

# REPUBLIC OF LITHUANIA GOVERNMENT

## RESOLUTION

### AMENDING RESOLUTION NO 278 OF THE GOVERNMENT OF THE REPUBLIC OF LITHUANIA OF 26 MARCH 2014 'ON THE APPROVAL OF THE DESCRIPTION OF PROCEDURE FOR THE IMPLEMENTATION OF DEVELOPMENT COOPERATION ACTIVITIES BY STATE AND MUNICIPAL INSTITUTIONS AND AGENCIES'

22 February 2017 No 129

Vilnius

The Government of the Republic of Lithuania has resolved:

1. To amend Resolution No 278 of the Government of the Republic of Lithuania of 26 March 2014 'On the Approval of the Description of Procedure for the Implementation of Development Cooperation Activities by State and Municipal Institutions and Agencies' as follows:

#### 'REPUBLIC OF LITHUANIA

## RESOLUTION

### ON THE APPROVAL OF THE DESCRIPTION OF PROCEDURE FOR THE IMPLEMENTATION OF DEVELOPMENT COOPERATION ACTIVITIES AND PROVISION OF HUMANITARIAN AID BY STATE AND MUNICIPAL INSTITUTIONS AND AGENCIES

Acting in accordance with paragraphs 4, 5 and 7 of Article 7 and paragraphs 1 and 2 of Article 11 of the Law on Development Cooperation and Humanitarian Aid of the Republic of Lithuania, and paragraphs 7 and 8 of Article 20 of the Law on the Management, Use and Disposal of State and Municipal Assets of the Republic of Lithuania, the Government of the Republic of Lithuania has resolved:

1. To approve the Description of Procedure for the Implementation of Development Cooperation Activities and Provision of Humanitarian Aid by State and Municipal Institutions and Agencies (appended).

2. To appoint the Ministry of Foreign Affairs of the Republic of Lithuania an authority responsible for the supervision of the implementation of procedure for the gratuitous transfer of state assets intended for carrying out the development cooperation activities and providing humanitarian aid.

3. To recommend that the municipalities are guided by paragraphs 100 to 102 of the Description of Procedure for the Implementation of Development Cooperation Activities and Provision of Humanitarian Aid by State and Municipal Institutions and Agencies approved by this Resolution in their decision making on issues of the gratuitous transfer of assets owned by the municipalities intended for carrying out the development cooperation activities and providing humanitarian aid.'

2. To establish that the provisions of the new wording of the Resolution on the Description of Procedure for the Implementation of Development Cooperation Activities and Provision of Humanitarian Aid by State and Municipal Institutions and Agencies shall apply to development cooperation projections commenced and not completed by the entry into force of this Resolution to the extent that they do not contradict the provisions of their implementing agreements.

3. To repeal Resolution No 657 of the Government of the Republic of Lithuania of 9 July 2014 'On the Approval of the Description of Procedure for the Implementation of Development Cooperation Activities by State and Municipal Institutions and Agencies' as amended and supplemented.

Prime Minister

Saulius Skvernelis

Minister of Defence,  
Acting Minister of Foreign Affairs

Raimundas Karoblis

APPROVED by  
Resolution No 278 of  
26 March 2014 of the  
Government of the Republic of Lithuania  
(Version of Resolution No 129 of the  
Government of the Republic of Lithuania of  
22 February 2017)

**DESCRIPTION OF PROCEDURE FOR THE IMPLEMENTATION OF  
DEVELOPMENT COOPERATION ACTIVITIES AND PROVISION OF  
HUMANITARIAN AID BY STATE AND MUNICIPAL INSTITUTIONS AND  
AGENCIES**

**CHAPTER I  
GENERAL PROVISIONS**

1. The Description of Procedure for the Implementation of Development Cooperation Activities and Provision of Humanitarian Aid by State and Municipal Institutions and Agencies (hereinafter ‘the Description of Procedure’) sets out a procedure for state and municipal institutions and agencies (hereinafter ‘the Institution’) for the participation in the development cooperation activities and the implementation of development cooperation projects, financial requirements for the implementation of these projects, a procedure for the provision of development assistance by other ways, ways of and a procedure for providing humanitarian aid, and a procedure for the transfer of state-owned assets managed by institutions under trust and intended for the development cooperation activities and the provision of humanitarian aid, as well as for public information on the development cooperation activities and the provision of humanitarian aid.

2. In their decision making on the participation in the development cooperation activities and the provision of humanitarian aid outside the Republic of Lithuania (hereinafter ‘Lithuania’), the institutions shall be guided by the Law of the Republic of Lithuania on the Development Cooperation and Humanitarian Aid (hereinafter ‘the Law’) and the Description of Procedure, and have regard to recommendations of the Ministry of Foreign Affairs of the Republic of Lithuania (hereinafter ‘the Ministry of Foreign Affairs’) shall be entitled to take decisions, within their remit, regarding the participation in development cooperation activities and provision of bilateral and/or multilateral development assistance from budget allocations earmarked for them.

3. In accordance with the Law and the Description of Procedure, the Institution shall have the right to draw up its own description of procedure for the implementation of development cooperation activities and the provision of humanitarian aid approved by the head of the institution.

4. Decisions on carrying out development cooperation activities and the provision of humanitarian aid shall be made by the head of the Institution or his authorised person. In the cases specified in paragraph 7 of the Description of Procedure, the adoption of any decision of the head of the Institution or his authorised person shall require a recommendation of the Development Cooperation and Humanitarian Aid Commission (hereinafter ‘the Commission’).

5. The commissions shall be set up by the Ministries, institutions not subordinated to the Ministries or state institutions where the head is the manager of state budget appropriations under the Law of the Republic of Lithuania on the Budget Structure, and the municipalities. Setting up the Commission shall be mandatory only where the Institution has the intention to participate in the development cooperation activities and/or provide humanitarian aid. The institutions where no Commission is set up shall have regard to the recommendations from the Commission of the Ministry of the relevant sphere of governance or the appropriate municipality.

6. While setting up the Commission, the Institution shall approve the regulations of the Commission laying down its operational goals and functions, the rights and responsibilities of its members and the rules of procedure.

7. The Commission shall make recommendations to the head of the Institution or his authorised person for decision making in the cases specified in paragraphs 39, 80, 97 and 102 of the Description of Procedure. The Institution shall inform the Ministry of Foreign Affairs of these decisions of the head of the Institution or his authorised person within 10 working days from such decision making.

8. For the purposes of this Description of Procedure, the following definitions shall apply:

8.1. **Co-funding** means a method for providing development assistance where more than one international donor is involved in joint funding of development assistance projects and programmes for the partner country.

8.2. **Democracy promotion** means a part of the development cooperation policy, which aims to promote democratic processes in the partner country, i.e. to consolidate good governance principles, ensure the dissemination of democratic values and the rule of law, thereby contributing to the mitigation of threats to the national security of the Republic of Lithuania.

8.3. **Partner in a partner country** means a legal entity registered in or a natural person residing in a partner country who cooperates on implementing a development cooperation project.

8.4. **Revised development cooperation project application** means a development cooperation project application which is drawn up in accordance with the approved form and which takes into account reservations of the Commission and recommendations of the Institution.

8.5. **Development cooperation project (hereinafter ‘project’)** means a non-commercial activity aimed to achieve the goals of the development cooperation policy of

Lithuania in a partner country or Lithuania and carried out in accordance with the development cooperation project implementation agreement.

8.6. **Development cooperation project administrator** (hereinafter ‘project administrator’) means an entity that administers a project.

8.7. **Administration of development cooperation projects** means the organisation of project selection and/or the conclusion implementation agreements on selected projects, and/or the supervision of implementation of these agreements, and/or the evaluation of reports on implemented projects.

8.8. **Development cooperation project implementation agreement (hereinafter ‘project implementation agreement’)** means an agreement concluded between the project administrator and the project implementer for achieving the development cooperation goals set out in the project application and/or revised project application.

8.9. **Development cooperation project concept (hereinafter ‘project concept’)** means the initial project document of the development cooperation competition procedure, which, with account of the type of a call for applications, is drawn up by the Institution or project applicant, and which presents the project idea, goals and outcomes.

8.10. **Development cooperation project application (hereinafter ‘project application’)** means a document drawn up in accordance with the approved form and containing project goals and objectives, and representing a mandatory annex to the project implementation agreement.

8.11. **Development cooperation project manager** means a person appointed by the project implementer to organise the implementation of the project according to the project implementation agreement.

8.12. **Development cooperation project implementer** means Lithuanian or foreign legal entity, other organisation, their division, or a natural person with which a project implementation agreement has been concluded by the project administrator.

8.13. Other definitions used in the Description of Procedure shall be those as defined in the Law and the Law of the Republic of Lithuania on the Management, Use and Disposal of State and Municipal Assets.

9. The Ministry of Foreign Affairs shall approve the recommended forms of the documents required for the implementation of development cooperation activities.

10. The procedure for the implementation of projects on bilateral development assistance provided by Lithuania shall apply also to projects which foresee cooperation with more than one partner country.

## **CHAPTER II**

### **PARTICIPATION OF STATE AND MUNICIPAL INSTITUTIONS AND AGENCIES IN DEVELOPMENT COOPERATION ACTIVITIES**

11. The priorities of development cooperation activities are specified in the development cooperation policy guidelines laid down in the Development Cooperation

Interinstitutional Action Plan approved by the Government of the Republic of Lithuania (hereinafter ‘the Development Cooperation Policy Guidelines’).

12. With a view to the situation in a particular partner country for which increasing or reducing the development cooperation assistance provided by Lithuania or amending the priorities of such assistance is reasonable, the Ministry of Foreign Affairs shall make appropriate recommendations to the institutions.

13. An institution that plans to carry out development cooperation activities not provided for in the Development Cooperation Policy Guidelines or the recommendations of the Ministry of Foreign Affairs shall, prior to taking a decision on the participation in such activities, apply to the Ministry of Foreign Affairs. On evaluating the information provided, the Ministry of Foreign Affairs shall, within 10 working days from receipt of the application, make a recommendation to the institution concerning the reasonableness of participation in such development cooperation activities.

14. Having regard to the Development Cooperation Policy Guidelines and evaluating the recommendations of the Ministry of Foreign Affairs, the Institution shall take a decision on the participation in development cooperation activities. Where such activities cover the implementation of projects, these shall be managed by the Central Project Management Agency (hereinafter ‘the Central Project Management Agency’), except where the Institution is capable of managing such projects on its own with greater efficiency, using the funds allocated to it in a rational way.

15. An institution managing a project or the Central Project Management Agency shall be considered the project administrator.

16. The Institution shall evaluate the ability to manage projects with greater efficiency, using the allocated funds in a rational way, on the basis of the following criteria:

16.1. Within the last three years, the Institution has successfully managed at least one project of the value equalling not less than 70 percent of the project subject to management. The project managed by the Institution shall have been completed and managed only using the capacity of the Institution. A project shall be considered to have been managed successfully where the Institution can confirm its completion by a letter of confirmation of project implementation or the final report.

16.2. The Institution shall have a sufficient number of qualified civil servants and/or employees working under an employment contract (hereinafter ‘employees’) and capable of ensuring successful project management. The requirements for the number and competences of employees shall be set out with account of the complexity, length and scope of a project. An institution wishing to manage a project on its own shall have at least one employee who within the last three years has managed at least one development cooperation project of the value that equals no less than 70 percent if the value of the project subject to management. The completion of a project managed by an employee shall be confirmed by a letter of confirmation of project implementation or the final report.

17. Taking the results of the evaluation referred to in paragraph 16 of the Description of Procedure into consideration, the Institution shall take a decision to manage on its own a development cooperation project subject to implementation if it meets the criteria specified in paragraph 16 herein, or shall transfer the project administration functions to the Central Project Management Agency.

18. The Institution shall provide information on the results of the evaluation referred to in paragraph 16 of the Description of Procedure and the decision taken on the project administrator to the Ministry of Foreign Affairs within 5 working days from the adoption of the decision.

19. Where the project administrator is the Central Project Management Agency, a joint activity agreement shall be concluded between the institution allocating the funding for projects and the Central Project Management Agency. The agreement shall specify the procedure for project selection, the procedure for the award of contracts to selected projects and the supervision of their implementation, the payment procedure for project administration and the rules for setting the rates, and the procedure under which the funds of the institution allocating the project financing are transferred to the Central Project Management Agency. The joint activity agreement may also lay down other conditions of cooperation between the institution allocating the financing and the Central Project Management Agency. Payment to the Central Project Management Agency for project administration is the compensation of expenses sustained by the Central Project Management Agency relating to project administration. This compensation shall not exceed 10 percent of the value of projects subject to administration.

### **CHAPTER III PROJECT IMPLEMENTATION**

20. The Institution shall take a decision on a call for applications for development cooperation projects or concept notes (hereinafter referred to as 'the call') regarding its content and method of publication, deadlines for submission of project applications or concept notes and other related issues.

21. Calls may be of the following two types:

21.1. a call for applications following the concept notes developed by the Institution, and

21.2. a call for concept notes, following the Development Cooperation Policy Guidelines.

22. By taking a decision to publish a call for applications and/or concept notes, the Institution shall allocate funds earmarked for the implementation of development cooperation projects by the type of each call.

23. Completed and signed project applications or project concept notes with the mandatory annexes may be sent by email and/or registered post, or delivered to the address

specified in the call or submitted by other means indicated in the call until the deadline specified in the call.

24. The project administrator shall register project applications or project concept notes that meet the general requirements for the means and dates of document submission as indicated in the call. Project application or project concept notes submitted after the expiry of the deadline and ignoring the means of submission specified in the call shall not be registered and evaluated, and the person submitting the project application or project concept shall be notified thereof by email.

25. The project application shall specify at least one partner in a partner country and add the partner's consent to cooperate on project implementation. No partner in a partner country shall be required for the implementation of activities related to public information and democracy promotion, or if the applicant is an entity of the partner country or an international organization.

26. In a project application and a revised project application (if any) the applicant shall specify the total value of the project, the square of financing requested from the budget of the Institution, the existing (future) amount of funding from other sources if provided for, and the applicant's financial contribution or the contribution in kind (if any).

27. The project budget shall constitute an integral part of any project application. It shall be drawn up in accordance with the project structure and comply with the project activities.

28. The project application and project concept note submitted shall comply with the strategic agreements and/or bilateral cooperation agreements of the European Union, Lithuania and the partner country involved in project cooperation, and/or partner country development strategies, and/or The Development Cooperation Policy Guidelines.

29. On expiry of the deadline for the submission of project applications and project concept notes, the project administrator shall, not later than 15 working days from expiry of the deadline, publish the information on its website about the registered project applications or concept notes, specifying the total number of applications or concept notes received, the applicants, project titles and the total amount of funds claimed.

30. Project applications and concept notes shall be evaluated by employees appointed by the project administrator, unless the joint activity agreement referred to in paragraph 19 of the Description of Procedure provides otherwise. The evaluation shall start after the expiry of the deadline for the submission of project applications and/or project concept notes.

31. Project applications and project concept notes shall be evaluated in the following phases:

31.1. the administrative evaluation of a project application or project concept note, which shall determine whether the project application or project concept note is fully completed or whether all annexes to the project application or project concept note have been submitted, etc.;



31.2. the evaluation of the content of the project application or project concept note, which shall determine whether the project application or project concept note meets the content criteria set out in the call and whether the project is eligible for financing.

32. The evaluation of project applications and project concept notes shall be subject to the following principles:

32.1. confidentiality: it shall be ensured that information provided in project applications and project concept notes will be used for evaluation purposes only;

32.2. fairness: all project applications and project concept notes shall be subject to the same evaluation and selection principles;

32.3. impartiality: all persons involved in the evaluation and selection of project applications and project concept notes shall declare a potential conflict of interest, and shall be introduced to their functions and responsibilities;

32.4. transparency: the selection results of project applications and project concept notes shall be made public.

33. If the administrative evaluation of a project application or project concept note finds that the project application or project concept note has some shortcomings, except where the shortcomings are inessential (technical errors), a communication by email shall be sent to the applicant of the project application or project concept note about the identified shortcomings, informing the applicant that the content of the project application or project concept note will not be subject to evaluation. If a project application or project concept note is found to contain inessential shortcomings (technical errors), the project administrator shall notify the applicant thereof, and the applicant may, within 5 working days from the dispatch of the information on inessential shortcomings (technical errors), submit a revised project application or concept note. The list of inessential shortcomings (technical errors) shall be compiled by the project administrator.

34. The content of a project application or project concept note in which no shortcomings are found during the administrative evaluation or the inessential shortcomings (technical errors) of which are corrected by the applicant within the time limit specified in paragraph 33 of the Description of Procedure shall be evaluated in accordance with the same evaluation form. The evaluation form shall be made public together with other call documents and shall specify the possible lowest and highest score assigned to each criterion referred to in paragraph 36 of the Description of Procedure.

35. During the evaluation, an appropriate score shall be assigned to each project application or project concept note in accordance with compliance to the criteria referred to in paragraph 36 of the Description of Procedure. This score shall include the sum of scores assigned for compliance with each criterion. An additional score may be assigned to an application for compliance with the additional criteria of evaluation of project applications specified in the call of the Institution. The additional criteria may be provided for if a specific development cooperation activity is planned in the call or if specific abilities or experience are expected from the applicants. The score that may be received for compliance with the additional

criteria shall not exceed 20 percent of the maximum total score that may be assigned to a project application or concept note.

36. The general project evaluation criteria are as follows:

36.1. project relevance: it is evaluated whether the project complies with the development cooperation activities and partner countries specified in the call, contributes to the implementation of the United Nations sustainable development goals, helps to transfer the experience of Lithuanian institutions gained when implementing democratic reform and good governance, and adds to the development of democracy, security and stability and/or the economic development and trade growth in a partner country or to the cooperation of the partner country with the European Union;

36.2. project efficiency: it is evaluated whether the objectives and tasks of the project are properly formulated (are concrete, measurable and defined in terms of time), whether the expected outcomes comply with the project objectives and tasks and meet the needs of a partner country and/or region, and whether the planned activities are related to the planned expenses for achieving appropriate outcomes;

36.3. justification of project financing: it is evaluated whether the project budget submitted is drawn up in accordance with the project structure and complies with the planned activities, and whether the expenses provided for in the project budget for the implementation of activities are eligible for financing;

36.4. project continuity and impact: it is evaluated whether the proposed project is or can be continual, whether clear arguments confirming the need for and possibility of continuity are provided, whether the expected outcomes will ensure project continuity and be used after the project, whether the institutional capacity of the partner country is sufficient for continuing the activities commenced, use the outcomes of the implemented project in the partner country and monitor their utilisation, and whether the participation of the partner of the project implementer in the partner country in project implementation is foreseen;

36.5. ability of the project implementer to organise and manage the project: it is evaluated whether the functions of project participants and the need for participating in the project are clearly and appropriately defined and their responsibility is provided for, whether the organisational structure provided by the project implementer are formed appropriately and the functions of the team are defined, and whether the project implementer has the experience and competence required for implementing the submitted project;

36.6. ability of the project implementer to publicise the project: it is evaluated whether the project provides for particular measures designed for ensuring the visibility of the project in Lithuania and promoting the Lithuanian public to support development cooperation, and whether the project foresees some information events or measures in the partner country for increasing the visibility of Lithuania.

37. After the evaluation of all project concept notes and/or project applications is completed, the evaluations of project applications and/or project concept notes shall be submitted for the consideration of the Commission which shall, having regard to project

applications and/or concept notes with the content that has received the best evaluation, as well as to the funds assigned for project implementation and the priorities of the Government Programme of the Republic of Lithuania, adopt recommendations as to which project applications should be approved, approved with a reservation or disapproved, and/or decide which applicants of project concept notes should receive a proposal to draw up a project application or project application with a reservation. The reservation may be related to the scope of the project, revision or modification of activities, finances, etc.

38. If the Commission decides to make a proposal to the applicant of a project concept note to draw up a project application or application with a reservation, a time limit of 20 working days from the dispatch of information for drawing up the application shall be set, unless the Commission defines another time limit which may not be shorter than 10 working days.

39. The recommendation of the Commission concerning project applications which should be approved or approved with a reservation or disapproved shall be submitted to the head of the Institution or his authorised person. Having regard to the recommendation of the Commission, the head of the Institution or his authorised person shall take a decision on the granting of financing for the implementation of project applications.

40. The information on project applications with respect to which a decision has been taken to grant financing shall be provided in writing by the project administrator to the Ministry of Foreign Affairs prior to notifying the applicant thereof, with a view to preventing double project funding. The project implementers, project titles, project activities and partner countries (if any) shall be specified. If the Ministry of Foreign Affairs finds out that all the project activities are already funded by another authority, it shall, not later than within 5 working days from receipt of this information, notify in writing the project administrator that has supplied the information. No agreement shall be signed with such an applicant. If the Ministry of Foreign Affairs finds out that part of the project activities are already funded by another authority, the project administrator shall grant to the applicant a time limit of 5 working days from the dispatch of information for revising the application so that it only contains activities not funded by other institutions. A revised project application shall be evaluated under the procedure laid down in this chapter.

41. The applicants of project applications and concept notes shall be informed of the decisions taken with regard to the evaluation of the concept notes and applications by email from the project administrator not later than within 10 working days from the adoption of the decision.

42. The project administrator shall sign a project implementation agreement with the applicant for the project application of which the funding has been allocated, except the cases defined in paragraph 40 of the Description of Procedure. The agreement shall enclose the project application or revised project application.

43. The agreement shall contain:

434.1. subject matter of the agreement;

- 43.2. project start and completion dates;
- 43.3. rights and obligations of the parties to the agreement;
- 43.4. funding amount, payment terms and procedures;
- 43.5. parties' liability;
- 43.6. agreement modification and termination terms and procedures;
- 43.7. dispute settlement procedures;
- 43.8. procedure for submitting project implementation reports and interim project implementation reports (if the length of a project is more than one year).

44. The agreement may also forest out other terms related to project implementation.

45. The project implementer shall be responsible for setting up a project team with clearly defined roles and responsibilities. The project implementer shall appoint a project manager. The project implementer shall bear the responsibility for the actions of the project manager, their impact on the project and their compliance with the provisions and objectives of the project implementation agreement.

46. The project start date shall be the date of signature of the agreement, unless the agreement provides otherwise.

47. The project administrator shall carry out regular monitoring of project implementation. If the project administrator is the Central Project Management Agency, it shall provide information on the progress of project implementation to the institution that has granted the funding to the project under the procedure laid down in the joint activity agreement referred to in paragraph 19 of the Description of Procedure.

48. The agreement may provide for a possibility for the applicant during project implementation to modify activities of the project application or revised project application, and/or their schedule, which have no material impact on the scope, goal and objectives of the project. If it is necessary to make these modifications, the project manager shall contact the project administrator by e-mail and submit a reasoned request to authorise non-essential modifications of the activities and/or their schedule. Following the consideration of the request, the project administrator shall approve in full or in part or reject the request and notify the project implementer thereof by e-mail within five working days from receipt of the request.

49. Where necessary, project funds may be transferred from one budget line to another, but not exceeding 15 percent of the line value. With respect to the transfer of funds, the project implementer shall contact the project administrator by e-mail with a reasoned request. Following the consideration of the request, the project administrator shall approve in full or in part or reject the request and shall notify the project implementer thereof by email within five working days from receipt of the request.

50. If during the project some funds have been saved and the project implementer proposes to use the funds for new unplanned activities, or objective reasons occur which require to modify the terms of project implementation, the project implementer shall inform thereof by email the project administrator who then shall inform the Commission. The Commission may

decide to change the terms of project implementation and/or to allow using the saved funds for other unplanned project activities which would add value to the project.

51. If the Commission decides to allow using the saved funds for new unplanned project activities that fit the purpose of the project, and/or modify the terms of project implementation so that the modification would ensure an effective implementation of the project, it will call for signing a supplementary agreement to the existing agreement. The supplementary agreement shall cover new activities, if any, and new deadlines and terms for new or unperformed activities. In case a supplementary agreement is signed on the use of savings, a budget shall be enclosed that specifies the funds allocated for each activity.

52. After the project is completed, the project implementer shall submit a project implementation report to the project administrator by 1 December of the current year, unless the agreement provides otherwise. The project implementation report (the original of the project implementation report with signatures along with a certified copy of documentation to support expenditure) shall be sent by registered post or delivered to the address given by the project administrator. The date of receipt of the project implementation report shall be considered as the date of registration of the project implementation report with the project administrator.

53. The project implementation report shall include the content and financial parts.

54. The content part of the report shall cover:

54.1. relevance: the consistency of the obtained outcomes with the goals and the needs of the target group;

54.2. impact: the impact that the project will have on the future social and economic changes of the beneficiaries;

54.3. risk factors: problems encountered during the project (if any), and their impact on project outcomes; notable circumstances or factors to be considered when planning to continue the project or implement a new project, relying on the experience gained during this project;

54.4. sustainability: the continuity ensured by the project outcomes and the benefit gained by the beneficiaries after the completion of the project;

54.5. effectiveness: rational use of financial resources to achieve the outcomes, and the relation of the project's financial and other costs (human, time, etc.) with the outcomes of the project.

55. The financial part of the project implementation report shall be compiled in accordance with the requirements of the Republic of Lithuania Law on Accounting.

56. The project administrator shall carry out an evaluation of the project implementation report. The aims of evaluation of the project implementation report shall be to :

56.1. evaluate the outcomes achieved by the project;

56.2. evaluate the impact of the project on the target groups;

56.3. identify the project's strengths and weaknesses;

56.4. evaluate the appropriateness of the choice of the project, the implementer and the activities;

56.5. evaluate the rationality of the use of funds for the implementation of project activities and the achievement of the goal.

57. The evaluation of the project implementation report drawn up by the project administrator shall be submitted for the consideration of the Commission which shall take a decision to approve in full or in part or reject the project implementation report.

58. If the Commission decides to approve in part or reject the project implementation report, the reasons for the decision shall be specified in the minutes. If the project implementation report has been approved in part, the minutes shall also indicate the eligible costs of the project. In accordance with the adopted decision, the project implementer shall return the appropriate share or all of the funds received from the project administrator for project implementation. Where payment is effected by instalments under the agreement, and the allocations have not as yet been fully disbursed, the project administrator shall, following the Commission's decision, reduce the amount payable to the project accordingly.

59. On approval of the project implementation report by the Commission, the head of the Institution or his authorised person shall, within 10 working days from the adoption of the decision, together with the project implementer sign a letter of approval of the implementation of project activities. The statement shall also specify the funds repayable (if any) by the project implementer to the project administrator and the amount transferrable (if any) by the project administrator to the project implementer, as well as the dates of settlement.

60. The project shall be considered completed when the obligations of the parties to the agreement have been fulfilled and a letter of approval of the implementation of project activities has been signed.

#### **CHAPTER IV FINANCIAL REQUIREMENTS FOR PROJECT IMPLEMENTATION**

61. Development cooperation assistance provided by institutions shall not cover the procurement of arms and other military equipment, nuclear technology not intended for peaceful purposes, luxury goods, services or gifts, commercial and other activities that contradict the foreign policy interests of Lithuania.

62. An agreement for the implementation a project exceeding one year shall contain a reservation regarding the project funding to be dependent on the annual calendar budget appropriations of the Institution for development cooperation assistance. Each calendar year, the project administrator may also conclude with the project implementer a supplementary agreement to the project agreement regarding the current calendar year funding.

63. The project implementer shall ensure the execution of all the activities (i.e. works completed, services provided, etc.), and credibility and eligibility of the costs, i.e. the costs must be actually incurred during implementation of the project. The use of funds shall be recorded in the project implementer's accounting books.

64. The eligibility of costs shall be evaluated by the project administrator, and the Commission shall make a decision about the eligibility of costs by approving the report and the interim report (if any).

65. Eligible costs may include only those costs which:

65.1. are specified in the project application or the revised project application annexed to the agreement;

65.2. meet the terms and conditions of the agreement and are intended for the achievement of project goals;

65.3. are incurred during the project;

65.4. are in line with the principle of cost-effectiveness;

65.5. are supported by the documents justifying the costs incurred by the project implementer and payment confirmations or documents of equivalent confirming value, which are easy to verify, and which provide detailed specification of the actual costs incurred. If payment confirmation documents originate in a partner country, an explanatory note in the documents shall be made in Lithuanian by a person in charge of the financial project implementation activity.

66. The following project costs shall be considered eligible:

66.1. costs for planned activities, such as fees for speakers and experts, their social security contributions; remuneration costs related to the implementation of project activities, and remuneration-related costs; official missions (travel) expenses not exceeding the statutory rates for a partner country as established by relevant laws of the Republic of Lithuania; acquisition costs of services in line with the market price level (such as services of experts, speakers, event organisers, caterers, transport, equipment rental for events, etc.) and equipment acquisition, if that is an integral part of the project costs; completion of works (contractual costs), if that is an integral part of the project; costs related to project publicity (articles, posters, brochures, etc. ) and other costs;

66.2. planned project implementation costs, such as the costs of office space, vehicle rental and maintenance, short-term tangible asset acquisition or rental, communications, financial services (account fee, and costs of other banking operations, excluding foreign exchange), and external audit fees. Such costs may not exceed 10 percent of the share of the project value financed by the Institution, except when other costs are assigned for the implementation of direct project activities;

66.3. project management costs incurred by the project implementer: actual remuneration of the project manager, coordinator in charge of finances and other project team members, their social security contributions and other remuneration-related costs, if they are calculated and paid for the actual work time during the project. Remuneration costs are recommended to be calculated by the length of time served (hours of work for the project in relation to total working time). The project management costs incurred by the project implementer shall not exceed 10 percent of the share of the project value financed by the Institution;

66.4. contingency costs, if they were used to finance activities not provided for in the agreement, which in the implementer's opinion were necessary for the successful implementation of the project or added value to the project. Prior to using the contingency costs, the project implementer shall obtain permission for their use from the project administrator by email, unless the agreement provides otherwise. Contingency costs may not exceed 5 percent of the share of the project value financed by the Institution;

66.5. value added tax (hereinafter 'VAT' ), which is non-refundable to the project implementer;

66.6. remuneration for employees of institutions involved in the implementation of projects intended to carry out activities pursuing institutional mission and goals, if it is not contrary to the provisions of legislation on their remuneration;

66.7. mandatory project implementation costs, which were paid by the project implementer's partner, if such costs were provided for in the project application.

67. Costs found as ineligible shall not be covered. The following shall be considered ineligible project costs:

67.1. interest paid by the project implementer, having benefited of the funds provided;

67.2. real estate purchase costs, except where that is an integral part of the project;

67.3. costs for the acquisition of non-current assets and costs of other investments, including construction work where that is an integral part of the project;

67.4. funding replacing in-kind contribution, not provided for in the agreement;

67.5. costs already funded by other sources;

67.6. costs which increase the cost of the project without adding proportionate value to it;

67.7. VAT refundable to the project implementer;

67.8. other costs recognised as ineligible by the Commission.

68. If one or more of the activities of the project are not implemented or are implemented partially or appropriately, or the intended outcomes are not achieved or they are inadequate, the amount of costs or a part thereof assigned for the activities may be deemed to be ineligible costs by the Commission decision.

69. Meals shall not be covered, if experts, leaders of courses and trainings, and other participants of the project are paid per diem allowances during their official mission.

70. Per diem and accommodation costs shall be deemed eligible project costs when calculated in accordance with the Rules for calculating official mission expenses in public institutions, as approved by Resolution No 526 of the Government of the Republic of Lithuania of 29 April 2004 on the approval of the Rules for covering service mission expenses in public institutions.

71. Interest earned on the disposal of the project funds in a bank account shall be returned to the project administrator within the period referred to in the letter of approval of project activities, but no later than 5 working days before the end of the current year, and in



cases where the project administrator is the Central Project Management Agency no later than 10 working days before the end of the current year.

72. The project implementer may include in the financial part of the project implementation report only those costs that were incurred and paid during the project.

73. All project costs shall be supported also by accounting documents, such as payment orders, account statements, cash register orders, receipts (slips) or other documents showing that the payment was made.

74. Activities which are not supportable by accounting documents shall be supported by the accounting documents of the related economic (financial) transactions and economic events: invoices from contractors, service providers or suppliers, transfer-acceptance certificates, working time sheets, travel or other documents.

75. The documents referred to in paragraph 74 of the Description of Procedure and provided as documents supporting payment of costs shall be signed by the project implementer or his authorised person.

76. At the request of the project administrator, the project implementer shall submit the appropriate accounting documents supporting the declared costs and revenues of the project activities.

77. If the agreement provides for an external audit, auditor's findings and a copy of the agreement with the audit firm or self-employed certified auditor shall be annexed to the report.

78. Following the reporting, the project implementer shall repay the unused balance of the funds to the project administrator within the period specified in the letter of approval of the implementation of project activities, but no later than on 5 working days before the end of the current year, and in cases where the project administrator is the Central Project Management Agency no later than 10 working days before the end of the current year.

## **CHAPTER V PROVISION OF DEVELOPMENT ASSISTANCE IN OTHER WAYS**

79. The Institution shall provide multilateral development assistance by paying mandatory contributions and dues to the funds carrying out or coordinating development cooperation activities, as well as to international organisations and international financial institutions, including a contributions' share to the European Union budget.

80. The Institution may also provide multilateral development assistance by paying voluntary contributions and dues to the funds carrying out or coordinating development cooperation activities, as well as to international organisations and international financial institutions. The decision on voluntary contributions and dues shall be taken by the head of the Institution on a recommendation from the Commission.

81. The head of the Institution or his authorised person shall sign agreements on payment of voluntary contributions and dues, under which the funds assigned to development cooperation are transferred to the entities specified in paragraph 80 of the Description of Procedure, except where the conclusion of an agreement is governed by the procedure laid

down in the Rules for drawing up and concluding international agreements of the Republic of Lithuania as approved by Resolution No 1179 of the Government of the Republic of Lithuania of 1 October 2001 on the approval of the Rules for drawing up and concluding international agreements of the Republic of Lithuania.

82. A decision to provide bilateral and multilateral development assistance and in other ways set out in the Law, such as technical support, delegated cooperation, participation in projects funded by international donors (for example, the European Union Twinning programme), support for the development of the trade system and the private of a partner country (including the granting of low interest loans and guarantees and the participation in private sector economic entities of partner countries) and for the strengthening of their civil society, co-funding of programmes and budget support, shall be taken by the head of the Institution or his authorised person.

83. If a decision is taken to provide technical support to the partner country in cooperation with another institution, the Institution taking the decision may conclude an agreement on the use of budget funds with another unsubordinated budgetary institution in accordance with the Rules for drawing up and implementing the state budget of the Republic of Lithuania and municipal budgets laid down by Resolution No 543 of the Government of the Republic of Lithuania of 14 May 2001 on the approval of the Rules for the drawing up and implementation of the state budget of the Republic of Lithuania and municipal budgets.

84. The provisions of this Article shall not apply where technical support or co-financing is provided or carried out under the procedure set out in Chapters III and IV of the Description of Procedure.

85. Where the Institution takes a decision to submit the application to participate in implementing a project of international donors independently or together with a natural or legal person possessing appropriate competence, it shall draw up this application in cooperation with the Central Project Management Agency, except where the Institution is capable of drawing up the application on its own and, in case the Institution is the successful tendered, it has the capacity to ensure the administrative and financial management of the project in a more efficient way through the rational use of funds assigned to it.

86. The capacity to submit applications in a more efficient way, through the rational use of funds assigned to it, for participating in the implementation of projects of international donors and ensuring the administrative and financial management of the project shall be evaluated by the Institution in accordance with the following criteria:

86.1. Within the last three years, the Institution has successfully drawn up at least one application for participating in the implementation of a project of international donors for the value not lower than 70 percent of the project subject to management, and has successfully performed the administrative and financial management of this project. The project must have been completed, and the administrative and financial management of the project must have been performed using only the resources of the Institution.

86.2. The Institution has a sufficient number of qualified employees capable of ensuring the successful drawing up of an application and the financial and administrative management of a project. The number of employees and their competences shall be determined with account of the complexity, length and scope of a project. The institution wishing to draw up an application and ensure the financial and administrative management of a project independently shall have at least one employee who during the last three years has successfully drawn up or participated in drawing up at least one successfully prepared application for participating in the implementation of a project of international donors and has performed the administrative and financial management of at least one project funded by international donors for the value not lower than 70 percent of the project subject to management. The project managed by the employee must have been implemented with success.

87. Having regard to the results of evaluation, the Institution shall take the decision to draw up a project application on its own if it meets the criteria of paragraph 86 of the Description of Procedure, or draw up a project application together with the Central Project Management Agency. If a project application drawn up together with the Central Project Management Agency becomes the successful tender in a tendering procedure of international donors, the administrative and financial management of the project shall be performed by the Central Project Management Agency.

88. Information on the evaluation results and the decision taken on the drawing up of a project application shall be provided by the Institution to the Ministry of Foreign Affairs within 5 working days from the evaluation.

89. Payment for the administrative and financial management of projects of international donors shall be made to the Central Project Management Agency in accordance with the rules for the setting of rates as approved by the Ministry of Foreign Affairs and agreed on with the Ministry of Finance of the Republic of Lithuania.

90. The agreement of programme donors for the programmes referred to in the Law and intended for achieving particular development cooperation objectives or, where no such agreement exists, the description of the programme approved by the Government of the Republic of Lithuania shall specify which institution is to open an account for the programme funds, concludes agreements required for implementing the programme, supervises their implementation and carries out control on the utilisation of funds.

## **CHAPTER VI PROVISION OF HUMANITARIAN AID**

91. Humanitarian aid shall be provided where an appeal or request for humanitarian aid has been received from a country faced with a natural or manmade disaster (hereinafter 'disaster'), or an appeal or request to provide humanitarian aid has been announced by the United Nations or the United Nations specialised agencies, an organisation that is part of the International Red Cross and Red Crescent Movement, other international organisations or European Union institutions.

92. In providing humanitarian aid, institutions shall be guided by the Geneva Conventions of 1949 on the protection of war victims, their additional protocols of 1977 and 2005 and other international laws, 1991 Resolution No 46/182 of the United Nations General Assembly on the strengthening of coordination of humanitarian and disaster relief assistance of United Nations, and the European Consensus on Humanitarian Aid (2008/C 25/01) adopted in 2008 by the Joint Statement by the Council and the Representatives of the Governments of the Member States meeting within the Council, the European Parliament and the European Commission.

93. When taking decisions on the provision of humanitarian aid, institutions shall be guided by the needs assessment report, if drawn up, of international organisations or countries faced with a disaster, and shall take account of the recommendations and financial possibilities of the Ministry of Foreign Affairs and the scale of the disaster determined on the basis of the number of victims, injured persons, refugees and/or other people requiring assistance.

94. Institutions may provide immediate and long-term humanitarian aid in the following ways:

94.1. by sending experts to countries faced with a disaster and/or allocating financing for the organisation of humanitarian aid missions;

94.2. by paying the costs of services and travel to/from countries faced with a disaster of rescuers, medical personnel and experts;

94.3. by paying the costs related to the shipment of means of transport and their crews to countries faced with a disaster for the transportation of humanitarian aid or the transfer of the population affected by a humanitarian crisis from the area affected by the crisis to another location or country;

94.4. by paying the costs of treatment and health care services;

94.5. by transferring gratuitously assets owned by the state or municipality and managed by institutions under trust and intended for the provision of humanitarian aid to the ownership of international organisations, state or municipal institutions of other countries or public legal persons of other countries;

94.6. by paying cash contributions to international organisations, their agencies or European Union institutions when taking the decision on the contribution to international community initiatives to assign funds for the prevention of humanitarian crisis, unforeseen cases of humanitarian aid provision and other joint initiatives;

94.7. by transferring funds to the accounts of countries faced with a disaster and their competent authorities, the United Nations and United Nations specialised agencies, organisations that are part of the International Red Cross and Red Crescent Movement, other international organisations or European Union institutions where an appeal or request has been received from a country faced with a disaster or such an appeal or request for the provision of humanitarian aid to a country faced with a disaster has been announced by the United Nations or the United Nations specialised agencies, an organisation that is part of the International Red

Cross and Red Crescent Movement, other international organisations or European Union institutions;

94.8. municipalities may also transfer funds earmarked for humanitarian aid to the accounts of local or regional government institutions or their associations of countries faced with a disaster.

95. The Institution, on receiving directly or analysing independently a publicly announced request of a country faced with a disaster, the United Nations or a United Nations specialised agency, an organisation that is part of the International Red Cross and Red Crescent Movement, another international organisation or a European Union institution for the provision of humanitarian aid to a country faced with a disaster, shall assess the justification of humanitarian aid needs within its competence.

96. If the assessment finds that a request for the provision of humanitarian aid to a country faced with a disaster is justified, the Institution shall inform the Ministry of Foreign Affairs thereof in writing or by email and specify the needs of the country faced with the disaster, the type of humanitarian aid (immediate or long-term) and the possibilities of the Institution to provide the requested humanitarian aid. On evaluating the information received, the Ministry of Foreign Affairs shall, within five working days from the receipt of the request, make a recommendation to the Institution as to the expediency of providing humanitarian aid.

97. Having regard to the criteria for the provision of humanitarian aid specified in paragraph 93 of the Description of Procedure and the recommendation from the Ministry of Foreign Affairs, the Commission of the Institution shall consider the request for the provision of humanitarian aid to the country faced with a disaster and make a recommendation to the head of the Institution or his authorised person on the decision to provide humanitarian aid. The recommendation from the Commission shall specify the country faced with a disaster, the purpose of granting humanitarian aid, the possible way of providing humanitarian aid and the size of such aid, the institution of the affected country, the international organisation or agency to which humanitarian aid is granted, and other related information.

98. On taking the decision to provide humanitarian aid in a way or ways indicated in paragraph 94 of the Description of Procedure, the Institution shall, no later than within three working days from the adoption of the decision, inform the Ministry of Foreign Affairs in writing or by email of the decision taken and specify the type, way and size of humanitarian aid provided, as well as other information related to the provided humanitarian aid.

99. In providing humanitarian aid, the Institution shall procure goods and services in accordance with the Law of the Republic of Lithuania on Public Procurement.

## **CHAPTER VII**

### **TRANSFER OF STATE- OR MUNICIPAL-OWNED PROPERTY, MANAGED BY INSTITUTIONS UNDER TRUST, FOR THE PURPOSE OF DEVELOPMENT COOPERATION ACTIVITIES AND PROVISION OF HUMANITARIAN AID**

100. Intended for the purpose of development cooperation activities, state- or municipal-owned property that is managed by institutions under trust may be transferred free of charge to the ownership of international organisations and state or municipal institutions or public legal persons of other countries, if it is an integral part of the project; or if the gratuitous transfer of the ownership of the property in line with the Law and the Development Cooperation Policy Guidelines is effected at a reasoned request of an international organization, a state or municipal institution or public legal person of a partner country, and the transfer of such property is necessary to ensure assistance to a specific partner country, provided for in the Development Cooperation Policy Guidelines.

101. Intended for the purpose of humanitarian aid, state- or municipal-owned property that is managed by institutions under trust may be transferred free of charge to the ownership of international organisations and state or municipal institutions or public legal persons of other countries, if this property is transferred free of charge on an appeal or request of a country faced with a disaster, the United Nations or a United Nations specialised agency, an organisation that is part of the International Red Cross and Red Crescent Movement, another international organisation or a European Union institution, and the transfer of such property is necessary to ensure the provision of humanitarian aid.

102. Property transfer-related issues shall be considered and recommendations to the property manager provided by the Commission of the Institution. The Commission may also consider and make recommendations to the property manager regarding specific property that may be assigned for development cooperation activities or the provision of humanitarian aid.

103. If the Commission decides to recommend to the property manager to transfer state-owned immovable or non-current tangible movable property with a residual book value of more than EUR 30 000, including amortisation and depreciation, the Institution shall initiate the drafting of an relevant resolution of the Government of Lithuania and submission thereof to the Government of the Republic of Lithuania, following the procedure prescribed by the Rules of Procedure of the Government of the Republic of Lithuania, approved by Resolution No 728 of the Government of the Republic of Lithuania of 11 August 1994 on the approval of the Rules of Procedure of the Government of the Republic of Lithuania.

104. The draft resolution of the Government of the Republic of Lithuania or draft decision of the property manager on the transfer of property for the purpose of development cooperation assistance or provision of humanitarian aid shall be agreed with:

104.1. the founder of the institution transferring the property (except an institution where the founder is the Seimas of the Republic of Lithuania or the Government of the Republic of Lithuania) or the institution authorised to perform the functions of the founder;

104.2. the Ministry of Education and Science of the Republic of Lithuania if property managed under trusted by state science and educational institutions is being transferred.

105. The proposed draft resolution of the Government of the Republic of Lithuania or draft decision of the state property manager on the transfer of the property for the purpose of development cooperation activities or the provision of humanitarian aid shall enclose:

105.1. a reasoned request of an international organisation, a state or municipal institution or public legal person of a partner country to transfer state-owned immovable or non-current tangible movable property or current assets, or an appeal for the provision humanitarian aid;

105.2. the decision of the Commission recorded in the minutes to recommend the transfer of property;

105.3. for movable non-current property and short-term tangible assets subject to transfer, the list of the property approved by the head of the institution managing the property under trust; the list shall be executed as an annex to the resolution of the Government of the Republic of Lithuania or decision of the property manager, and shall specify:

105.3.1. the acquisition value (if any) of the unit of property;

105.3.2. the residual value of the unit of movable non-current tangible assets;

105.3.3. the total value of property subject to transfer (for movable non-current tangible assets in accordance with the residual value, and for movable current tangible assets in accordance with the acquisition value);

105.3.4. other data identifying movable non-current and current tangible assets;

105.5. for the transfer of immovable property, information extracts from the central database of the real estate register, and copies of the files of the real estate cadastre in case of transfer of an immovable item;

105.6. the statements of agreement indicated in subparagraphs 104.1 and 104.2 of the Description of Procedure.

106. The property manager or his authorised representative and the recipient of the transferred property or his authorised representative shall, within 15 working days from the entry into force of the resolution of the Government of the Republic of Lithuania or signature of the decision by the property manager, sign a transfer-acceptance certificate for the transfer of state-owned movable and immovable property intended for development cooperation activities or the provision of humanitarian aid.

107. When supervising the implementation of the procedure for the transfer of the state-owned property intended for the development cooperation activities and the provision of humanitarian aid, the Ministry of Foreign Affairs shall collect and store information about the property transferred by institutions (the institution transferring the property, the entity receiving the property, the property value and date of transfer).

## **CHAPTER VIII.**

### **PUBLIC INFORMATION ON DEVELOPMENT COOPERATION ACTIVITIES AND PROVISION OF HUMANITARIAN AID**

108. Institutions shall publish information on development cooperation activities and the provision of humanitarian assistance on their websites, and they may also publish this information in other media.

109. Institutions providing bilateral development assistance in accordance with Chapters III and IV of the Description of Procedure shall publish information on a project being implemented only after the agreement has been signed.

110. When providing bilateral development assistance in accordance with Chapters III and IV of the Description of Procedure, the agreement shall specify that the project implementer will publish information on projects being implemented on its website (if any) after the agreement has been signed, and also, where possible, publish in in other media and ensure the visibility of the institution in the project by other means.

111. At the decision of the Commission, information on applications for democracy promotion, concept notes, activities, implementers and funds, the publication of which could have a negative impact on their implementation or implementers and also cause undesirable effects after their implementation, shall not be published.

112. Institutions carrying out development cooperation activities and/or providing humanitarian aid shall, by 31 January of each year, provide the Ministry of Foreign Affairs with information on development cooperation assistance and/or humanitarian aid provided in the previous calendar year, including information on the property transferred.

113. The Ministry of Foreign Affairs shall summarise the information received from institutions and publish it on its website by 1 March of each year.

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