[1] (be registered or have a registered operating office) in the eligible area of the Programme.

[1] 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.

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 the Programme eligible area 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 1-4, 6-7, 9-11 in sections 5.3 and 5.4 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 5-6, 8-11 in sections 5.3 and 5.4 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.

3) In order to be eligible, **the Lead Beneficiary** shall be established 3 years or longer before launch of the Call for Proposals. Each of the **beneficiaries** shall be established 1 year or longer before the launch of the Call for Proposals.

   The registered operating office should be established in the Programme area at least **1 year** before the launch of this Call for Proposals.

3.2.3. 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 136(1) of the Regulation (EU, Euratom) No 2018/1046:

(a) the person or entity is bankrupt, subject to insolvency or winding-up procedures, its assets are being administered by a liquidator or by a court, it is in an arrangement with creditors, its business activities are suspended, or it is in any analogous situation arising from a similar procedure provided for under Union or national law;

(b) it has been established by a final judgment or a final administrative decision that the person or entity is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law;

(c) it has been established by a final judgment or a final administrative decision that the person or entity is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the person or entity belongs, or by having engaged in any wrongful conduct which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence, including, in particular, any of the following:

   (i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of eligibility or selection criteria or in the implementation of the legal commitment;

   (ii) entering into agreement with other persons or entities with the aim of distorting

competition;

(iii) violating intellectual property rights;

(iv) attempting to influence the decision-making of the authorising officer responsible during the award procedure;

(v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;

(d) it has been established by a final judgment that the person or entity is guilty of any of the following:

(i) fraud, within the meaning of Article 3 of Directive (EU) 2017/1371 of the European Parliament and of the Council (44) and Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995 (45);

(ii) corruption, as defined in Article 4(2) of Directive (EU) 2017/1371 or active corruption within the meaning of Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997 (46), or conduct referred to in Article 2(1) of Council Framework Decision 2003/568/JHA (47), or corruption as defined in other applicable laws;

(iii) conduct related to a criminal organisation as referred to in Article 2 of Council Framework Decision 2008/841/JHA (48);

(iv) money laundering or terrorist financing within the meaning of Article 1(3), (4) and (5) of Directive (EU) 2015/849 of the European Parliament and of the Council (49);

(v) terrorist offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA (50), respectively, or inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;

(vi) child labour or other offences concerning trafficking in human beings as referred to in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council (51);

(e) the person or entity has shown significant deficiencies in complying with main obligations in the implementation of a legal commitment financed by the budget which has:

(i) led to the early termination of a legal commitment;

(ii) led to the application of liquidated damages or other contractual penalties; or

(iii) been discovered by an authorising officer, OLAF or the Court of Auditors following checks, audits or investigations;

(f) it has been established by a final judgment or final administrative decision that the person or entity has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95;

(g) it has been established by a final judgment or final administrative decision that the person or entity has created an entity in a different jurisdiction with the intent to circumvent fiscal, social or any other legal obligations in the jurisdiction of its registered office, central administration or principal place of business;

(h) it has been established by a final judgment or final administrative decision that an entity has been created with the intent referred to in point (g).

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 MA 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 136(1) of the Regulation (EU, Euratom) 2018/1046, for the Call for Proposals procedure.

By signing the Part III Declaration by the Applicant of the Grant Application Form or by signing the Partnership Statement, Lead Beneficiaries and beneficiaries must declare that they do not fall into any of these situations.

4. ELIGIBILITY OF COSTS AND PROJECT BUDGET

4.1. GENERAL PRINCIPLES FOR ELIGIBILITY OF COSTS

Eligible costs are costs actually incurred and paid by the Lead Beneficiary and beneficiaries[2] which meet all of the following criteria:

1) they are incurred and paid during the implementation period of the project. In particular:
   a) 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;
   b) 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;
   c) 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;
   d) procedures to award contracts, as referred to in the section 7.4 of 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 the section 7.4 of these Guidelines have been respected;
   e) costs incurred should be paid during the reporting period or before the submission of the progress or final reports, but not later than 15 calendar days after the end of the reporting period, provided they are listed in the progress or final report and paid before submission of the report to the auditor for the expenditure verification;
   f) Advance payments for the services / goods / equipment can be eligible only in specific cases when the delivery of it cannot start without the advance payment and advanced payment is indicated in the contract for the delivery of equipment. Respective provisions on repayment of advance payments paid in case the contractual obligations are not fulfilled have to be included in the contract.

[2] 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.

Advance payments to the external service providers can be reported in the beneficiary‘s report only after the partial or full delivery of the purchased services / goods / equipment, the allowed advance payment is up to 1/3 of the total sum of the signed contract with suppliers and contractors. In case up to 1/3 of total contract amount is paid as advance payment, then proof of partial or full delivery of goods or services or equipment is not required. If higher advance payment percentage is foreseen in service / goods / equipment contract, the difference from 1/3 of the total contract amount till paid amount can be reported in the respective report, when partners can provide proves that full delivery of goods / services or equipment is done.

2) they are indicated in the project's estimated budget;
3) they are necessary for the project implementation;
4) 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;
5) they comply with the requirements of applicable tax and legislation on social security payments;
6) they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy[3], efficiency[4] and effectiveness[5];
7) they are supported by invoices or documents of equivalent probative value;
8) they are not claimed in this or any other EU co-financed programme or other donor programmes (to avoid double financing);
9) they comply with the rules of the communication and visibility;
10) they comply with the rules of nationality and origin;
11) they comply with the public procurement rules laid down in the section 7.4 of these Guidelines;
12) they comply with the applicable national regulations;
13) 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.

[3] 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.
[4] Principle of efficiency – the Lead Beneficiary and beneficiaries must ensure the best relationship between resources employed and results achieved.
[5] Principle of effectiveness – the Lead Beneficiary and beneficiaries must attain the specific objectives set and achieve the intended results.

4.2.ELIGIBILITY OF COSTS PER BUDGET HEADING

The detailed breakdown of the project budget shall be provided in the *table 9.1 "Project detailed budget"* of the Part II Project Budget of the Grant Application Form and the amount of the total costs and budget headings must coincide with the *table 9.3* "*Expected Distribution per Beneficiaries and Cost Categories"* of the Part II Project Budget of the Grant Application Form. This breakdown covers all eligible costs of the project, which consist of the Programme 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 the eligibility of costs within each budget heading are set in the Annex I "Detailed Rules on the Eligibility of Expenditure" to these Guidelines. Please read them carefully in order to correctly estimate and plan the costs in the Part II Project Budget of the Grant Application Form!

The detailed requirements of costs per each Budget Heading which can be included into the Part II Project Budget of the Grant Application Form as eligible are set in the sections 4.2.1-4.2.6 of these Guidelines.

4.2.1. 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.

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".

4.2.2. 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 EC at the time of the travel if reimbursed on the basis of the real costs.

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

Subsistence costs are calculated as costs of the accommodation, the local transport within the place of the travel and daily allowances and shall not exceed the EC *per diem* rates. These costs are paid for the travels abroad and within the home country of the 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". Costs for participants can be covered on real costs basis (no lump sum payments are allowed). In all relevant cases the applicable procurement procedures described in the section 7.4 of 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.

4.2.3. Budget Heading 3 "Supplies, external services and other costs"

Only the costs related to procurement contracts awarded by the beneficiaries to third organisations/ external service providers, respecting the applicable procurement procedures described in the section 7.4 of these Guidelines for the purposes of the project can be included into this budget heading. Examples of such costs can be the expert services, the research, publications, the external assistance for the project management, organisational costs of events (e.g. a rent of premises, the catering, the interpretation, the 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, the expenditure verification, translations) including financial service costs (such as costs of bank transfers).

4.2.4. 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 of equipment specifically for the purposes of the project can be included provided they correspond to the market prices. Investments are eligible only if they were planned in the Part I Project Description, including the Part II Project Budget, and are in line with the technical documentation (the contingency reserve shall not be included in the budget); the applicable procurement procedures described in the section 7.4 of these Guidelines shall be respected. Investments in infrastructure shall be targeted only at core regions of the Programme.

4.2.5. Budget Heading 5 "Preparation costs"

Costs for the preparation of strong partnerships including costs of the travel and the subsistence incurred by all project beneficiaries in the relation to the preparation of the Grant Application Form can be budgeted in this Budget Heading.

The costs related to the 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:

a) they are incurred and paid after the publication of this Call for Proposals;

b) they are limited to travel and subsistence costs of staff employed by the beneficiaries;

c) they do not exceed the maximum amount.

These costs will be reimbursed only for those applications which are selected for the funding, sign Grant Contracts and report these costs in the first progress report as compliant with the eligibility and procurement rules of the Programme. The maximum amount to be reimbursed in lump sum is EUR 2 000.

4.2.6. Budget Heading 7 "Indirect Administrative Costs"

Indirect administrative costs are related to the office running for the purposes of the project (e.g., consumables, the rent of office, the electricity, the heating, the cleaning, the phone, post services, etc.). Indirect costs are calculated as a flat rate up to 7 % of the Budget Heading 1 "Human Resources". Indirect administrative costs cannot be reported under any other Budget Heading. Methodology shall be clear and justified and provided with the application / project budget.

4.3. INELIGIBLE COSTS

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

1) debts and debt service charges (interest);
2) provisions for losses or liabilities;
3) costs declared by the Lead Beneficiary or beneficiary and already financed from the EU budget;
4) purchases of land or buildings;
5) 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;
6) duties, taxes and charges, including VAT, except where non-recoverable under the relevant national tax legislation, unless otherwise provided in appropriate provisions negotiated with the Russian Federation;
7) loans to third parties;
8) fines, financial penalties and expenses of the litigation;
9) contributions in kind, which are defined as any provision of the non-financial resources free of the charge by a third party;
10) costs related to the activities falling under the State aid rules;
11) depreciation costs;
12) costs of the subcontracting project beneficiaries or employees of the project beneficiary.

5. APPLICATION PROCEDURE

5.1. PREPARATION OF APPLICATIONS

The Applicant's Pack for this Call for Proposals, which includes the Grant Application Form, these Guidelines and other relevant annexes, is available for download at the Programme website: www.eni-cbc.eu/lr.

The information provided in the Grant Application Form should be clear and make it possible for the assessors and the JMC 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 Grant Application Form Part II Project Budget are inconsistent with those mentioned in the Grant Application Form Part I Project Description) 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 the section 7 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 Programme 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 Programme funding 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 according to the section 7.5.3 of these Guidelines;
g) be responsible for recovery of the Programme funding.

5.2. 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/lr 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: communication@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 files). In case of this Call of Proposals it means **no later than on the 10th of April 2019**.

Replies will be given within 5 calendar days from reception of questions by the JTS. In case the opinion of the NA 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.

NOTE. 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 website, *section "Questions and Answers"* at www.eni-cbc.eu/lr. It is therefore highly recommended to regularly consult the abovementioned website in order to be informed of the questions and answers published.

5.3. SUBMISSION OF THE APPLICATION

The full application must be submitted in paper version and in electronic version. The documents in electronic version must be exactly the same as in paper version. The documents in electronic version must be submitted on a CD or on USB flash memory. 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, 11 may be submitted in Lithuanian or Russian. Hand-written applications will not be accepted.

The Head of the Lead Beneficiary organisation or its authorised representative signs, dates and stamps (if applicable) all three parts of the Grant Application Form.

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

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 attach 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 in electronic version should be submitted in one or several folders. The folders must bear the words *"**Application for the Lithuania-Russia Cross-Border Cooperation Programme 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, 24th floor,
LT-09308, Vilnius, Lithuania

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

The deadline for the receipt of the applications is the **17th of April 2019 until 14.00 Vilnius time**.

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 1: Contents of the Paper Version of the Application

1.	Cover Letter by the Lead Beneficiary, preferably on the letterhead of the organisation, duly registered, signed and stamped (if applicable), listing the contents and number of pages of the application.	original
2.	Grant Application Form Part I Project Description duly filled-in, stamped (if applicable), dated and signed by the Lead Beneficiary's Head of Organisation or authorised representative.	original
3.	Grant Application Form Part II Project Budget, duly completed, stamped	original

	(if applicable), dated and signed by the Lead Beneficiary's Head of Organisation or authorised representative. In addition, every page of the Project Budget shall be signed.	
4.	Grant Application Form Part III Declaration by the Applicant duly filled-in, stamped (if applicable), dated and signed by the Lead Beneficiary's Head of Organisation or authorised representative.	original
5.	Partnership Statements preferably on the letterhead of the organisation, dully filled-in, stamped (if applicable), dated and signed by each of the beneficiaries' Heads of Organisations or authorised representatives.	original or copy
6.	Statutes or articles of association of the Lead Beneficiary and each beneficiary[6].	copy certified as true
7.	Lead Beneficiary's Latest Accounts for the two previous financial years for which the accounts have been closed[7]. **Lithuania:** **Public sector organisations (budgetary organisations):** 1. *Report on financial statement (finansinės būklės ataskaita);* 2. *Statement on income and costs (veiklos rezultatų ataskaita);* 3. *Explanatory notes (aiškinamasis raštas).* **For non-governmental non-profit organisations:** 1. *Balance sheet (balansas);* 2. *Statement on income and costs or Profit (loss) account (Veiklos rezultatų ataskaita arba Pelno (nuostolių) ataskaita);* 3. *Explanatory notes (aiškinamasis raštas).* **For public equivalent bodies having partly industrial or commercial character**: 1. *Balance sheet (balansas);* 2. *Profit (loss) account (Pelno (nuostolių) ataskaita);* 3. *Cashflow statement (pinigų srautų ataskaita);* 4. *Statement on changes in equity (nuosavo kapitalo pokyčių ataskaita);* 5. *Explanatory notes (aiškinamasis raštas).* **Russia:** **For non-governemental non-profit organisations:** 1. *Balance Sheet ("Бухгалтерский баланс");*	copy

[6] 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 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 public authorities 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.

[7] This obligation does not apply to international organisations.

	2. *Report on Targeted use of funds ("Отчёт о целевом использовании средств");* 3. *Report on Financial performance ("Отчет о финансовых результатах");* 4. *Explanatory note ("Пояснительная записка"), if applicable.* **For public equivalent bodies having partly industrial or commercial character**: 1. *Balance Sheet ("Бухгалтерский баланс");* 2. *Report on Financial performance ("Отчет о финансовых результатах");* 3. *Statement on Changes in equity ("Отчет об изменении капитала"),* 4. *Cashflow Statement ("Отчет о движении денежных средств"),* 5. *Report on Targeted use of received funds ("Отчет о целевом использовании полученных средств");* 6. *Explanatory note ("Пояснительная записка"), if applicable.* **Budgetary state organizations:** 1. *Balance ("Баланс");* 2. *Statement of Financial results ("Отчет о финансовых результатах деятельности учреждения").* If there is an auditor report, it is strongly recommended to submit the latest accounts with the auditor's report. If any of the abovementioned documents related to the Latest accounts are not required to be submitted by your organisation according to the national legislation, please provide the reason for not submitting documents with reference to the article/paragraph of the legal act, where applicable within the Cover Letter submitted together with the Application. Additional documents shall be provided in accordance with the legislation of the Russian Federation, if this is required.	
8.	Each beneficiary's Latest Accounts for the last financial year for which the accounts have been closed[8]. *The list of documents of Latest Accounts according to the type of organisations and country is provided above under the point 7.*	copy
9.	A full set of technical documentation[9] for works[10] requested under national legislation in order to implement the works and detailed cost	copy

[8] This obligation does not apply to international organisations.

[9] The notion "technical documentation" refers to the documents required for implementation of the works. The notion "works" is explained in footnote.

[10] The notion "works" covers all the aspects related to all kind of construction works, including building, reconstruction, improvement, modernization, repair, renovation, demolition, etc. as well as installation of equipment and other activities implemented with respect to the objects and regulated by the construction laws, regulations and norms.

	estimates, in case it is planned to implement works in the project (contents of technical documentation are described in section 5.4).	
10.	Full feasibility study or equivalent carried out (for projects including an infrastructure component of at least EUR 1 million or more per beneficiary), providing information according to the following questions: - Executive summary, - Social-economic analysis of the situation, justifying need for investments; - Location of investment object and ownership of investments / buildings / land; - Detailed description of object/ investments and planned works (construction, reconstruction, modernization), including technical parameters, photos; - Compliance of implementation with national legislation, environmental impact assessment and readiness for implementation; - Estimated results and their quantification (i.e. increase in capacity, improved service by number, %); - Analysis of options (alternatives) and justification of selected option; - Financing plan; - Financial, institutional sustainability and action plan for the future; - Planned social – economic impact of investments for region and target groups; - Impact on environment; - Independent quality review (in cases when a feasibility study is drafted by the beneficiary's organisation. If a feasibility studies is outsourced (conducted by an external actor), it shall be considered independent). The feasibility study or equivalent can be prepared in the national language with an executive summary in English.	copy
11.	An assessment of its environmental impact (for projects including an infrastructure component of at least EUR 1 million or more) 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 Russian Beneficiaries, the following national legal acts related to preparation of Environmental Impact Assessment shall be applied: 1. Federal Law No 7-FZ on January 10, 2002 "On environmental Protection" with amendments introduced by the Federal Law 219-FZ on July 21, 2014 "On amendments of the federal Law On environmental Protection and some legislative acts of the Russian Federation". 2. Federal Law No 174-FZ on November 23, 1995 "On Environmental Expertise". Order of the Russian Federation State Committee for Environmental Protection (Goskomecologia) No 372 on May 16, 2000 introduced the position of the EIA and procedures to follow.	copy

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

Electronic version of the application includes the following documents:

1) A digital version of the Grant Application Form Part I Project Description, saved as a MS Word file.
2) A digital version of the Grant Application Form Part II Project Budget, saved as an MS Excel file.
3) A scanned version of the signed Grant Application Form Part III Declaration by the Applicant, saved as a PDF or any image file.

Please note that only the parts of the Grant Application Form, 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.

5.4. REQUIREMENTS TO THE TECHNICAL DOCUMENTATION

Regarding the technical documentation for works mentioned *in the Section 5.3 of the Guidelines* the following shall be noted:

1) The owner (or legal user) of the object and land, as well as the Contracting Authority[11] 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 and, if necessary according to the national legislation and / or contract on lease of respective object / land, permissions to implement the works from all the owners shall be submitted.
2) The Programme will co-finance only those 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 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 necessary requirement to consider the whole cost of works as eligible for the Programme financing and latest shall be submitted with the Final Report.
3) 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:

[11] In Lithuanian “statytojas” (užsakovas), in Russian “организация-заказчик“.

a) A possibility to implement technical project in parts has to be foreseen in the technical project.
b) A possibility to implement technical project in parts has to be indicated in the construction permit or other document of the equivalent probative value[12].
c) The amount included into the project budget has to match the total amount of submitted cost estimates.
d) Beneficiary's declaration regarding procedure of acceptance of the object for using after works, financed from the project, shall be provided and later implemented.

4) In case a separate stage / a launching complex is planned to be implemented within the project, the following is required:
   a) In the Grant Application Form Part I Project Description it shall be clearly indicated which stage or launching complex is planned to be implemented within the project.
   b) Technical (scope of works, quantities) and economic (costs) indicators for the stage or the launching complex shall be clearly indicated in the technical documentation and in description of activities in the Grant Application Form Part I Project Description.
   c) The costs of the works for a stage or a launching complex to be implemented within the project shall be clearly identified (separated) on the basis of the cost estimates.
   d) The costs of the works for a stage or a launching complex to be implemented within the project shall be clearly identified in the Grant Application Form Part II Project Budget.

The detailed list of necessary documents for works 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 and therefore other relative documents shall be submitted.

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 7.8 "Project Closure"; a copy of the legally valid agreement shall be provided.

If any of the below-mentioned documents related to the works in Lithuania or Russia are not required according to the national legislation and construction regulations / 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 technical project does not have to be developed, the Explanatory letter shall be provided by the respective beneficiary organisation.

In case of approval of the project, the Lead Beneficiary will be requested to submit the

[12] The official decision on permission to implement planned works as stipulated in the national legislation.

documents specified in the section 7.1.2 of these Guidelines before signature of the Grant Contract.

5.4.1. Technical documentation for works <u>for Lithuanian organisations</u>

Technical documentation for construction/ reconstruction/ major repair works

In case according to the national legislation technical project[13] shall be prepared, following documents shall be submitted:

1. Evidence of ownership or access to the land / real estate by the respective beneficiary, documents confirming the right for land / real estate disposal with official information on land or building using conditions (extract from State Enterprise Centre of Registers – valstybės įmonė "Registrų centras")[14].
2. The official decision on the permission of the construction/ reconstruction/ major repair works or other works for which official permissive document is required according to the national legislation (the detailed requirements are provided in STR 1.05.01:2017 as amended). In case according to the national legislation Decision on the permission of the construction is not required or not issued – the explanatory letter justifying the reason, with reference to the article/paragraph of the relevant legal act/or construction norms must be submitted.
3. Technical project including cost-estimates:
   a) approved full technical project by a beneficiary;
   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. Costs estimates shall be issued not earlier than 12 months before the end of submission of proposals according to the 2nd Call for Proposals; ii) 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 implemented.
4. Approval of the technical project (order of the contracting authority, approving technical design project and its general and economic indicators).
5. Expertise of the technical project according to the Article 34 of the Construction Law of the Republic of Lithuania[15]. In case the original costs estimates were recalculated by using new price index (to meet requirements set in point 3 sub-point b)), partial expertise of the cost estimates shall be submitted.
6. Extract from cadastral measurements file ("kadastrinių matavimų byla") of the real estate (schemes of places where investments (works) are planned)[16].

[13] Applicable for all types of works, for which technical project shall be prepared according to the Law on Construction of the Republic of Lithuania, STR 1.05.01:2017 and other construction regulations, as amended.

[14] In case the extract is attached to the Technical Project, it might be omitted.

[15] Including technical projects prepared before 1 January 2017.

[16] In case the extract is attached to the Technical Project, it might be omitted.

7. 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 (written consent) of the technical design project by the Department of Cultural Heritage under the Ministry of Culture or by the Department of Cultural Heritage under the Ministry of Culture and the Administration of the Municipality (according to requirements of the national legislation);
    c) a (special) expert examination of heritage protection ("specialioji paveldosaugos ekspertizė")[17].

Technical documentation for other works

In case according to the national legislation any technical project[18] is not required, other appropriate documents shall be submitted:

1. Explanatory letter with reference to the article / paragraph of the relevant legal act and/or construction regulations;
2. Approved project / description by a beneficiary for the planned works within the project following requirements of the Law on Construction of the Republic of Lithuania according to type of the planned works within the project (the detailed requirements on the structure and content are provided in STR 1.05.01:2017, as amended);
3. Approved and signed cost estimates by a beneficiary, issued not earlier than 12 months before the end of submission of proposals according to the 2nd Call for Proposals;
4. Photos of the current situation of the object or premises;
5. Extract from cadastral measurements file of the real estate and schemes of premises with clear identification where investments (works) are planned;
6. Other relevant documents, if required by national legal acts.

Technical documentation for simplified construction

In case the simplified construction[19] ("nesudėtingi statiniai") is planned (e.g. outdoor children playground, outdoor sport equipment, etc.), the following documents have to be submitted:

[17] In case in the official document permitting construction the clear reference is made to the (special) expert examination of heritage protection ("specialioji paveldosaugos ekspertizė"), it might be omitted.

[18] Applicable for all types of works, for which other types of technical documentation shall be prepared according to the Law on Construction of the Republic of Lithuania, STR 1.05.01:2017 and other construction regulations, as amended.

[19] Applicable for all types of works, for which other types of technical documentation shall be prepared according to the Law on Construction of the Republic of Lithuania, STR 1.05.01:2017 and other construction regulations, as amended.

1. 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 covering planned project duration and sustainability period.
2. Extract from the relevant territory plan with a scheme of location of equipment approved by a competent body.
3. Approved technical documentation or specification of planned works (installation and equipment), sketches according to the national requirements.
4. Approved cost estimates by a beneficiary, issued not earlier than 12 months before the end of submission of proposals according to the 2nd Call for Proposals.
5. If required, other documents proving type of works (investments), quantities and costs.

5.4.2. Technical documentation for works for Russian beneficiaries

Technical documentation for construction works:

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) according to the Chapter V of the Land Code of the Russian Federation as amended.
2. Consent (approval) for works issued by the land and/or facilities owner.
3. Permissive documentation and/or the Building Permit. The document referred to in article 51 of the Urban Development Code of the Russian Federation as amended.
4. Design and estimate documentation (2 parts – design documentation and technical documentation). Design documentation is comprised of documents indicated in the Article 48 of the Urban Development Code of the Russian Federation and in the RF Governmental Regulation №87 from 16.02.2008 "Regulation on structure of sections of design documentation and requirements to their content" as amended. Technical documentation is composed of drawings and schemes. Cost estimates shall be developed in accordance with the Urban Development Code of the Russian Federation as amended.
5. Conclusion of the State Autonomous Institution The Center for Design Examinations and Pricing in Construction - State Expertise of Project Documentation according the Russian Legislation (if required under the Russian Legislation; in cases specified in article 49 of the Urban Development Code of the Russian Federation). It should be performed according to the Russian Federation Governmental Decree №145 from 05.03.2007 "Concerning organization and performance of state expert examination of planning documentation and results of engineering surveys" as amended.
6. The Contracting Authority's order approving the construction documentation.

In special cases regarding the undermentioned regulatory documents, additional required documents to be introduced:

7. Permission of Ministry of Culture of the Russian Federation to perform works related to the historical and cultural values, in cases stipulated by Federal Law of 25.06.2002 № 73 (№73-FZ). "On the objects of cultural heritage (monuments of history and

culture) of the people of the Russian Federation" and Decree of the Government on the form of the building permit and the form of the permit for commissioning the facility № 698 from 24.11.2005 as amended.

8. Conclusion of state ecological examination, environmental impact assessment report in the cases specified in article 14 of the Federal Law of the Russian Federation №174 of 29.12.2015 (№174-FZ) "On environmental Impact assessment" as amended.

Technical documentation for capital and current repairs:

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) according to the Chapter V of the Land Code of the Russian Federation as amended.
2. Consent (approval) for works issued by the land and/or facilities owner.
3. Design and estimate documentation (2 parts – design documentation and technical documentation). Design documentation is comprised of documents indicated in the Articles 48 of the Urban Development Code of the Russian Federation and in the RF Governmental Regulation №87 from 16.02.2008 "Regulation on structure of sections of design documentation and requirements to their content" as amended. Technical documentation is composed of drawings and schemes (if design and technical documentation is required under the Russian Legislation). Cost estimates shall be developed in accordance with the Urban Development Code of the Russian Federation as amended.
4. Conclusion of the State Autonomous Institution The Center for Design Examinations and Pricing in Construction - State Expertise of Project Documentation according the Russian Legislation (if required under the Russian Legislation; in cases specified in article 49 of the Urban Development Code of the Russian Federation). It should be performed according to the Russian Federation Governmental Decree №145 from 05.03.2007 "Concerning organization and performance of state expert examination of planning documentation and results of engineering surveys" as amended.
5. The Contracting Authority's order approving the construction documentation (if design and technical documentation is developed).

Technical documentation for for simplified construction:

The beneficiaries shall be advised that according to the national legislation and technical legal acts, for construction, installation, arrangement of such objects in the Russian Federation as transport infrastructure projects (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 and 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 following documentation:

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) according to the Chapter V of the Land Code of the Russian Federation as amended.
2. Consent (approval) for works issued by the land owner.
3. Design and estimate documentation (2 parts – design documentation and technical documentation). Design documentation is comprised of documents indicated in the Articles 48 of the Urban Development Code of the Russian Federation and in the RF Governmental Regulation №87 from 16.02.2008 "Regulation on structure of sections of design documentation and requirements to their content" as amended. Technical documentation is composed of drawings and schemes (if design and technical documentation is required under the Russian Legislation). Cost estimates shall be developed in accordance with the Urban Development Code of the Russian Federation as amended.
4. Conclusion of the State Autonomous Institution The Center for Design Examinations and Pricing in Construction - State Expertise of Project Documentation according the Russian Legislation (if required under the Russian Legislation; in cases specified in article 49 of the Urban Development Code of the Russian Federation). It should be performed according to the Russian Federation Governmental Decree №145 from 05.03.2007 "Concerning organization and performance of state expert examination of planning documentation and results of engineering surveys" as amended.
5. The Contracting Authority's order approving the construction documentation (if design and technical documentation is developed).
6. Permissive documentation and/or the Building Permit to be obtained from the local authorities on whose territory the object will be placed.
7. Extract from the relevant territory plan with scheme of location of construction/ equipment approved by a competent body/ responsible officer.

All documents are provided in accordance with the Russian legislation, if this is required.

The basic Rules for the design of barrier free environment for people with disabilities shall be followed: SNiP (construction rules and regulations) 35-01-2001: SP (rules and regulations) 35-101-2001: SP 35-103-2001; SP 35-104-2001; SP 136.13330.2012; SP 136.3330.2012 (09.09.2016 Amendment №1); SP 59.13330.2012; Amendment № 1 to the SP 59.13330.2012; SP.59.13330.2016; SP 31-102-99; SP 140.13330.2012.

5.5. 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 e-mail/post[20] 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).

[20] Instead of sending letters (originals) by post JTS shall upload them onto the system „E-pristatymas“ to be delivered electronically to the Lithuanian addressees, registered in the system. The system „E-pristatymas“ is considered to be an official electronic post-delivery and to be treated as the registered post.

6. EVALUATION AND SELECTION OF APPLICATIONS

The evaluation of applications is a process whereby the applications for projects which are eligible for the financing and are contributing most to the Programme objectives are identified and proposed for the funding. The duration of the evaluation depends on the amount of received applications. 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 grant and/or the Programme funding (grant). The project cannot receive the Programme funding (grant) for the already financed or/and implemented activities. Financing of the same interventions under the Programme and under the national or other programmes shall be avoided.

For this purpose, Part III Declaration by the Applicant of the Grant Application Form shall be signed by the Applicant/Lead Beneficiary on behalf of the Partnership and Partnership Statements shall be signed by each Beneficiary (except Lead Beneficiary) stating that the proposed project has not been funded (neither in full, nor in part) by any other EU programme or other donor programmes (to avoid double funding).

6.1. ADMINISTRATIVE AND ELIGIBILITY CHECK

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

Table 2. Administrative criteria

Administrative criterion	**Yes**	**No**
1. The Application in full has been received[21] at the JTS by the set deadline.		
2. The paper version and the electronic version of Grant Application Form (Part I Project Description, Part II Project Budget and Part III Declaration by the Applicant) are identical and submitted.		
3. The technical documentation, where applicable, is full and corresponds to the national legislation.		

[21] The Grant Application Form and the supporting documents as described in section 5.3. of these Guidelines table 1 shall be received no later than the deadline indicated in section 5.3 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.

4. The paper version of the Grant Application Form (Part I Project Description, Part II Project Budget and Part III Declaration by the Applicant) is provided in one original, all the obligatory supporting documents have been provided.		
5. The Grant Application Form (Part I Project Description, Part II Project Budget and Part III Declaration by the Applicant) is complete, typed, duly filled-in, in a due form and are in English.		
6. The Grant Application Form (Part I Project Description, Part II Project Budget and Part III Declaration by the Applicant) has been filled in, stamped (if applicable) and has been dated and legibly signed by the Head or an authorised representative (in this case the valid authorisation is enclosed) of the Lead Beneficiary (Applicant), having the right to making such decisions and assuming the financial obligations on behalf of the organisation, indicating position, name and surname.		
7. The Partnership Statement on a provided template has been filled in by each Beneficiary (partner) (except the Lead Beneficiary) and printed preferably in letterhead, dated, stamped (if applicable) and legibly signed by the Beneficiary's Head or authorised representative (in this case the valid authorisation is enclosed), having the right to making such decisions and assuming the financial obligations on behalf of the organisation, indicating position, name and surname; and all the Partnership Statements (original or copies) are included.		

In the event the paper version and the electronic version of the Grant Application Form (Part I Project Description, Part II Project Budget and Part III Declaration by the Applicant) are not identical or not filled in, the application shall be rejected on this sole basis. In the event any field is not applicable for the project, it shall be filled in by indicating "not applicable" or "n/a".

During eligibility verification the eligibility of beneficiaries and eligibility of location of 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 5.3 and 5.4 of these Guidelines, which will be provided by the Lead Beneficiary.

Table 3. 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 in section 3.2.3. of these Guidelines.		
4. In the Grant Application Form (Part I Project Description, Part II Project Budget and Part III Declaration by the Applicant) there is at least one entity from the Programme area in Lithuania and at least one entity from the Programme area in Kaliningrad region of the Russian Federation.		

5. The duration of the project is not longer than the maximum allowed duration.		
6. The requested Programme funding (grant) is not less than the set minimum size for the Programme funding (grant) and does not exceed the set maximum size for the Programme funding (grant).		
7. The requested Programme 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 (partners) is 10 % of the total eligible costs of the project.		
8. The proposed activities are located in the Programme area.[22]		

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.

In case of submission of missing documents, a letter will be sent to the Lead Beneficiary with a request to provide necessary documents. The last issue date of the requested documents has to be no later than the last day of the closing date of the call. Documents, including construction documentation, issued after the deadline for the submission of applications will not be accepted; this may lead to the rejection of the application. This does not apply to the letters with the requested explanations, clarifications which are dated after the deadline; they will be accepted.

Changes to the contents of the cost estimates, deficiency acts, construction projects will not be requested and will not be accepted.

The Lead Beneficiary has to provide the requested information within the **5 working days** from the sending a letter by fax/e-mail. Such a request can be sent only once during this assessment stage, i.e. no reminder shall be sent and no deadline extension shall be provided. 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 if the following documents are not provided in a paper version:

- original Grant Application Form (Part I Project Description, Part II Project Budget and Part III Declaration by the Applicant) signed, dated and stamped (if applicable);
- Signed, dated and stamped (if applicable) Partnership Statement(s) (originals or at least as copies).

If any of above listed documents is missing, the application shall be rejected.

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 qualitative assessment and shall be rejected.

[22] Please, refer to provisions of the section1.5. of these Guidelines.

The outcomes of administrative compliance and eligibility check shall be approved by the MA.

Following the administrative compliance and technical eligibility check, 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.

Appeals regarding the results of administrative and eligibility check, if any, shall be received in the JTS within the deadline of 5 working days after the letter regarding the results of administrative and eligibility check was sent by the JTS. Only the appeals submitted by the Lead Beneficiary representing the whole partnership will be considered. The results of examination of appeals shall be communicated to the Lead Beneficiary within 30 calendar days by JTS.

6.2.QUALITY ASSESSMENT OF THE APPLICATIONS

A quality of the applications will be evaluated by assessors of the JTS/external technical experts (only for technical documentation check) 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 Assessment Checklist according to the quality assessment criteria.

Following the quality assessment, the assessment report shall be prepared by JTS/MA and issued for the decision by the JMC. 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 Programme funding.

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 and readiness for implementation;*
- *Will project partnership succeed in delivering of the proposed outcomes?*
- *What is cost effectiveness and 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 4. Explanation of the Scores

5 Very good	The application fulfils the given criteria to an excellent and the provided information is sufficient, clear and coherent for assessing the criteria.
4 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).
3 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).
2 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).
1 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", Section 2* "*Financial and Operational Capacity"* and *Section 5 "Budget and cost-effectiveness"*.

- 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.
- Note on *Section 5 "Budget and cost-effectiveness"*: if the total score is less than 8 for this section, the application will be recommended for rejection.

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 a 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 a project application which received higher scoring in section "*Financial and Operational Capacity*". If the total scoring and score in section "*Financial and Operational Capacity*" is equal, than the higher ranking is given to a project application which received higher scoring in section "*Budget and cost-effectiveness*".

Table 5. Quality assessment criteria

No.	Quality Assessment Criterion	Supporting questions	Maximum Score	Grant Application Form and Annexes, in particular:
Strategic Quality Assessment Criteria				
1	**Relevance**		**25**	
1.1.	The project is relevant to the Programme objectives and will contribute to the achievement of the selected Programme TO's and Priority's outputs and results.	The targeted problem, needs and objectives of the project are relevant to the selected Programme TO and Priority and will contribute to their achievement. The proposed project and activities do not fall under the category of non-supported projects and activities as indicated in section 2.2 of these Guidelines.	5	1.2; 1.4; 2.1; 2.2.; 4;
1.2.	The need for cross-border cooperation is clearly demonstrated.	The project objectives and results cannot (or only to some extent) be achieved without cross-border cooperation. Cross-border cooperation contributes to the solution of the joint problem. The proposed approach and the partnership demonstrate the need for cross-border cooperation. 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.	5	1.2; 1.4; 1.5; 1.7; 5
1.3.	The joint problem and target groups are clearly defined.	The joint problem is clearly defined and can be solved within the project. The problem is relevant for the Programme area and target groups. 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 (social groups at risk), such as unemployed, marginalised groups, elderly, immigrants, ethnic minorities), their needs have been clearly specified and addressed properly. The project is likely to have a tangible impact on its target groups.	5	1.1; 1.2; 1.4; 6

1.4.	The project clearly shows the added value and will contribute to the regional development and cross-cutting issues.	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). Project's activities demonstrate positive sustainable regional development impact on both sides of the border, including economic, social impact and impact on environment. The project has a neutral or demonstrates positive contribution to the cross-cutting issues of local democracy, environmental sustainability, gender equality and HIV/AIDS. Contribution to promotion of principles of equal opportunities and non-discrimination is clearly described. The project shows a clear impact on development of the border regions and is in line with the national, regional or local planning documents/ strategies. The project is in line with the EU Baltic Sea Region Strategy and with the EU horizontal policies. The proposed project activities are/ were not financed from other international, national, regional, or EU financial instruments or programmes (there is no double-financing).	5	1.2; 1.3; 1.5; 2.3.; 2,4; 6; Statutes or articles of association Part III Declaration by the Applicant; Partnership Statements by partners (beneficiaries)
1.5.	The project will produce sustainable results.	The project will produce outputs and/or results, which are tangible and sustainable and will be used beyond the project implementation phase. There is a 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. The stakeholders and target groups are sufficiently involved in the development of the main outputs in order to ensure their durability. Provisions for further use of the project outcomes (outputs and results) are defined and specified. 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.	5	1.2; 1.4; 4; 6; 7,
2	**Financial and operational capacity**		**20**	
2.1.	The Lead Beneficiary and beneficiaries have	The Applicant (Lead Beneficiary) and partners (beneficiaries) have sufficient experience in project	5	3.1.2 – 3.6.2[23];

[23] When referring to the sub-sections in the section 3 of the Part I Project Description the number "1" in the middle stands for the Applicant/ Lead Beneficiary, numbers from 2 to 6 stand for other Beneficiaries, e.g.

	sufficient project management experience and management capacity.	management for EU funded or other national instruments or international programmes' projects. 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.		3.1.3 – 3.6.3; 3.1.5 – 3.6.5;
2.2.	Proposed partnership is relevant for solving concrete problem, necessary for project, strategically important and is fulfilling the cooperation criteria.	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). Partnership involves the appropriate partners (beneficiaries) with the capacity to achieve the project objectives and to deliver and make use of the project results. Partnership is manageable and of an appropriate size. Partnership is well balanced, meaning that the different partners (beneficiaries) contribute and benefit to a similar extent without the dominance of one country or one partner. The relevant administrative levels, e.g. local, regional or national institutions or organizations are involved. The partnership is relevant for ensuring sustainability of results (ownership). 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).	5*2/ 10	1.2; 1.4; 1.6; 1.7; 1.8; 3.1 – 3.6; 3.1.1 – 3.6.1; 3.1.4 – 3.6.4 4; 6; 7; Part II Project Budget
2.3.	The Lead Beneficiary and beneficiaries have stable and sufficient sources to finance their contribution to the project and its finalization.	The Applicant (Lead Beneficiary) and partners (beneficiaries) have stable and sufficient sources to finance their contribution to the project (provide co-financing). 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 of the Programme funding and will have sufficient financial resources to pay outstanding contracts and commitments. The co-financing statement matches the sum indicated in the Grant Application Form Part II Project Budget.	5	3.1.6 – 3.6.6; 3.1.7 – 3.6.7; 3.1.8 – 3.6.8; 9.4. Latest Accounts

reference „3.1.1 – 3.6.1" is for sub-sections 3.1.1., 3.2.1., 3.3.1., 3.4.1., 3.5.1., 3.6.1.

Operational Quality Assessment Criteria				
3	**Methodology**		**20**	
3.1.	The project methodology and approach is relevant for achievement of results.	The activities proposed are appropriate and consistent with the problem, objectives and expected results, as well as proposed implementation methods are adequate. 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. Necessary provisions for quality are planned (procedures and criteria to ensure quality of implementation and results). There is a clear link between the investments (equipment/software and works) and soft cooperation activities.	5	1.2.; 1.5; 1.8; 4; 5; 6; 8; 5.1 5.4
3.2.	The activity plan and the time-schedule are realistic, logical and feasible.	Project activities are consistent and concrete, clearly described and properly justified in the application. The time-schedule is realistic, logical and feasible. The provided documents and information give assurance that the project is ready for implementation and will be implemented in compliance with the national legislation of the concerned countries and Programme rules. Necessary provisions for risk management (e.g. possible delays in procurement procedures, construction works) are in place.	5	4; 5; 6; 8; 5; 5.3 5.5
3.3.	The project contains objectively verifiable and measurable indicators for achievement.	The qualitative and quantitative indicators for specific objectives, outputs and results are set. 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).	5	2.1; 4; 6 1.2; 1.4
3.4	The beneficiaries' involvement in the project is balanced.	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. 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. Different beneficiaries have a role in leading specific activities (the tasks are shared among different partners/countries).	5	1.7; 5.3; 6; 3.1.2 – 3.6.2;

4	**Management, coordination and communication**		**10**	
4.1.	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	1.6; 6.1;
4.2.	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 Programme 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	6.6; 6.7; 1.4
5	**Budget and cost-effectiveness**		**20**	
5.1.	Project demonstrates value for money.	The ratio between the estimated costs and the expected outputs and results is appropriate and reasonable.	5*2/ 10	4; 6; Part II Project Budget
5.2.	The proposed expenses are necessary for the implementation of the project and costs are realistic, clearly defined, justified and efficient.	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. Costs of human resources are based on the actual salaries levels in the countries and institutions involved. Involvement of external experts is justified, costs of external expertise are reasonable. Proposed investments in supplies, services and works are justified and coherent with the rationale of the project. Activities outside the Programme area, if planned, are clearly for the benefit to the Programme area. Total beneficiaries' budgets reflect real beneficiaries' involvement (is balanced and realistic).	5*2/ 10	4; 6; Part II Project Budget 5.3; 5.4 5.2 9.5 9.3
Maximum total score			**95**	

6.3. 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.

Based on the results in the Assessment Report, the JMC 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 "Relevance", 2 "Financial and Operational Capacity" and 5 "Budget and cost-effectiveness".

During this assessment, the JMC might give additionally maximum 5 scores to each project. Strategic regional relevance assessment shall be performed according to the criteria indicated in the table below.

In order to enact the principles of transparency, equal treatment, non-discrimination, objectivity and fair competition, 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 quality assessment checklist;
- 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 JMC additionally takes into account the following:

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

b) the total scores of the application in *sections 1 "Relevance"* and/or *2 "Financial and Operational Capacity"* and/or *5 "Budget and cost-effectiveness"* shall not be lower than the indicated above thresholds.

The ranking list, incorporating both quality assessment by assessors and strategic regional relevance assessment shall be prepared and approved by JMC.

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 6. Strategic Regional Relevance Assessment

	STRATEGIC REGIONAL RELEVANCE CRITERION (maximum score - 5; performed by JMC)	**YES /NO**	**Comments and justification**
Project demonstrates the contribution to the regional and national priorities and relevance for	1. Project is relevant to particular needs and constraints of the target regions. 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		

the regional partnership.	be sustainable on a policy level. 3. Project shows clear impact on development of the border regions and a wider Programme area. 4. The project builds on existing practices/ results and clearly shows the added value and demonstrates novelty. 5. Project contributes to the achievement of the objectives and targets of the EU Strategy for the Baltic Sea Region.		

6.4.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 to further modifications or reductions of 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 EC to avoid double funding and promote synergies with the existing projects, where possible. Following this consultation, the JMC may decide to reject initially recommended 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.

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 the event 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. 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.

6.5.NOTIFICATION OF THE JMC DESICION

6.5.1. Content of the Decision

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

6.5.2. Appeals

Within 30 calendar days after communication of the JMC decision, together with the reasons for rejecting of the application, the Lead Beneficiary 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 by the MA/JTS and taken by JMC, which, in turn, shall take the final decision.

7. IMPLEMENTATION OF PROJECTS

7.1. SIGNING THE GRANT CONTRACT

7.1.1. Responsibilities and Parties to the Grant Contract[24]

The MA and the JTS will sign the Grant Contract with the Lead Beneficiary. With the signature of the Grant Contract the contractual relations and responsibilities between the MA, the JTS and the Lead Beneficiary emerge. The Lead Beneficiary becomes solely responsible and financially liable towards the MA and the JTS for efficient implementation of the project in compliance with the provisions of the Grant Contract, Guidelines and Project Description and Project Budget (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 MA deducts them from payments to the Lead Beneficiary or initiates recovery procedure. The Lead Beneficiary is responsible for preparation and submission of reports under the Grant Contract to the MA via the JTS. The practical monitoring of the implementation of the project is carried out by the MA via the JTS.

The beneficiaries participating in implementation of the project are not parties to the Grant Contract and are not accountable to the MA and to the JTS. 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.

7.1.2. 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 out 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).

[24] Contractual responsibilities of the Lead Beneficiary and beneficiaries are provided in the *Articles 1-19, 21-23 of the Grant Contract.*

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 Programme 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 to the JTS the 3 originals of the financial identification form with the details of its banking account to which payments of the grant funding will be made. In case of the Russian Lead Beneficiary, information of the correspondent bank shall be indicated.

e) The Lead Beneficiary updates to the JTS Communication Plan for the project, which is a section of the approved Part I Project Description of the Grant Application Form. The Communication Plan shall be approved by the JTS.

f) The Lead Beneficiary submits to the JTS the Procurement Plan for the project, approved by the JTS.

After finalisation of the above indicated procedures the Lead Beneficiary will be offered a Grant Contract based on the Programme standard Grant Contract. 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 the JTS sends the Grant Contract to the Lead Beneficiary indicating the deadline when the signed contract should be returned to the MA. The Lead Beneficiary signs the Grant Contract and sends it to the JTS to be signed. The JTS signs the Grant Contract and forwards the respective contract for signature to the MA.

7.1.3. 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 and the duration of the project will be fixed in the Article 2.1 of the Grant Contract.

The end date of the project will be set according to the implementation period of the project which is indicated in the Article 2.2 of the Grant Contract.

The start and the end date of the project together with the reporting schedule shall be notified by the JTS to the Lead Beneficiary when sending the signed Grant Contract.

7.2. MANAGEMENT AND COORDINATION OF THE PROJECT

7.2.1. Management and Coordination

Management and coordination must be organised as a separate Group of Activities within the project and shall include clear provisions, structures and responsibilities between beneficiaries

for the coordination on the strategic and the day-to-day management level, as well as the financial management, the decision making, the coordination with the beneficiaries and other involved parties, ensuring the visibility and internal and external communication, as well as the monitoring and the evaluation and the 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. 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 respect of 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 implementation of 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.

7.2.2. 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).

7.3. GENERAL RULES OF FINANCIAL MATTERS

7.3.1. 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 via the 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.

7.3.2. 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. Any contract related to studies shall include the right for the Russian Federation, the EC and the

Republic of Lithuania to use the study, to publish it or to disclose it to third parties. 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 if planned and approved in the Project Description.

7.3.3. 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[25]. 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 of the Programme funding received by 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 Programme funding (grant).

7.3.4. Accountancy and Exchange Rates

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

a) open a separate bank account or sub-account eligible for the reception of the Programme funding in EUR;
b) maintain either a separate accounting system or a suitable accounting code for all transactions relating to payments for projects and the 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 (the Programme 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-

[25] In accordance to the provisions of the Article 192 of the Regulation (EU, EURATOM) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, EURATOM) No 966/2012.

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 Programme MA or/and other control bodies.

The 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.

Payments will be made in EUR, in accordance with the provisions of the Grant Contract. The payments of the Programme funding shall be made in EUR to the bank account of the Lead Beneficiary indicated in the Grant Contract or referred in the Financial Identification Form that is the Annex XIV "Template of Financial Identification Form" to these Guidelines. In case the bank account holder is other institution than the beneficiary (e.g., in case the beneficiary is the school, but the holder of the bank account is the municipality or the department responsible for the education in the municipality), relevant information has to be indicated/provided in the Partnership Agreement and the 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 EUR shall be converted into EUR by the beneficiaries using the monthly accounting exchange rate of the EC in the month during which that expenditure was incurred (invoiced). The expenditure in national currency (other than EUR) must be converted in EUR 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 the beneficiary‘s bank and the exchange rate published by the EC shall be treated as currency exchange losses.

7.4. PROCUREMENT BY LEAD BENEFICIARIES AND BENEFICIARIES WITHIN PROJECTS

The general rule for all contract is that they shall be awarded to the tender offering best value for money or as appropriate to the tenderer offering the lowest price. The beneficiary shall avoid any conflict of interests and respect the principles of equal treatment, non-discrimination, fair competition, transparency.

Procurement by Lithuanian organisations

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

a) where the beneficiary is a contracting authority or a contracting entity with a meaning of the Lithuanian legislation applicable to procurement procedures, it shall apply national laws, regulations and administrative provisions adopted in connection with EU legislation;
b) where the beneficiary is a non-contracting authority with a meaning of the Lithuanian legislation, national rules, approved by The Order No 1V-561 on 17 July 2015 of the Minister of Interior, shall be applied.

Procurement by Russian organisations

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

a) where the beneficiary is a public entity and a legal entity which is subject to national procurement legislation, it shall comply with the legislation of the Russian Federation (Federal Law No 44-FZ and Federal Law No 223-FZ as well as respective acts of President and Government of the Russian Federation);

b) where the beneficiary is a private entity and does not fall under national procurement legislation, provisions of the Financing Agreement and “Award of procurement contracts by Russian private beneficiaries” shall be applied.

Beneficiaries located in the Russian Federation should ensure that services, works and goods that are not originating from the Russian Federation receive the same treatment as compared to its own services, works and goods in accordance with the Rules of nationality and origin of the Financing Agreement. Failure to comply with the above shall render the related expenditure ineligible.

Procurement by international organisations

If the implementation of a project requires procurement of goods, works or services where the beneficiary is an international organisation, it may apply its own procurement rules if they offer guarantees equivalent to internationally accepted standards.

Rules of nationality and origin

1. The beneficiaries should follow the rules of nationality and origin set in the Financing Agreement as well as the rules of nationality and origin set forth in Articles 8 and 9 of the Regulation (EU) No 236/2014.
2. Participation in procurement procedures shall be open on equal terms to all natural and legal persons which are effectively established in countries eligible under the applicable legislation of the Republic of Lithuania and the Russian Federation.
3. All purchased supplies with a value of EUR 100 000 or more shall originate from an eligible country. If the cost of purchased supplies is below EUR 100 000, it may originate from any country.
4. For the beneficiaries from territory of the Russian Federation national preferences are prohibited, except for contracts with a value not exceeding EUR 20 000 in order to promote local capacities, markets and purchases. Failure to comply with this principle shall render the related expenditure ineligible.

7.5. MONITORING AND REPORTING

7.5.1. 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 Contract with the Lead Beneficiary, 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 Contract). 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 expenditure verification reports issued 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 and/or BO, with participation of MA or its third authorised parties, construction experts, where relevant, in order to assess the progress of the projects against the objectives of the Programme. The on-the-spot checks 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-the-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, beneficiary) will be informed about the check-on-the-spot of its project in advance by sending a letter by e-mail or fax. The beneficiaries (hereinafter is meant both the Lead Beneficiary and the Beneficiaries) are obliged to participate in the on-the-spot check, provide access to the documents and products of the project, as well as access to the sites where the project is implemented. The Lead Beneficiary will be informed about the findings and recommendations within 10 working days after the on-the-spot check, when the JTS will send a check on-the-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 out, 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, monitor the delivery of outputs and results. If needed, the authorised third parties might carry out the task on behalf of JTS.

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

7.5.2. Reporting

Reports are contractual obligations of the Lead Beneficiary under the Article 7 of 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 Article 22 of 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, the reports are not only the means of providing the MA/JTS with the information on the implementation of the project, these are also the grounds to receive further instalments of pre-financing and payment 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 Programme funding and 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.

Reports shall be audited and accompanied with the Expenditure Verification Reports and Request for Payment.

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 7. Main Requirements for Reporting

	PROGRESS REPORT	**FINAL REPORT**[26]
Contents	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 cooperation among the beneficiaries
Submission to the auditor (by each beneficiary)[27]	Within 10 calendar days after the end date of the respective reporting period	Within 10 calendar days after the end date of the project
Submission to the	For each 6-months period of the	In 2 months after the end date of the

[26] 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.

[27] Expenditure verification is performed by the auditor 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 individual expenditure verification reports from all beneficiaries, drafting a progress/final report for the whole project and presenting it to the JTS.

JTS (by Lead Beneficiary)	project implementation, no later than 30 calendar days after the end of this period	project
Request for payment	The report is accompanied by the Lead Beneficiary's request for the further pre-financing payment and other supporting documents (see table 8)	The report is accompanied by the Lead Beneficiary's request for the payment of the balance and other supporting documents (see table 8)
Submission to the JTS (by Lead Beneficiary) in case of extended deadline	The deadline can be extended in duly justified cases (e.g., in case further verifications and control, including on-the-spot check are needed, an auditor requires the Lead Beneficiary/beneficiaries to submit additional clarifications/documents for verifications of costs). In such cases, the Lead Beneficiary must inform the JTS not later than 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	
Signatures, stamps, dates	Progress/final reports have to be signed in indicated places by the Head of the Lead Beneficiary organisation or the person authorised to sign such documents (in this case the valid authorisation is enclosed), and by the chief accountant (financial forms), dated and stamped (if applicable)	
Number of copies	Each report must be submitted bound and stamped **in 1 original** paper version	
Annexes	Should be submitted in the order and following the form as described below (see table 8)	
E-version	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. The electronic version of only the following documents is requested to be submitted: Progress/final Report (Excel document), Individual Expenditures Verification Reports (Annex IX to these Guidelines) for each beneficiary, covering its financial report and produced by beneficiary's auditor (scanned document).	
Cover letter	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 /final report as its annexes:

Table 8. Supporting Documents to the Progress report / Final Report

No.	Supporting documents/annex	Submission

1.	Individual Expenditures Verification Reports (Annex IX to these Guidelines) for each beneficiary, covering its financial report and produced by beneficiary's auditor.	1 original
2.	Request for further pre-financing/balance payment	1 original
3.	Economic Classification of Requested Amount, filled in by the Lithuanian Lead Beneficiary/beneficiary	1 original
4.	Economic Classification of the Expenditure (Report) filled in by the Lithuanian Lead Beneficiary/beneficiary	1 original
5.	Proof of publication for international tender	1 certified copy
6.	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 law – Acceptance act/certificate for works and proof of registration of the object.	1 certified copy
7.	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 the 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.	1 copy
8.	Materials proving outputs, which have been produced by sub-contractors and/or by the Lead Beneficiary/beneficiaries: a) developed documents; b) information and communication materials (e.g. press articles, press releases disseminated and 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.	1 copy
9.	Letters of Endorsement signed by each beneficiary (except the Lead	1 original or

	Beneficiary) (template is available under section "Documents" on the Programme website: www.eni-cbc.eu/lr)	certified copy
10.	Document which proves the right/authorisation to sign the documents in case the Head of Organisation is substituted by an authorised representative	1 original or certified copy
11.	Declaration on infrastructure sustainability for 5 years, submitted with the Final report	1 original

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 a paper version.

The copies 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 (in this case the valid authorisation is enclosed).

Examination and approval of reports

The submitted report is examined by the JTS within 30 calendar days. If the information indicated in the report 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 or e-mail, 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 payments, 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 the request for the payment are approved by the JTS. The JTS will issue an approval letter and send it to the Lead Beneficiary.

Any progress and final report shall be considered approved if no written request for a clarification from the MA/JTS is received within 30 calendar days of the reception of the letter on approval of the report by the JTS.

The MA may suspend the time-limit for approval of a report by notifying the Lead Beneficiary via the JTS 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 JTS. In such cases, the JTS 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.

7.5.3. Expenditure Verification

Expenditure declared by the beneficiary in the project progress report or the final report shall be examined by an auditor being independent from the beneficiary.

Both, in Lithuania and the Russian Federation (Kaliningrad region) a decentralized system for expenditure verification is applied. Each beneficiary from Lithuania and Kaliningrad region 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 by the MA/JTS.

The Lead Beneficiary shall collect the information on selected auditors from each Lithuanian and Russian beneficiary and send the information to the JTS by indicating the name of **auditor(-s)** (including address, telephone and fax numbers, email) of each beneficiary not later than the Lead Beneficiary's request for the initial pre-financing instalment.

The JTS will check that the selected Lithuanian auditors comply with national and the Programme requirements for auditors and submit information about selected Lithuanian auditors to the MA. 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 no later than 10 calendar days after the end of the respective reporting period or no later than 10 calendar days after the end date of the project.

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.

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 cross-border cooperation partner country, provided this register is subject to principles of public oversight as set out in the legislation of the country concerned.

The auditor 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 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 an auditor;
- expenditure declared by the beneficiaries has been paid by them according to the provisions of the point 4.1. 1) (e) and expenditure complies with applicable national legal acts, the 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 EUR;
- 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 the 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 separately responsible for having its expenditure validated by an auditor. Costs for the verification of the expenditure for Lithuanian and Russian 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 pre-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.

7.5.4. Payment of the Programme Funding

Payment procedures are set out in the Article 5 of the Grant Contract and correspond to one of the three options below:

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

Payments of the Programme funding will be made to the Lead Beneficiary in the following manner:

- A pre-financing of 40 % of the Programme funding.
- Further pre-financing of 40 % of the Programme funding within 30 calendar days after the reception of the letter on approval of the progress report by the JTS. The total sum of pre-financing under the contract may not exceed 80 % of the Programme funding amount.
- The balance payment within 30 calendar days from the reception of the letter from the JTS on approval of final report.

If additional clarifications for the progress or final report are requested by the JTS /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 Programme 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 Programme pre-financing is less than 70 %, the amount of the further pre-financing payment shall be reduced by the amount corresponding to the difference between the 70 % threshold and the amount actually consumed of the previous pre-financing payment.

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

Payments of the Programme funding will be made to the Lead Beneficiary in the following manner:

- A pre-financing of 30 % of the Programme 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 Programme funding, within 30 calendar days after the reception of the letter on approval of the progress report by the JTS. The total sum of pre-financing under the contract may not exceed 80 % of the Programme funding amount.
- The balance within 30 calendar days from the reception of letter on approval of the final report by the JTS.

If additional clarifications for the progress or final report are requested by the MA/JTS, 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 Programme 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 Programme pre-financing is less than 70 %, the amount of the new pre-financing payment shall be reduced by the amount corresponding to the difference between the 70 % threshold and the amount actually consumed of the previous pre-financing payment.

Option 3: *any project*

The Programme funding shall be paid to the Beneficiary within 30 calendar days after the reception of the letter on approval of the progress/final report by the JTS.

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

The amount of the Programme funding after approval of the progress/ final report shall depend on expenditures actually incurred during reporting period and percentage fixed in the Grant Contract.

7.5.5. Irregularities and Recoveries

7.5.5.1. Irregularities

A substantial error or irregularity is considered as 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 EU budget. According to the provisions of the article 18.2 of the Financing Agreement "irregularity" shall mean any infringement of the Financing Agreement, implementing contracts, EU or national law resulting from the act or an omission by anyone who has, or would have, the effect of prejudicing the funds of the Programme.

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 EU.

The participating countries shall prevent, detect and correct irregularities, including fraud, and recover amounts unduly paid, together with any interest on their territories. They shall notify these irregularities without delay to the MA via the JTS and keep them informed of the progress of related administrative and legal proceedings.
Expenditure that does not comply with the EU, Programme 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 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, 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.

7.5.5.2. 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 and in accordance with the provisions of Financing Agreement (Article 16).

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 according to the provisions of Grant Contract. The MA shall take all appropriate measures to recover funds unduly spent together with any interest on late payment from any beneficiary by any means, including by offsetting. The Russian Federation and the Member State (Lithuania) commit to cooperate fully with the MA and the AA and to support them in the recovery process.

The Lead Beneficiary basing on Partnership Agreement shall request the repayment of the relevant amount from the beneficiary, committed irregularity.

Where the recovery relates to a claim against a beneficiary from the Russian Federation and the MA is unable to recover the debt, the Russian Federation shall be responsible for recovering the debt. The level of responsibility of the Russian Federation is laid down in the financing agreement between the EU and the Russian Federation. If the MA is unable to recover from the beneficiary, which is a Public Entity established in the Russian Federation, the beneficiary shall allow the Russian NA to recover from it. If the MA is unable to recover from the beneficiary in the Russian Federation, except for Public Entities, the beneficiary shall allow the EC to recover any unduly spent amounts due to the MA.

Following the provisions set in the article 39(3) of the EU Regulation No 897/2014, any project including an infrastructure component shall repay the Programme contribution if, within five years of the project closure, it is subject to a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives. Sums unduly paid in respect of the project shall be recovered to the MA and the JTS in proportion to the period for which the requirement has not been fulfilled.

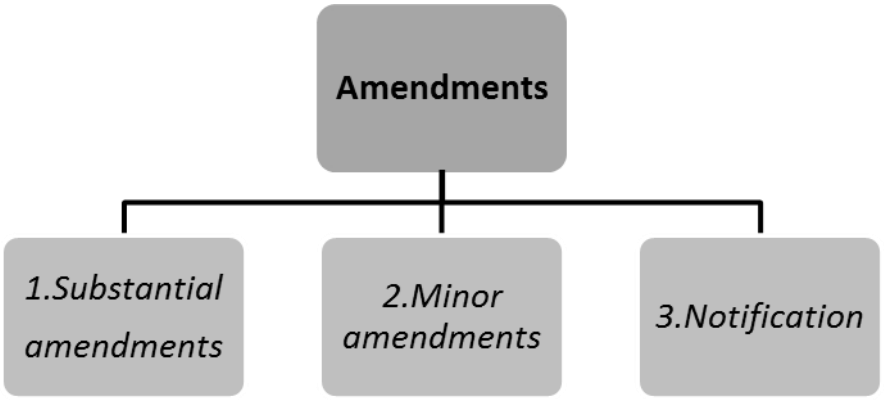
7.6. INTRODUCTION OF AMENDMENTS TO THE PROJECT

The beneficiaries must do their best to implement the project as defined in the approved Grant Application Form Part I Project Description. 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.

7.6.1. 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 project activities and the budget.

Any substantial amendment to the Grant Contract, including its annexes, must be set out in writing in an addendum which is signed between the MA 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 30 calendar days** 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 9. Types of Substantial Amendments

1. Changes in the Budget 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.
2. Changes of the flat rate percentage in the Budget Heading "Indirect administrative costs". These changes are necessary for more efficient implementation of the project and eligibility rules are followed.
3. Changes in the Project Description 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.
4. Changes in location of activities, if activities from the Programme area are transferred outside the Programme area.
5. Changes in the technical documentation 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[28]; 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.
6.	Change of the period of implementation 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.
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 organisation (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 Russia and another – 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 it previous experience in the project implementation and capacities, etc.

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 **30 calendar days in advance**.

In all other cases the Lead Beneficiary is recommended to send the Request for amendments to the JTS 30 calendar days 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

[28] In Lithuanian "statytojas" (užsakovas), in Russian "организация- заказчик".

"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 10. Types of minor amendments

1. Changes to the Budget 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 7 "Indirect administrative costs".
2. Changes in the Project Description 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).
3. Changes in technical documentation (works) 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 finalisation 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.
4. Change of any Lead Beneficiary's or other beneficiary's legal address on condition that it remains in the Programme area.
5. Change of the bank account opened for the project by the Lead Beneficiary.
6. Change of the auditor. Lead Beneficiaries shall inform the JTS (the request for amendments shall be signed, dated, stamped (if applicable) and sent via e-mail/fax) in the event of the auditor change/replacement. The new auditor for the Lithuanian beneficiary shall be approved by the MA.

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

Table 11. Types of Notifications

1. Changes in management staff. Lead Beneficiaries shall inform the JTS (the official letter shall be signed, dated, stamped (if applicable) and sent via e-mail/fax) in the event of any project staff changes.
2. Change of the correspondence address. Lead Beneficiaries shall inform the JTS (the official letter shall be signed, dated, stamped (if applicable) and sent via e-mail/fax) if the correspondence address changes.

7.6.2. 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 V "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 a 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 12 below.

Table 12. Supporting Documents to be Attached to the Request for Amendments

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

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

		Proof of authorisation for the authorised representative of the Lead Beneficiary if he/she signs the addendum, budget or Request for amendments – 1 copy.

7.7. VISIBILITY, INFORMATION AND COMMUNICATION

7.7.1. General principles

Every project, funded by 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 Programme and its projects in order to strengthen public awareness of the project and create a consistent image of the Programme support and the achievements of the Lithuania-Russia cooperation in both 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 Lead Beneficiary 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 Programme 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 be agreed with the Programme Communication and Project Manager before signing the Grant Contract.

The Lead Beneficiary and beneficiary organisations shall work in close cooperation with the Programme Communication and Project Manager and Information Specialist working in the Russian BO 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).

It is advised for the beneficiaries to allocate sufficient funds for planned communication activities in the budget of the project, as at least minimum requirements will have to be followed, e.g. publishing 2 articles per beneficiary, printing the stickers for the equipment purchased or producing commemorative plaques for the premises renovated.

7.7.2. Requirements

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 EU.

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

1. 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 (Communication and Project Manager or Information Specialist in the BO of the JTS);
2. Each Lead Beneficiary and beneficiary organisation must publish at least 2 articles in the local, regional or national press and foresee funds for this, if needed. These articles must contain the EU and the Programme logos, description of the Programme funding to the project, sum allocated by the Programme to the project (in EUR and local currency), and short information about the Programme;
3. 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;

4. 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.

5. 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;
   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 Programme 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 the Programme visibility can be ensured by text only (without EU and the 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 the 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 Programme 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 (2018)*. It can be downloaded from the web site of the Programme (www.eni-cbc.eu/lr) or from the website of the EuropeAid (https://ec.europa.eu/europeaid/node/17974). 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 funding under the Programme.

In the Russian territory, the visual demonstration of Russian financial participation in the Programme will consist of the Russian Federation and the European Union flags along with the Programme logo. Every mention of the EU co-financing of a project in the Russian territory shall be accompanied by the identical mention of the Russian co-financing. Such visualisation rules will only apply to project activities, carried out on the territory of the Russian Federation. The contribution of the Russian Federation should be highlighted according to the "*Practical Recommendations for Project Participants on the Information Coverage of the Russian Federation participation in Cross-Border Cooperation Programmes between Russia and the EU"* (http://economy.gov.ru/minec/activity/sections/mps/programs/2017220202).

The Annex XIII "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.

7.8. PROJECT CLOSURE

7.8.1. 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. Limitations with regard to the availability of outputs and results of the projects are only allowed if planned and approved in the Project Description.

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

7.8.2. 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 performed 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 the 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 the 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, NAs 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:

1) 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;
2) 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.

ANNEXES

Annex I “Detailed Rules on Eligibility of Expenditure”;

Annex II “Partnership Statement”;

Annex III “Partnership Agreement Template”;

Annex IV “Procurement Plan Template”;

Annex V “Template of the Request for Amendments”;

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

Annex VII “Progress Report Form” (MS Excel tool);

Annex VIII “Final Report Form” (MS Excel tool);

Annex IX “Expenditure Verification Report”;

Annex X “Request for payment form”;

Annex XI “Timesheet form” (MS Excel tool);

Annex XII “Letter of endorsement template”;

Annex XIII “Communication Handbook”;

Annex XIV “Template of the Financial Identification Form”.