**Draft**

**GUIDELINES FOR THE APPLICANTS OF THE CALL**

**“ MECHANISMS OF SOCIAL INCLUSION STRENGTHENING FOR CHILDREN AND YOUNG PEOPLE WITH HIGH-RISK BEHAVIOURS AND / OR FROM DISADVANTAGED BACKGROUNDS “**

**UNDER THE PROGRAMME “HEALTH“ OF THE EUROPEAN ECONOMIC AREA FINANCIAL MECHANISM 2014-2021**

1. **General provisions**
2. The Guidelines for Applicants of the open call “Mechanisms of social inclusion strengthening for children and young people with high-risk behaviours and / or from disadvantaged backgrounds**” (hereinafter – Guidelines)** under the EEA financial mechanism programme “Health” 2014-2021 lays down the requirements for applicants, which they shall follow in preparing and submitting their applications.
3. The requirements set out in the Guidelines are also regulated by:
	1. Memorandum of Understanding regarding the implementation of EEA financial mechanism 2014–2021 of 24 April 2018 among the Republic of Lithuania and Iceland, the Principality of Liechtenstein and the Kingdom of Norway (hereinafter – the Memorandum);
	2. Regulation implementing EEA financial mechanism 2014–2021 (hereinafter – the Regulation) approved by EEA Financial Mechanism Committee on 8 September 2016;
	3. Rules of Administration and Financing of EEA and Norwegian Financial Mechanisms 2014-2021 (Order No. 1K-389 of the Minister of Finance of the Republic of Lithuania of 12 November 2018);
	4. Contract regarding the financing of the EEA financial mechanism programme “Health” 2014-2021 of the Ministry of Finance of the Republic of Lithuania and the EEA Financial Mechanism Committee of 3 September 2019;
4. Terms and abbreviations used in the Guidelines:
	1. **Co-financing Funds** – funds of the state budget of the Republic of Lithuania for financing programmes implemented from EEA and (or) Norwegian financial mechanism funds.
	2. **CPMA** – PI Central Project Management Agency.
	3. **Donor Project Partner** – a legal entity established as a legal person in one of the Donor States (the Republic of Iceland, the Principality of Liechtenstein and the Kingdom of Norway, which is actively involved in the preparation of a project application and contributes to the implementation of the project on the basis of a partnership agreement signed with the Project Promoter.
	4. **DMS** – site for the exchange of project data of EEA and Norwegian financial mechanisms 2014-2021.
	5. **EEA** – European Economic Area.
	6. **Young person (youth) -** a person between the ages of 14-24 years (inclusive).
	7. **MAFR** - Rules of Administration and Financing of EEA and Norwegian Financial Mechanisms 2014-2021, approved by the Order No. 1K-389 of the Minister of Finance of the Republic of Lithuania of 12 November 2018;
	8. **Mechanism Funds** – funds of EEA mechanism 2014-2021;
	9. **New methodology** - a program / tool / service or service package developed, licensed and / or certified, and / or patented, and / or otherwise approved in a foreign country, or a program / tool / service or service package developed by the applicant itself, which does not repeat or does not duplicate other similar programs / tools / services and / or is not a modified version of it. The methodology must have its own guidelines, manual or other document that reveals a clear content of the methodology, principles, working methods and tools, clearly identifies the target groups, etc. - that is, explain the content of the methodology and its application;
	10. **New work model** - activities that improve the provision of existing services and work with the selected target group (e.g., proposing a new algorithm for the provision of existing services or solving a specific problem);
	11. **The new assistance mechanism** - a set of services and / or working methods, of which at least 50 percent there are new services and (or) working methods (i.e. services / working methods not applied/ not available in Lithuania), due to which the supply of existing services to the selected target group is increased and work with it is made more efficient;
	12. **Applicant** – a legal entity registered in Lithuania having submitted a project application. After signing a project contract, the Applicant becomes a Project Promoter.
	13. **Process Working Group** – a working group for the establishment of processes of administration of EEA and Norwegian financial mechanisms, set up by Order No. 1K-109 of the Minister of Finance of the Republic of Lithuania of 8 March 2018 “Regarding the Formation of a Working Group”;
	14. **Project Partner** – a legal person registered in Lithuania or in one of Donor states, actively involved in the preparation of a project application and contributing to the implementation of the project on the basis of a partnership agreement signed with the Project Promoter.
	15. **Project Promoter** – a legal entity registered in Lithuania to which mechanism, co-financing funds are allocated and which, on a basis of a contract signed with the CPMA, is responsible for the implementation of the project selected under the call „Mechanisms of social inclusion strengthening for children and young people with high-risk behaviours and / or from disadvantaged backgrounds".
	16. **Programme** – EEA financial mechanism programme “Health” 2014-2021 (hereinafter also referred to as the Health Programme).
	17. **Market Research –** collection of qualitative and quantitative information on the supply of goods, services, suppliers, goods supplied, services provided by them, and service prices, their analysis and preparation of general conclusions for making decisions on the funds needed for the procurement of the project.
	18. **Child** - a person under 18 years of age;
	19. **Donor States** – the Republic of Iceland, the Principality of Liechtenstein and the Kingdom of Norway.
	20. **Local specialists and / or service providers -** child protection specialists, social workers, case managers, inter-institutional co-ordinators, social educators, psychologists, police officers, special educators, educational support specialists, educators of socialization centers and / or other professionals of those centers’ working directly with children.
	21. **Indicator** - a quantitative or qualitative variable that specifies what is to be measured along a scale or dimension.
	22. **Outcome** - the (short and medium-term) effect of an intervention’s outputs on the intermediaries or end beneficiaries.
	23. **Output** - the products, capital goods and services delivered by a programme to the intermediaries.
5. Other terms used in the Guidelines shall be understood as they are defined in the legal acts specified in these Guidelines and the Description of Functions of the Authorities Responsible for the Management and Control of EEA and Norwegian Financial Mechanisms 2014-2021, approved by the Minister of Finance or the Republic of Lithuania 12 November 2018 order No 1K-389 “On the implementation of 2014-2021 European Economic Area and Norwegian Financial Mechanisms in Lithuania”.
6. **Objectives of the programme “HEALTH” and areas of support**
7. The aim of the Programme is improving prevention and reducing health inequalities.
8. The Programme's open call “Mechanisms of social inclusion strengthening for children and young people with high-risk behaviours and / or from disadvantaged backgrounds (hereinafter – the Call) will aim to develop and implement an effective qualitative system of methods and integrated services for vulnerable children and young people, thus ensuring the well-being of children and young people.
9. The following are the activities to be financed by the open call:
	1. implementation and application of new methodologies and / or new support mechanisms and / or new work models for children and / or young people from the selected target group(s) during the project implementation;
	2. acquisition of the necessary tools to implement and / or apply new methodologies and / or new support mechanisms and / or a new working model for children and / or young people from the selected target group(s);
	3. simple repairs of premises where new methodologies are implemented and / or applied, new support mechanisms, new work patterns for children and / or young people from the selected target group(s);
	4. events, training, studies, surveys and the like that are necessary for the introduction and / or application of new methodologies, new support mechanisms, a new working model for children and young people from the selected target group(s).
10. EUR 4 000 000.00 (of which EUR 3 400 000.00 from the Mechanism Funds and EUR 600 000.00 from the national co-financing) shall be allocated for the implementation of the projects under the call.
11. All information on the Programme and the submission of Programme project applications is published online at [www.eeagrants.lt](http://www.eeagrants.lt) and [www.cpva.lt](http://www.cpva.lt).
12. **Eligible applicants, project partners and requirements for the partnership agreement**
13. Potential Applicants are Lithuanian Republic legal persons.
14. Project Partners are Lithuanian Republic and Donor State legal persons.
15. In this call, the same institution can submit one application only as an Applicant. Should an Applicant submit more than one application, the first submitted application only shall be assessed (based on the date and time of its submission), and all other applications shall be rejected.
16. The number of project partners is unlimited.
17. The same legal entity may participate as a partner in several projects, but only in one project as an Applicant.
18. The benefits and contribution of a Partner (-s) in the project shall be substantiated in the project application. The Applicant shall choose as partners solely those legal and natural persons (where applicable), who will make an actual contribution to the activities of the project and / or will actively use the results created in the course of the project. The Applicant shall assess the necessity of the Partner (-s) for the project and the related management difficulties.
19. A draft partnership agreement (or where a partnership agreement has been signed before the submission of an application - a copy of the signed agreement) or a letter of intent to conclude such an agreement shall be submitted along with the application. One partnership agreement may be concluded with all Project Partners or a separate partnership agreement (-s) may be concluded with each individual Project Partner (-s). A draft partnership agreement or a letter of intent shall be submitted in English, if a partner from a Donor State is at least one party to the partnership agreement or the letter of intent.
20. The template of the partnership agreement in English is available online: [https://eeagrants.org/resources/2014-2021-bilateral-guideline-annex-6-partnership-agreement-template.](https://eeagrants.org/resources/2014-2021-bilateral-guideline-annex-6-partnership-agreement-template)
21. Where a copy of a draft partnership agreement or a signed partnership agreement is submitted along with the application, it shall include the following conditions:
	1. Purpose of the agreement, distribution of tasks between the Applicant and the Partner (-s) in the implementation of the project;
	2. Detailed budget of the project, distribution of costs between the Applicant and the Partner (-s), procedure of covering costs of the Partner (-s), including provisions on the applicable exchange rate if the costs are incurred in a currency other than the euro (in any case, exchange losses are ineligible costs for the project);
	3. Provisions on the method of calculation of indirect costs (possible methods are set out in clause 276 of the MAFR) and the maximum possible sum of indirect costs;
	4. Provisions governing the procedure of covering costs incurred by a Project Partner (-s) from a Donor State. Pursuant to clauses 290 and 292 of the MAFR, to account for its costs, a Project Partner from a Donor State may present the following to the Project Promoter:
		1. Copies of documents substantiating costs and proof of their payment, or
		2. If a Project Partner from a Donor State is a public authority or institution having a competent official who is entitled to audit the respective entity and whose independence in the preparation of financial statements is ensured, such a Project Partner may submit with each payment request declaring the costs incurred thereby a report signed by the said competent official regarding the eligibility of the costs for financing (according to the form prepared by the Process Working Group confirming that the costs indicated in the conclusion on the eligibility of the costs for financing have been incurred in accordance with the Regulation, national legislation and accounting practices in the partner country;
		3. If a Project Partner from a Donor State is not a public authority or institution and / or does not have a competent official, who is entitled to audit the respective entity and / or whose independence in the preparation of financial statements is not ensured, such a Project Partner may submit with each payment request declaring the costs incurred thereby a declaration of costs of the partner (in the form prepared by the Process Working Group) confirming that the costs specified in the declaration of costs have been incurred in accordance with the Regulation, national legislation and accounting practices in the project partner’s country. Such a declaration of project partner’s costs shall additionally be signed by a Project Promoter’s representative, certifying that the Project Partner has completed the activities, provided the services, and the Project Promoter is satisfied with the result, while the expenses incurred are in line with the project budget. If the total costs incurred by the Project Partner from a Donor State throughout the entire period of implementation of the project exceed EUR 10 000 (except for expenses, which have been paid in a simplified procedure, at a unit cost and / or a flat rate), a report regarding the eligibility of costs (in the form prepared by the Process Working Group) signed by an independent auditor shall be submitted along with the final payment request for all costs incurred by the Project Partner. In such a case, a draft partnership agreement (a signed partnership agreement) shall also indicate which party of the partnership agreement (Project Promoter or Donor Project Partner) shall be the buyer of and the payer for the services of audit of costs of a Donor Project Partner, ensuring that a service provider conducting an audit is competent to audit such costs and to confirm that the costs incurred by the Project Partner comply with the requirements of the Regulation and legal acts applicable in the Donor State of the Project Partner as well as with accounting principles.
	5. The provision that the amount of costs incurred shall be denominated in the euro in the declaration of costs and / or the conclusion on the eligibility of costs. Where costs have been incurred in a foreign currency, they shall be converted into the euro according to the reference exchange rate published by the European Central Bank at the date of the declaration of costs and / or the conclusion on the eligibility of cost.
	6. The provision that the Project Partner shall store documents of substantiation of costs and evidence of their payment in observance of provisions of applicable legislation, but not less than specified in the project contract;
	7. The provision that the Project Partner shall create conditions for inspecting and auditing project and project-related documents for institutions entitled to do that in the implementation of the programme;
	8. The provision regarding dispute resolution.
	9. The provision stating that the project budget, breakdown of costs between the applicant and the partner (s), the method of calculation of indirect costs and their maximum amount, set in the partnership agreement or its draft, prepared before submitting a project application, may vary according to the amount of eligible costs determined during the evaluation of the application. In case the project budget changes, the partnership agreement will have to be modified.
22. Where a letter of intent to sign a partnership agreement is submitted along with the application, it shall include at least the following conditions:
	1. The purpose of the letter of intent, distribution of tasks between the Applicant and the Partner (-s) in the implementation of the project;
	2. Detailed project budget, distribution of costs between the Applicant and the Partner (-s).
23. Where a draft partnership agreement or a letter of intent is submitted along with the application, a copy of a signed partnership agreement shall be submitted to the programme operator before signing a project contract.
24. The Partner (-s) shall participate in the implementation of the project and shall use its results or products, however the Applicant shall be responsible for proper implementation, coordination of the project and the use of funds. Where mechanism funds and co-financing funds are allocated for the project, a project contract shall be concluded with the Applicant, who shall become a Project Promoter as from the date of signing the project contract. Mechanism funds and co-financing funds allocated for the implementation of the entire project shall be paid directly to the Project Promote, who shall then settle with the Partner (-s).
25. **Eligible projects**
26. Financing shall be allocated for projects that contribute to the pursuit of objectives of the Programme and this open call, and that meet this special project eligibility criteria (the criteria is mandatory for all Projects) – during the implementation of the project it is foreseen to introduce and/ or apply new methodologies and / or new support mechanisms and / or a new working model for children and young people from the selected target group (s).
27. Possible target groups of the projects:

23.1. children and young people from socially at-risk families starting independent lives; children and young people from the care system (child care institutions, families of guardians (caregivers), families) starting independent life;

23.2. children and young people who leave closed institutions (e.g. socialization centers, mental (psychiatric) day hospitals) and start independent living or return to their place of residence; children with special needs (including children with delinquent behaviour, children with behavioural and emotional disorders, children with disabilities, children with developmental disorders);

23.3. children - victims of violence (including domestic violence) and children, and young people -victims of trafficking.

1. In the implementation of the project the Applicants shall seek to contribute () to the achievement of the following outcome and output monitoring indicators (the indicators are mandatory) :

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| **Outcome Indicator** |
| * 1. Share of trained staff self-reporting on improved capacity to recognize and treat cases of children and youth suffering from bullying and/or psycho-social problems
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| **Output Indicator** |
| * 1. Number of initiatives for children and young people from vulnerable groups developed and implemented
 |
| * 1. Number of local specialists/service providers involved in providing services for children/youth
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1. The Applicants applying in partnership with Donor State entities shall also contribute to the bilateral outcome of the Programme: "Enhanced collaboration between Donor and Beneficiary State entities involved in the Programme”, expressed by the following indicators:

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| **Outcome Indicator**[[1]](#footnote-2) |
| * 1. Level of trust between cooperating entities in Beneficiary States and Donor States
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| * 1. Level of satisfaction with the partnership
 |
| * 1. Share of cooperating organisations that apply the knowledge acquired from bilateral partnership
 |
| **Output indicator** |
| * 1. Number of participants from Beneficiary States in exchanges
 |
| * 1. Number of participants from Donor States in exchanges
 |
| * 1. Number of projects involving cooperation with a Donor Project Partner
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1. A methodology for calculating monitoring indicators is provided in Annex 6 to the Guidelines.
2. A maximum of 30 months shall be planned for the implementation of project activities. During the implementation of the project, the project activities may be extended in presence of duly justified reasons, but not longer than till 30 April 2024.
3. The project shall be prepared in observance of the principles of **good governance** (accountability, transparency, participation, equality, rule of law, skills, competence and sensitivity to human needs shall be ensured in the implementation of the project), **sustainable development** (alignment of economic, social development and environmental protection objectives, taking into account their complex interdependence and the expected effects of their implementation) and **gender equality and equal opportunities** (ensuring equal opportunities for women and men and the elimination of any discrimination based on ethnic or racial origin, age, disability, sexual orientation, religion or views). The project cannot have an adverse impact on these principles.
4. The project shall meet the set project administrative criteria, general project selection criteria and specific project compliance criteria (project eligibility criteria) and shall aim to meet the specific priority project selection criteria (benefit and quality) laid down in Annexes 3, 4 and 5 to the Guidelines.
5. The project shall be non-profit-making, aimed at serving the public interest (pursuing goals important to the society rather than a commercial interest or satisfaction of needs of a single person (legal or private).
6. **Requirements for the provision of *DE MINIMIS* aid**
7. According to the Guidelines, *de minimis* aid is not provided.
8. **Requirements for eligible project costs and financing**
9. Project costs shall comply with requirements which project costs are subject to, laid down in Chapter XIX of the MAFR and the eligibility requirements set out in Chapter 8 of the Regulation.
10. The minimum amount of mechanism and co-financing funds, which may be requested under this call, shall be EUR 200 000.00 (two hundred thousand euro) and the maximum shall be EUR 250 000.00 (two hundred fifty thousand euro).
11. The maximum share of the project, which may be financed from the mechanism and co-financing funds, shall be 100 percent of the total eligible project costs. If the Applicant is a non-governmental organization, as defined in Article 1.6 (n) of the Regulation, or a social partner, as defined in Article 1.6 (y) of the Regulation the maximum share of the project, which may be financed from the mechanism and co-financing funds, shall be 90 percent of the total eligible project costs
12. The Applicant and / or the Partner may, at its own initiative and funds of its own and/or other sources, contribute to the implementation of the project more than the requested amount. If the Applicant is a non-governmental organization, as defined in Article 1.6 (n) of the Regulation, or a social partner, as defined in Article 1.6 (y) of the Regulation, the Applicant and / or the Partner (-s) shall contribute to the project at least 10 percent (i.e. the share of own contribution) of the total eligible costs of the project, and ensure payment of all other costs necessary for the implementation of the project, including ineligible costs during the implementation of the project.
13. If the Project Promoter is a non-governmental organization, as defined in Article 1.6 (n) of the Regulation, or a social partner, as defined in Article 1.6 (y) of the Regulation, up to 50 percent of its own contribution may be covered by a contribution in kind. The own contribution covered by a contribution in kind shall meet the conditions and be justified in accordance with provisions of the Methodology of Calculation and Application of the Covering of Own Contribution to Projects of EEA and Norwegian Financial Mechanism Programmes 2014 – 2021 by Contributions in Kind” approved by the CPMA deputy director 19 September, 2019 ordinance No DR-20-2-2019-11, published online at www.cpva.lt.
14. Eligible costs shall be directly linked to the implementation of the project and necessary to achieve the goal and the intended results of the project. The principles of economy, efficiency and effectiveness shall be followed when planning a project budget.
15. The implementation of project activities may be commenced and project costs shall be eligible from the date of the decision on project financing. Inclusion of an expenditure item into the project budget template approved by the Programme Operator cannot be considered as confirmation of eligibility of that expenditure item. All project activities shall be completed and all costs shall be incurred and paid during the period of eligibility of project costs for payment till the deadline for the eligibility of project costs for payment indicated in the project contract, except for costs, which were invoiced in the last month of the period of eligibility of costs for financing and which are considered eligible for financing, if the invoice substantiating the project costs is paid within 30 days from the end of the period of eligibility of project costs for financing. Final date of eligibility of expenditure in projects is 30 April 2024.
16. The project and project activities may not have been financed or be financed, or, having granted financing, submitted for financing from other programmes financed from state budget funds, other funds or financial mechanisms (European Union Structural Funds, the Swiss Confederation, etc.) and other EEA Financial Mechanism programmes, if this may lead to eligible costs of the project or a part thereof being financed several times, including de minimis aid.
17. Calculation (substantiation) of project costs shall be submitted along with the planned project budget. In cases where costs are incurred in connection with (public) procurement (except for costs to be declared and paid in a simplified procedure), the planned costs shall be based on the conducted market research. The recommended market research summary form and explanations for its completion are provided in Annex 8 to the Guidelines.
18. The following are the categories of eligible or ineligible costs under this Call:

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| **Cost category No.** | **Cost category name** | **Requirements and explanations** |
| **Direct costs** |
| 1. | Land and real estate | Ineligible. |
| 2. | Contractor works (construction, reconstruction, repair and other works) | Costs relating to simple repairs (without reconstruction or major overhaul) of the premises intended for YFHCSs Coordination Centre required for the development of the Model may be financed. Costs on simple repairs may not exceed 20 percent. eligible project costs |
| 3. | Fixed assets | Costs of depreciation of new or used equipment or devices (hereinafter all together referred to as equipment), necessary for the implementation of the project, achievement of project objectives and indicators, and project administration and publication, used in the project falling within the period of project implementation, provided that equipment is depreciated according to generally accepted accounting principles which the Project Promoter or Partner, or similar equipment in general, is subject to. If the equipment is an integral and necessary component for achieving the outcomes of the project, the entire purchase price of that equipment may be recognized as eligible costs (this shall not apply to project administration and publicity). In such a case, ensuring that the Project Promoter keeps the equipment in its ownership for a period of at least five years following the completion of the project and continues to use that equipment for the benefit of the overall objectives of the project for the same period, keeps the equipment properly insured against losses such as fire, theft or other normally insurable incidents both during project implementation and for at least five years following the completion of the project, ensures proper equipment maintenance at least 5 years after the end of the project, shall be necessary, unless the project contract establishes otherwise (insurance costs during the lifetime of the project may be eligible project funding). Where a Partner purchases equipment, the Project Promoter shall ensure that the Partner abides by the above provisions. Movable tangible property used directly in carrying out project activities, the cost of acquisition of which is EUR 1 000 and more (irrespective of the value which the Project Promoter or the Partner considers the minimum value for categorizing the acquired assets as fixed assets according to their accounting policy), such as movable or stationary objects, tools, machinery, mechanisms or instruments required to create an art work, when the following conditions are met, shall be considered equipment: the useful life of assets is more than one year when used for their intended purpose, and the assets used retain their original form and appearance; when in case of damage of assets, a loss or depreciation of parts thereof fixing the assets than replacing them with new ones is more expedient; assets do not lose their identity (ability to perform functions) even when integrated into another more complex unit.In cases when it may or is used for other than the project’s purposes, costs of depreciation or acquisition of the equipment (if applicable) shall be financed in application of the *pro-rata* principle (taking into account the proportion of the use of equipment for project and other purposes).Costs for fixed assets may not exceed 20 percent of eligible project costs. |
| 4. | Goods (current assets) and services | Costs of acquisition of goods and services necessary for the implementation of the project, the achievement of goals and indicators of the project, and project administration and publicity.In cases where they may or are used for other than the project’s purposes, the costs of acquisition of goods from the project’s funds shall be financed in application of the *pro-rata* principle (taking into account the proportion of the use of equipment for project and other purposes). |
| 5. | Business trips and traveling  | Costs of traveling and business trips of employees carrying out and administering project activities and engaged in publicizing project activities, including daily allowances.All Project Promoters and / or Partners from Lithuania, irrespective of their legal status, shall be subject to provisions of the Resolution No. 526 of the Government of the Republic of Lithuania of 29 April 2004 “Regarding the Payment of Daily Allowances and Compensation of Other Business Trip Expenses” (except for cases where expenses are declared and compensated in a simplified procedure).Expenses of business trips and traveling abroad (where they last for more than 1 day) (excluding costs of traveling abroad and going back in all types of vehicles) shall be declared and compensated in a simplified procedure in application of the respective per diem rates of the European Commission (which cover costs of travel insurance, accommodation, meals, local trips and other necessary travel expenses abroad) (unit costs) (also available here: <https://www.cpva.lt/data/public/uploads/2020/01/europos-komisijos-skelbiamos-dienpinigiu-normos-perdiems-2017-03-17_en.pdf> ). The per diems applied during the implementation of the project shall remain unchanged.Travel expenses incurred during the business trips and traveling within the territory of the Republic of Lithuania (fuel or public transportation expenses) shall be declared and compensated on a simplified bases, applying the unit costs per 1 km (EUR 0.07/ km exclusive of VAT, or EUR 0.08/ km inclusive of VAT), set in the Report No. FĮ-005 on the Analysis for Setting Unit costs of Fuel and Public Transportation Expenses (edition of 24 April 2015) of the Ministry of Finance of the Republic of Lithuania, available on the website [www.esinvesticijos.lt](http://www.esinvesticijos.lt) (document “Analysis of Simplified Compensation of Expenses” under the section “Documents”, sub-section “Analyses”). The unit costs applied during the implementation of the project shall not be changed, except when changes the VAT rate applicable to fuel and (or) public transport costs; and (or) when following the methodology used for the determination of unit costs for projects of the European Union Structural Funds, the managing or audit authority of the European Union Structural Funds determines that unit cost rate or the conditions of its application has not been properly determined. In cases when the unit cost rate should have been lower or otherwise applied, the adjusted rate or conditions of its application shall apply for the payment of simplified project costs incurred from the date of entry into force of the revision of the rate or conditions of its application). |
| 6.  | Salary  | Salary payable for the time of employees hired or assigned to administer the project or engage in the publicizing the project, which they spent actually working on the project: salary, social insurance contributions and salary-related expenses established by legal acts, if they are in line with the usual Project Promoter’s and Partner’s salary policy. Solely the share of costs, which is directly related to the project being carried out and calculated and paid for the time spent working on the project shall be considered eligible costs.Respective salary expenses of employees of public authorities shall be eligible to the extent they are related to activities, which the respective public authority would not carry out, if it wasn’t for the project.Salary expenses shall not exceed the market rates payable to employees of a respective specialization and qualification, except in duly justified cases. Salary of employees of budgetary institutions, teachers and educational staff shall be calculated in accordance with national legislation governing the calculation of salary of such employees. The planning of salaries may be based on data published by Statistics Lithuania of the Republic of Lithuania, data on similar projects, historical salary data provided by the Applicant and / or a Partner, or data on salary normally paid in the company (institution, organization) for the same functions and / or duties (for example, statements on the average monthly salary of 6 months of the specific employee, statements on the average salary of employees in the respective position (or carrying out similar functions), information about the average salary in the company (institution, organization), published by the Project Promoter, etc.). The application shall contain information on the number of hours (days, months) planned for each position (function) or their group for the implementation of the project and the planned average hourly (daily, monthly) rate, also explaining the basis and/or indicating the methodology used to calculate the planned average hourly (daily, monthly) rate and enclosing the supporting documents (if necessary).Expenses for annual leave and additional days-off of employees implementing and administering the project shall be declared and paid on a simplified bases by applying the coefficients of payments for annual leave and additional days-off set in the Report No. FN-005 on the Analysis on Setting Flat Rates of Payment of Annual Leave and Additional Days Off (edition of 20 July 2017) of the Ministry of Finance of the Republic of Lithuania, published on the website [www.esinvesticijos.lt](http://www.esinvesticijos.lt) (document “Analysis of Simplified Compensation of Expenses” under the section “Documents”, sub-section “Analyses”). |
| **Indirect costs** |
| 7. | Indirect costs | Eligible indirect project costs are costs that are not directly attributable to the implementation of project activities, but are necessary for the implementation of the project and can be related to direct project costs. Indirect costs may not include any direct eligible costs. The method for determining indirect costs shall be selected (and, where appropriate, justified) at the time of drafting an application.The methods for determining indirect project costs are provided for in clause 276 of the MAFR: either on the basis of actual indirect costs (subclauses 276.1 and 276.2 of the MAFR) or at a flat rate (subclauses 276.3.1, 276.3.2 and 276.3.3 of the MAFR).If the method provided for in subclause 276.3.1. of the MAFR is selected to determine indirect costs of the project, indirect project costs shall be justified in accordance with provisions of the "Methodology for Determining and Applying a Flat Rate for Indirect Costs” approved by the CPMA and published online at [www.cpva.lt](http://www.cpva.lt) (current edition: <https://www.cpva.lt/eee-ir-norvegijos-finansiniai-mechanizmai-2014-2021-m./dokumentai/682/act719?sqid=994b3627fada2d63b94793688db3b709c08413e2>).Examples of indirect costs are the general costs of the organization for infrastructure (such as electricity, natural gas, heating, water, cleaning, security, room maintenance, communications, etc.), small office equipment and office supplies, and horizontal activities of the organization such as administrative and financial management, human resources, training, legal advice, etc., as part of the project implementation. |

1. The flat rates applied during the implementation of the project shall not be changed, unless the coordinating authority, audit authority or other auditing authorities or, in the case of simplified costing methodologies for European Union Structural Funds projects, the European Union Structural Funds Managing Authority or audit authority determines that: the amount of the simplified reimbursement or the conditions for its application were incorrectly determined (in cases where the amount should have been lower or otherwise applied), the adjusted amount or the conditions for its application shall apply to the simplified reimbursement costs incurred from the date of entry into force of the simplification pay).
2. Costs that are necessary for the administration of the project indicated in the paragraph 40 under headings 3 to 6, e.g. salary expenses of Project Promoter’s or Partner’s employees for time spent working on project administration, purchase of goods for project administration purposes, costs of project administration services, costs of inspection (auditing) of expenses of partners from Donor States (where applicable), other project-administration related costs. Project administration costs may not exceed 10 percent of eligible project costs.
3. The publicity costs of the project indicated in the paragraph 40 under headings 3 to 6 shall be considered as direct costs of the project and shall be eligible for financing when incurred in the course of communication actions of the project as foreseen in the clauses 260-264 of the MAFR.
4. Value added tax (VAT), which the Applicant (the Project Promoter) and / or a Partner will not or could not deduct and recover according to legislation, shall be eligible for financing from mechanism and co-financing funds.
5. In all cases, ineligible costs are defined in Section III of Chapter XIX of the MAFR.
6. Project costs shall be compensated upon the Project Promoter’s submission of a payment request in application of the method of cost compensation with or without an advance payment, and / or the payment of invoices. The procedure and method (-s) of payment of costs shall be set out in the project contract.
7. In the course of the implementation of the project, the Project Promoter has a possibility to request an advance payment not exceeding 30 percent of the total grant amount (if the payment of an advance has been provided for in the project contract), which shall later be registered after the recognition of declared expenses as eligible costs in accordance with the provisions of clause 300 of the MAFR. An advance assurance document (where applicable in accordance with clause 289.2 of the MAFR) shall be presented along with an advance payment request (if any). If an advance payment is made for a project, the Project Promoter shall have a separate account with the credit institution for managing financing allocated for the project.
8. A Project Partner (-s) from a Donor State and/or a project participant (-s) from a Donor State shall account for the expenses incurred in the course of project implementation in accordance with the procedure laid down in clauses 292-294 of the MAFR and pursuant to the memo prepared by the Process Working Group published online at [www.cpva.lt](http://www.cpva.lt) (for the current memo edition and the forms see: <https://www.cpva.lt/eee-ir-norvegijos-finansiniai-mechanizmai-2014-2021-m./dokumentai/682/act690?sqid=994b3627fada2d63b94793688db3b709c08413e2>).
9. **Preparation, acceptance of applications, evaluation and selection of projects**
10. Mechanism and co-financing funds for projects under this open call shall be allocated by way of an open call for applications.
11. An open call is published online at [www.eeagrants.lt](http://www.eeagrants.lt) and [www.cpva.lt](http://www.cpva.lt).
12. In order to receive financing, the Applicant shall online via the DMS fill in an application, drafted by the Process Working Group (a typical form is available in Annex 2 to these Guidelines), and together with annexes submit it via the DMS by the date specified in the call for applications. After submitting the application, the applicant shall immediately be sent a confirmation via the DMS of the registration of the application stating the unique code assigned to the application. If the DMS functionality is not guaranteed, the applicant will be informed about the registration of the application and its unique code in written, by sending information to the email address of the indicated contact person.
13. Applications submitted by other than DMS means and measures shall not be accepted and shall be returned to Applicant. In case of a temporary failure to ensure DMS functionalities, which makes it impossible for Applicants to submit applications or annexes thereto on the deadline for the submission of applications, the CPMA shall extend the deadline for the submission of applications for 7 days and/or create the opportunity to submit applications or annexes thereto by other means, informing Applicants thereof via DMS or in writing, if DMS functions have not been installed or are not ensured.
14. The Applicant may ask questions regarding the conditions of allocation of financing, also questions relating to the filling of applications and other financing allocation-related questions by calling CPMA phone numbers indicated in the call, in writing, e-mail or verbally.
15. The Applicant shall submit the following annexes along with its application:
	1. Documents justifying the validity of the project’s budget (in cases where costs will be incurred in holding (public) procurement procedures (except for costs, which will be declared and compensated on a simplified bases), the planned costs shall be justified by a conducted market research);
	2. A copy of a draft partnership agreement in the content specified in these guidelines (if a partnership agreement has been signed before the submission of the application – a copy of a signed agreement) or a letter of intent to conclude such an agreement;
	3. Justification of calculation of indirect project costs;
	4. Methodology / Assistance Mechanism and Working Model Description Form (Annex 1 to the Guidelines) (if applicable).
16. The CPMA shall arrange the evaluation of applications following the provisions of Chapter XVII of the MAFR. The evaluation shall be done by evaluators completing evaluation tables in the forms presented in Annexes 3, 4 and 5 to the Guidelines.
17. At the time of the evaluation of applications, the CPMA may ask the Applicant to submit the missing information and/ or documents. The Applicant shall submit this information and/or documents within the deadline set by the CPMA, which should be at least 3 working days. The CPMA and the Applicant shall correspond via DMS in the course of the evaluation.
18. At least two independent experts shall conduct a benefit and quality evaluation. Applications shall be evaluated in scores in accordance with priority project selection criteria, which may not be changed in the course of the evaluation of projects. The maximum possible score according to each criterion is indicated in Annex 4 to the Guidelines. The maximum score, which may be given according to all criteria of evaluation of the project’s benefit and quality, shall be 100. 50 shall be the minimum mandatory score for projects under this call. Where projects receive the same score, and the amount is not sufficient to finance all projects, priority shall be given to projects which score higher on the first priority selection criterion and, where projects are scored equally on this priority criterion, priority shall be given to projects which score higher on the next consecutive priority criterion. If all priority projects are evaluated in the same way and the amount of the call for proposals is insufficient to finance all of them, they shall be arranged in sequence according to the time of receipt of an application via DMS (entering the application received the earliest first). Where the evaluation score of two evaluators differs by more than 30 percent of the higher score, then the CPMA shall appoint the third independent evaluator. In such a case, the project shall be given a score of an average of two scores that came the closest.
19. Applications shall be evaluated for no more than 90 days after the deadline for the submission of applications specified in the call for applications.
20. The evaluation term may be extended by a decision of the CPMA, if:
	1. in case more than 100 applications were received;
	2. in the evaluation of applications, Financial Mechanism Office, Program Partner, Coordinating Authority or other related authorities were addressed for interpretation of certain evaluation provisions. In such a case, the evaluation term shall be extended for the period of time, which passed from the referral date till the day when a response was received.
21. The CPMA shall make a decision on financing of projects, which were approved by the project selection committee and which are in line with the requirements of evaluation of project benefit and quality, project eligibility and administrative compliance.
22. Applications shall be rejected if it is determined that:
	1. The same Applicant has submitted more than one application;
	2. The application does not meet at least one general or special project compliance criteria(eligibility) laid down in Annex 4 to the Guidelines;
	3. The Applicant does not meet at least one administrative compliance criteria indicated in Annex 3 to the Guidelines;
	4. The Applicant submitted misleading information in its application, or the Applicant or persons related to the application (the project planned for implementation) seek to receive information, which the CPMA considers to be confidential, or to unlawfully exert influence on evaluation results or evaluators;
	5. The project scores less than 50 in the evaluation of benefit and quality.
23. The CPMA shall conclude a bilateral project contract with the Applicant whose project has been selected for financing from mechanism and co-financing funds. A project contract shall comprise general conditions and special conditions. General conditions are approved by the Decree No. 2019/20-3-1 of the Deputy Director of the CPMA of 1 July 2019 “Regarding approval of the General conditions of the 2014-2021 European Economic Area financial mechanism or 2014-2021 Norwegian mechanism project contract”. Special conditions are laid down in the Annex 7 to the Guidelines.
24. If the Applicant refuses or fails to sign a project contract within the deadline set by the CPMA or fails to fulfil the conditions that must be fulfilled before concluding a project contract within the set period of time (fails to fulfil a reservation or submit information and documents proving the fulfilment of the reservation), the Applicant will be deemed to have refused the Agreement.
25. The project contract shall be concluded, modified and terminated in accordance with the provisions of Chapter XVIII of the MAFR.
26. **FINAL PROVISIONS**
27. The Applicant (Project promoter) may appeal CPMA’s decisions in accordance with the procedure laid down in clause 429 of the MAFR.
28. **Annexes to the Guidelines:**
	1. Methodology / Assistance Mechanism and Working Model Description Form, Annex 1
	2. Typical Project Application Form (to be completed via DMS online), Annex 2;
	3. Administrative Compliance Evaluation Methodology (draft), Annex 3;
	4. Eligibility Evaluation Methodology, Annex 4;
	5. Benefit and Quality Evaluation Methodology, Annex 5;
	6. Methodology for Calculating Monitoring Indicators, Annex 6;
	7. Draft Special Conditions of the Project contract, Annex 7;
	8. Recommended Market Research Summary Form and Explanations on its Completion, Annex 8.
1. To be measured by means of a survey administered on behalf of the Financial Mechanism Office. [↑](#footnote-ref-2)