

**THE SWISS-LITHUANIAN COOPERATION PROGRAMME**

**PROJECT AGREEMENT**

**BETWEEN**

**THE SWISS AGENCY FOR DEVELOPMENT AND COOPERATION (SDC)**

**AND**

**THE MINISTRY OF FINANCE OF THE REPUBLIC OF LITHUANIA  
AS THE NATIONAL COORDINATION UNIT (NCU)**

**ON THE GRANT**

**FOR**

**THE PROJECT “RESEARCH AND DEVELOPMENT”  
TO BE IMPLEMENTED DURING THE PERIOD**

**01.12.2010 – 14.06.2016**

The Swiss Agency for Development and Cooperation (SDC) (hereinafter referred to as "Switzerland") and the Ministry of Finance of the Republic of Lithuania (hereinafter referred to as "Lithuania"),

*Hereinafter collectively referred to as the "Contracting Parties",*

*Having regard to the friendly relations between the two countries,*

*Desirous of strengthening these relations and the fruitful co-operation between the two countries,*

*Intending to promote further the social and economic development in the Republic of Lithuania,*

*Referring to the Framework Agreement between the Swiss Federal Council and the Government of the Republic of Lithuania concerning the implementation of the Swiss-Lithuanian cooperation programme to reduce economic and social disparities within the enlarged European Union, concluded on 20 December 2007,*

*Considering the Swiss Grant for the project „Research and Development“ (hereinafter referred to as "Project") in the Republic of Lithuania and Switzerland,*

*Have agreed as follows:*

## **Article 1** **Definitions**

In this Project Agreement, unless the context otherwise requires, the following terms shall have the following meaning:

“Framework Agreement” means the Agreement between the Swiss Federal Council and the Government of the Republic of Lithuania concerning the implementation of the Swiss-Lithuanian Cooperation Programme to reduce the economic and social disparities within the enlarged European Union, concluded on 20 December 2007;

“Contribution” means the non-reimbursable financial contribution granted by Switzerland under the Framework Agreement;

“Project Agreement” means the Agreement between the Swiss Agency for Development and Cooperation (SDC) and the Ministry of Finance of the Republic of Lithuania acting as the National Coordination Unit (NCU) which lays down the rights and obligations of the Contracting Parties regarding the implementation of the Project;

“Implementation Agreement” means an agreement between the NCU, the public institution Central Project Management Agency and the Intermediate Body for the implementation of the Project;

"National Coordination Unit" (NCU) means the Ministry of Finance of the Republic of Lithuania acting in charge of the coordination of the Swiss-Lithuanian Cooperation Programme;

“Project” means the specific programme described in this Project Agreement;

“Grant” means the non-reimbursable financial contribution granted by Switzerland under this Project Agreement;

“Intermediate Body” is the Ministry of Education and Science of the Republic of Lithuania acting under the responsibility of the NCU with regard to the Executing Agency implementing this Project;

"Executing Agency" means any public authority, any public or private corporation as well as any organization recognized by the Contracting Parties and mandated to implement the Project financed under this Project Agreement;

“Beneficiary” means an entity implementing a joint research and/or institutional partnership project financed from the Project;

“Advance payment” means reimbursement that is transferred to the NCU by the Swiss authority after the advance payment has been made by the NCU to the Intermediate Body or/and to the Executing Agency or/and to beneficiaries.

## **Article 2**

### **Objectives and Scope of the Project**

- 2.1. The objective of the Project is to support research and development sector as integral and essential part of human and social cohesion and to contribute to further development of the research and development sector in Lithuania and accelerate its integration into the international research area.
- 2.2. The Project has to be implemented according to the following documents, listed by order of precedence in terms of legal applicability: The Framework Agreement and its Annexes, the present Project Agreement with the confirmation of the Project approval by the SDC (annex 1), the Final Project Proposal (annex 2), and the Disbursement Plan (annex 3).

## **Article 3**

### **Amount and Utilization**

- 3.1. The estimated total cost of the Project amounts to CHF 10'649'000 (ten million six hundred forty nine thousand). The estimated eligible cost of the Project amounts to CHF 10'649'000 (ten million six hundred forty nine thousand).
- 3.2. Switzerland shall provide a Grant in **Swiss Francs amounting to maximum CHF 9'052'000 (nine millions fifty two thousand)**, to the Republic of Lithuania for the implementation of the Project defined in Article 2.
- 3.3. The Grant shall cover **a maximum of 85 %** of the total eligible costs of the Project in Swiss Francs. This percentage shall never be exceeded during the Project implementation. It shall be calculated on the basis of actual costs in Swiss Francs. The NCU shall ensure the timely provision of the co-financing of a **minimum of 15 %** of the total eligible costs of the Project in Swiss Francs by Lithuanian financial resources.

- 3.4. As stipulated in Article 7.1 of the Framework Agreement, the Value Added Tax (VAT) shall be considered as an eligible cost only if it is genuinely and definitively borne by the Executing Agency or by the final recipient. VAT, which is recoverable, by whatever means, shall not be considered eligible even if it is not actually recovered by the Executing Agency or by the final recipient.
- 3.5. As stipulated in Article 7.2 of the Framework Agreement, other levies, taxes or charges, in particular direct taxes and social security contributions on salaries and wages, shall constitute eligible costs only if they are genuinely and definitively borne by the Executing Agency or by the final recipient.
- 3.6. The following costs shall not be eligible for Grant support: expenditures incurred before the signing of the present Project Agreement by all parties, interests on debt, the purchase of real estate and recoverable VAT as specified in Article 3.4 of this Project Agreement.
- 3.7. The final date for eligibility of costs corresponds with the ending date of the Project as defined in Article 23.2 of this Project Agreement. Eligibility of costs for reporting, auditing and evaluation ends six months after Project completion. Reimbursement Requests must have been received by Switzerland not later than six months after the respective final date of eligibility of costs.
- 3.8. Any unutilised portion of the Grant remaining at the completion of the Project shall be eligible for re-commitment until two months before the end of the Commitment period (but not later than 14 April 2012), unless otherwise mutually agreed by the Contracting Parties.

#### **Article 4**

#### **Reimbursement Procedures**

- 4.1. The Grant shall be disbursed in accordance with the Framework Agreement, Annex 2, chapter 3 and 4, and the Disbursement Plan (annex 3 of this Project Agreement). Disbursements are made on a semi-annual basis.
- 4.2. Disbursements shall be made in the form of reimbursements of advance payments paid by NCU or eligible costs incurred within the Project upon receipt and approval by Switzerland of the reports pursuant to Article 9 and 10.
- 4.3. The Reimbursement Requests sent to Switzerland by the NCU shall be in Swiss Francs, whereas the NCU shall convert the local currency into Swiss Francs at the daily exchange rate of the Bank of Lithuania prevailing at the date the corresponding payment was executed by the NCU.
- 4.4. Reimbursement of advance payments shall be made by Switzerland after advance payment for the beneficiary and/or for the Executing Agency and/or for the Intermediate Body is done by the NCU and after the Reimbursement Request for Advance Payment is submitted by the NCU. No Interim Report is linked to this reimbursement.

- 4.5. The equivalent value in local currency of each reimbursement made by Switzerland in Swiss Francs pursuant to the approval of the Reimbursement Requests or Reimbursement Requests for Advance Payments will be recorded by the NCU using the daily exchange rate of the Bank of Lithuania prevailing at the date the reimbursement was received on the account of the Ministry of Finance of the Republic of Lithuania.
- 4.6. Reimbursement Requests referred to in Article 4.3 of this Project Agreement must be received by Switzerland no later than six months after the final dates of eligibility of costs (cf. Article 3.7).
- 4.7. All payments related to this Project Agreement shall be transferred in Swiss Francs to Lithuania, Ministry of Finance of the Republic of Lithuania account N°(IBAN) LT65 1010 0000 0663 2403, Swift N° LIAB LT 2X and bank code 10100 at The Bank of Lithuania, Gedimino av. 6, Vilnius, LT-01103.

## **Article 5** **Procurement**

- 5.1. Procurement is to be made by the Intermediate Body, Executing Agency and Beneficiaries in accordance with the national law and regulations and in compliance with the Lithuanian public procurement law and with the Framework Agreement, Annex 2, chapter 3.3.
- 5.2. To increase transparency and to prevent corruption, tender documents shall contain an integrity clause.
- 5.3. For procurements not exceeding the threshold of CHF 100'000, a confirmation of compliance with the relevant procurement rules and a short description on the tender process shall be provided to Switzerland by the Intermediate Body / Executing Agency in the Interim Reports.
- 5.4. For procurements exceeding the threshold of CHF 100'000, but not exceeding the threshold of CHF 500'000, English translation of procurement notice shall be provided to Switzerland simultaneously with their publishing in Lithuania. A confirmation of compliance with the relevant procurement rules, a short description on the tender process and, if deemed necessary a justification for the selected tender procedure, shall be provided to Switzerland within 30 calendar days after the award of the contract.
- 5.5. For procurements exceeding the threshold of CHF 500'000.00 an English translation of the Standard terms and Conditions of the tender documents shall be provided to Switzerland for no-objection, English translation of procurement notice shall be provided to Switzerland simultaneously with their publishing in Lithuania, short summary of minutes of the winner announcement meeting shall be provided to Switzerland before contracts are signed and the contracts shall be provided to Switzerland for information within 20 days after their signature.
- 5.6. In line with Art. 6.5 of the Framework Agreement, both Parties agree to provide all such information pertaining to the tender process and beyond the documents listed above that the other Party may reasonably request.

- 5.7. Switzerland shall have the right to participate in the tender opening meeting as an observer.
- 5.8. Switzerland shall have the right to conduct an audit of the applied procurement practises and procedures in accordance with the requirements stipulated in Art. 6.5 of the Framework Agreement.

## **Article 6**

### **Responsibilities of NCU and SDC**

- 6.1. The NCU shall take all actions within its field of competences and responsibility, including coordination, control of the co-financing and other measures, necessary or appropriate, for carrying out the Project.
- 6.2. The NCU can delegate part of the tasks and responsibilities related to the administration of the Swiss – Lithuanian Cooperation Programme to the public institution Central Project Management Agency.
- 6.3. The NCU is responsible for the implementation, controlling and evaluation of the Project as well as for the use of the Grant in accordance with this Project Agreement and as stated in the Framework Agreement. The NCU ensures the compliance of the involved agencies and other entities with this Project Agreement as well as with the Framework Agreement.
- 6.4. The NCU shall conclude an Implementation Agreement with the public institution Central Project Management Agency and the Ministry of Education and Science of the Republic of Lithuania. This Implementation Agreement shall comply with this Project Agreement as well as with the Framework Agreement. The same shall apply to any other agreements subscribed in the framework of the implementation of the Project.
- 6.5. The NCU undertakes to support, advise and inform the Swiss Contribution Office for Estonia, Latvia and Lithuania with regard to Project-related issues, including irregularities and fraud. The NCU undertakes to inform the Swiss Contribution Office for Estonia, Latvia and Lithuania immediately in writing with regard to any developments that could affect the implementation of the Project. In the event of the threat of any irreparable disadvantage, the NCU shall immediately take the requisite precautions.
- 6.6. The NCU will at all time clearly state that it is acting within the framework of the Swiss-Lithuanian Cooperation Programme to reduce economic and social disparities within the enlarged European Union. All publications must refer to the Project as a "Swiss-Lithuanian Project". The general public in Lithuania will be informed about the Project and the support provided by Switzerland.
- 6.7. SDC shall, whenever requested, assist the NCU in the planning, implementation, controlling and evaluation of the Project.
- 6.8. SDC shall approve Project's operational and financial reports and audits when all conditions are met. Once approved, SDC will disburse payments according to the financial planning of the Project.

6.9. All communication to SDC with regard to this Project Agreement shall be directed to the Swiss Contribution Office for Estonia, Latvia and Lithuania, which generally represents SDC towards the NCU.

## **Article 7** **Project Organisation**

7.1. The Intermediate Body supervises and steers the implementation of the Project; it establishes an adequate monitoring and auditing system.

7.2. The following Executing Agency will implement the Project financed under this Project Agreement:

- Research Council of Lithuania

7.3. Strategic decisions related to the Project are taken by the steering committee of the Project. The steering committee of the Project shall hold at least one meeting per year. If deemed necessary by one of the voting members of the steering committee, additional meetings are to be held.

7.4. The roles and responsibilities of the steering committee include, but are not limited to:  
Approval of operational and financial parts of the Project Reports

Modifications of plan and budget within the Project

Any measures considered necessary to fully achieve the planned objectives

7.5. Members of the Steering committee are representatives of the following parties:

7.5.1. Members with voting right:

- Intermediate Body (Chair) – Ministry of Education and Science of the Republic of Lithuania
- Executing Agency – Research Council of Lithuania
- Association Lithuanian Scientific Society
- Lithuanian Society of Young Researchers

7.5.2. Members with no – objection rights

- Swiss Contribution Office for Estonia, Latvia and Lithuania

7.5.3. Members with voice but no voting right:

- Ministry of Finance of the Republic of Lithuania
- Central Project Management Agency

7.6. Joint research and/or institutional partnership projects are selected by the Joint Selection Committee. The Joint Selection Committee is a scientific panel constituted of 3 (three) Lithuanian and 3 (three) Swiss members. The role and responsibilities of the joint selection committee include, but are not limited to:

- Approval of guidelines, application forms, selection process, principles and criteria that are to be no-objected by the Switzerland
- Suggesting and approval of additional selection criteria, if deemed necessary
- Approval of proposals made by the expert panel in respect of joint research and/or institutional partnership projects to be financed under this Project Agreement
- Monitoring the implementation of the selected joint research and/or institutional partnership projects
- Approval of annual reports submitted by each joint research and/or institutional partnership project

7.7. Approved selection process and criteria shall be submitted to Switzerland for no – objection.

### **Article 8** **Monitoring and Review**

The NCU shall ensure the establishment of a monitoring system that allows to assess periodically the status of achievement of the proposed objectives. Results and conclusions have to be part of the Project Reports as mentioned in Article 9 below and should be the base of the annual reports on the Swiss-Lithuanian Cooperation Programme as stipulated in Article 8 of the Framework Agreement.

### **Article 9** **Reporting**

9.1. Interim Reports cover a period of six months and are due to Switzerland not later than four months after the end of the period covered according to the Disbursement Plan (annex 3). The first Interim Report covering the period from the date of signature of this Project Agreement to 30<sup>th</sup> June 2011 is due not later than 31<sup>st</sup> October 2011. The period covered by the last Interim Report may differ from the period specified above. Interim Reports support payment claims and are therefore to be presented to Switzerland with the corresponding Reimbursement Request. They include information on financial and physical progress, compare actual with planned expenses and provide an update on progress status, while confirming the co-financing. Any significant deviation has to be justified and corrective measures suggested.



- 9.2. Annual Project Reports are due to Switzerland not later than four months after the end of the calendar year. The first Annual Project Report covering the year 2011 is due not later than 30<sup>st</sup> of April, 2012. Annual Project Reports have an operational part that describes the progress of the Project and include a financial part (Financial Report) having a summary data on financial progress for the reporting year as well as cumulative data to date. They compare actual with planned expenses and progress, based on quantified targets for output and where possible outcome indicators. Any significant deviation has to be justified and corrective measures suggested. Annual Project Reports are not linked to Reimbursement Requests.
- 9.3. The Project Completion Report is due not later than six months after the ending date of the Project, meaning not later than 14 December 2016 for this Project. The Project Completion Report - together with the last Interim Report and the conclusions of the Final Financial Audit - is the basis for the payment of the final reimbursement. The second Project Completion Report for the reporting, auditing and evaluation is due not later than 14 June 2017. For the reimbursement of costs for reporting, auditing and evaluation only Project Completion Report is the basis for final reimbursement. (cf. Article 3.7). The Project Completion Report has an operational part that documents and comments the overall achievement of outputs and outcomes against the original plan, the compliance with principles such as cross cutting themes and sustainability, and suggests lessons learned and conclusions. It contains a financial part (Final Financial Report) having a summary of financial data for the whole Project and compare effective with planned expenses. In addition, the Project Completion Report has a written summary of each joint research and/or institutional partnership project that informs on success, shortfalls, lessons learnt and sustainability of the partnerships.
- 9.4. The financial parts of the Interim Reports, Annual Project Reports and of the Project Completion Report, based on invoices or documents of equivalent value, are to be presented in local currency.

## **Article 10**

### **Audit**

- 10.1. The NCU confirms that a Compliance Audit has been performed and the Project as well as the institutions involved in its implementation, mainly the Intermediate Body and the Executing Agency, respect the legal obligations, respective guidelines, procedures, and that they have set up an appropriate structure and internal control system (as referred in chapter 3 of the Annex 2 of the Framework Agreement). Confirmation letter on Compliance Audit in English is to be submitted to Switzerland before or simultaneously with the first reimbursement request.
- 10.2. Based on a risk assessment and possible additional Swiss requirements, an annual system audit planning has been established. In accordance with this annual system audit planning agreed upon with Switzerland, the entitled audit organisations (e.g. internal audit unit of the Intermediate Body) shall perform control and audits in accordance with the respective national law. In doing so, they shall verify the correct use of funds, make recommendations to strengthen the control system and report to Switzerland any actual or alleged fraud or irregularity.

- 10.3. An external certified audit organisation will carry out intermediary Financial Audit. The conclusions and recommendations have to be presented to Switzerland by the NCU at the latest four months after the end of the period covered.
- 10.4. The intermediary Financial Audit should cover the period from the date of signature of the Agreement to 31<sup>st</sup> of December, 2013; conclusions and recommendations have to be presented to Switzerland by the NCU not later than 30<sup>th</sup> of April, 2013.
- 10.5. At Project completion, an external certified audit organisation will carry out a Final Financial Audit. This Audit shall cover the period of 1<sup>st</sup> of January, 2014 to 14<sup>th</sup> of June 2016. It shall also provide a final declaration based on the results of the intermediary audit conducted. The conclusions and recommendations shall be transmitted to Switzerland together with the Project Completion Report, by the NCU at the latest six months after the ending date of the Project, not later than 14<sup>th</sup> December 2016.
- 10.6. The Executing Agency shall procure a public institution or a private company of recognised professional reputation as Audit Organisation for the Project. The NCU shall immediately communicate to Switzerland the name of the selected Audit Organisation. Audit's arrangement with the Audit Organisation shall be effective for the whole Project duration unless it is terminated, amended or superseded with appropriate justifications. The costs related to the intermediary Financial Audit and the Final Financial Audit of the Project are eligible for reimbursement and are included in the Project budget.
- 10.7. The objective of the intermediary Financial Audit and the Final Financial Audit is to give an opinion on the correct use of funds, to make recommendations to strengthen the control system and report any suspicious of actual fraud or irregularity. The audit report is transmitted to the NCU and the Intermediate Body.
- 10.8. The NCU shall ensure that the Final Financial Audit is done in due time and in line with the International Standards and the respective national law.
- 10.9. The external certified audit organisation shall conduct the intermediary Financial Audit and the Final Financial audit in accordance with International Standards and the respective national law to obtain reasonable assurance that the financial part of the Interim Reports (object of the intermediary Financial Audit) and the Project Completion Report (object of the final Financial Audit) taken as a whole are free from material misstatement, whether due to fraud or error. Results of any previous audits shall be taken into consideration. The external certified audit organisation shall take into account additional requirements that may be suggested by the NCU or by Switzerland.
- 10.10. In addition to the Final Financial Audit report, the external certified audit organisation is expected to provide the Intermediate Body and Executing Agency with a management letter concerning any material weaknesses in their accounting and/or internal control systems detected by the Audit Organisation. The copy of such letter shall be presented to the NCU.
- 10.11. The Intermediate Body and the NCU shall comment the results of the Audits as well as any recommendations proposed by the Audit Organisation. Furthermore, the NCU shall transmit the results and the proposed recommendations of intermediary Financial Audit and of the Final Financial Audit to Switzerland.

10.12. Switzerland shall have the right to request additional external financial audits. The costs of such financial audits shall be borne by Switzerland.

### **Article 11**

#### **Right of Examination**

Switzerland, as well as any third party appointed by it, shall have the right to visit the Project, conduct a comprehensive assessment or evaluation, and shall be granted full access to all documents and information related to the Project settled by this Project Agreement, during its implementation and 10 years after its completion as defined in Annex 2, Article 5.7 of the Framework Agreement. The NCU shall, upon request, ensure that the above mentioned authorised representatives are accompanied by the relevant personnel and are provided with the necessary assistance.

### **Article 12**

#### **Project Material**

12.1. For the duration of the Project, goods procured under the Grant shall remain at the unrestricted disposal of the Project and shall not be diverted without prior written approval of Switzerland.

12.2. For project material procured under the Contribution and used only during the project implementation but not necessary for the purpose of the Project after its Completion, the Contracting Parties shall decide before the termination of the Project about post-completion ownership and use of the goods provided with the Contribution. Switzerland shall assume no liability whatsoever in connection with said goods.

### **Article 13**

#### **Liability**

Switzerland does not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Project, including, but not limited to inconsistencies in the planning of the Project, other project(s) that might affect it or that it might affect, or public discontent.

### **Article 14**

#### **Common Concern**

The Contracting Parties share a common concern in the fight against corruption, which jeopardizes good governance and the proper use of resources needed for development, and, in addition, endangers fair and open competition based on price and quality. They declare, therefore, their intention of combining their efforts to fight corruption and, in particular, declare that any offer, gift, payment, remuneration or benefit of any kind whatsoever, made to whomsoever, directly or indirectly,

with a view to being awarded a mandate or contract within the framework of this Project Agreement, or during its execution, will be construed as an illegal act or corrupt practice. Any act of this kind constitutes sufficient grounds to justify annulment of this Project Agreement, the procurement or resulting award, or for taking any other corrective measure laid down by the applicable law.

### **Article 15** **Irregularities Clause**

15.1. The competent authorities with the full support of the Government of the Republic of Lithuania shall investigate alleged cases of fraud or irregularity. Proven cases of fraud will be prosecuted according to existing regulations.

15.2. In case of irregularities, wilfully or negligently caused by the NCU, the Intermediate Body or the Executing Agency, regarding the execution of the Project Agreement, Switzerland is entitled to:

- a) stop reimbursements immediately
- b) instruct the NCU to stop payments from the Swiss Contribution
- c) ask repayment of illegitimately paid reimbursements at any stage of the Project

15.3. Irregularities are notably considered to be all actions or non-actions that are aimed at the illegitimate obtainment and/or usage of the Contribution - notably fraud, misappropriation, misrepresentation, breach of contractual duties, breach of duty of care and the like.

15.4. Switzerland shall immediately and in written form communicate the reasons for their respective instructions to the NCU, the Intermediate Body and the other actors involved.

### **Article 16** **Post-Completion Obligations**

16.1. An ex-post evaluation of the Project may be carried out by Switzerland. Non compliance with the Project Agreement or with the Framework Agreement may give Switzerland reasons to take corrective action, including claiming the repayment of the Grant.

16.2. Switzerland has neither responsibility for nor obligation to ensuring the maintenance, the repair or the undertaking of any measures for ensuring the safety and protection of persons, equipment, installations, of all objects on site or in the vicinity.

16.3. The Contracting Parties shall keep all documents concerning this Project Agreement and its implementation for 10 years after completion of this Project.

**Article 17**  
**Annexes**

The following annexes, listed by order of precedence in terms of legal applicability, form an integral part of this Project Agreement:

- annex 1: Confirmation of the Project approval by the SDC,
- annex 2: Final Project Proposal,
- annex 3: Disbursement Plan.

**Article 18**  
**Language**

All correspondence with Switzerland, including operational, financial and audit reports as well as project documents related to the Project, shall be elaborated in English.

**Article 19**  
**Contact Information**

For the Lithuanian Government:

Ministry of Finance of the Republic of Lithuania  
International Financial Assistance Coordination Division  
Lukiškių str. 2  
01512 Vilnius  
Lithuania  
Tel: +370 5 239 02 93 / Fax: +370 5 279 14 81

Swiss Agency for Development and Cooperation (SDC)  
Freiburgerstrasse 130  
3003 Bern  
Switzerland

Embassy of Switzerland  
Swiss Contribution Office for Estonia, Latvia and Lithuania  
Elizabetes iela 2  
1340 Riga  
Latvia  
Tel: +371 67 35 08 65/66 / Fax: +371 67 35 08 72

**Article 20**  
**Settlement of Disputes**

In accordance with Article 11 of the Framework Agreement, any dispute which may result from the application of this Project Agreement shall be solved by diplomatic means.

**Article 21**  
**Amendments**

- 21.1. Any amendment to this Project Agreement shall be made in writing with the mutual agreement of the Contracting Parties and according to their respective procedures.
- 21.2. Any increase of the Project budget, any changes exceeding 10 per cent within the budget presented in the part VI "R&D Programme Budget" of the Final Project Proposal (annex 2), as well as any strategic changes or conceptual adjustments to the Project, shall be discussed with and approved by Switzerland.

**Article 22**  
**Termination, Suspension**

- 22.1. This Project Agreement can be terminated at any time by one of the Contracting Parties upon a six-month prior written notice. The Contracting Parties shall decide by mutual agreement on any consequences of the termination.
- 22.2. If either Contracting Party considers that the aims of the Project Agreement can no longer be achieved or that the other Contracting Party is not meeting its obligations, it shall have the right to suspend immediately the application of this Project Agreement by giving the other Contracting Party a written notice on the grounds.

**Article 23**  
**Entry into Force, Duration**

- 23.1. This Project Agreement shall enter into force on the date of its signing by the Contracting Parties and shall remain in force until all obligations under it have been fulfilled.
- 23.2. The Project shall be implemented in 67 months, starting on 1 December 2010 and ending on 14 June 2016.

Signed in Vilnius on ....., in two authentic copies in the English language.

For the Swiss Agency for Development and  
Cooperation

For the Ministry of Finance  
of the Republic of Lithuania

Gabriela Nützi Sulpizio  
Ambassador

Rolandas Kriščiūnas  
Vice-minister



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Federal Department of Foreign Affairs FDFA

**Swiss Agency for Development and Cooperation SDC**  
Cooperation with Eastern Europe

CH-3003 Bern, DEZA, KKU

**A Post**

Ministry of Finance of Lithuania  
National Coordination Unit  
Mrs. Jurate Vlascenkiene  
J. Tumo-Vaizganto str. 8a / 2  
LT – 01512 Vilnius  
Lithuania

Your reference: (4.132-26)-6K-1006378

Our reference: 556/2009/1329

Berne, 26 August 2010

**Subject: Swiss Contribution to the Enlarged EU – Cooperation Programme with Lithuania**  
**Decision Letter on Final Project Proposal**  
**Project Name: Research and Development**  
**Project N°: 7F-07165.01**

Dear Mrs. Vlascenkiene,

The Final Project Proposal mentioned above and submitted by the NCU on 8 July 2010 has been considered by Switzerland. I have the pleasure to inform you that the project has been:

**Approved subject to conditions**

You are kindly requested to take into account the conditions expressed below, before proceeding with the finalisation of the Project Agreement as fixed in the Annex 2 of the Framework Agreement, section 2.

Condition	Indicator of fulfilment	date / period
<b>1. Selection process:</b> In the Final Project Proposal, the same selection procedure / criteria apply to joint research as well as institutional partnership projects. It needs to be clarified whether different selection procedure / criteria should be used in the case of <i>institutional partnership projects</i> . Regarding the bigger <i>joint research projects</i> , it is requested to involve international experts to ensure the selection of high quality projects. The selection procedure and criteria will be approved by the Joint Selection Committee with the Lithuanian and Swiss members. Furthermore, the selection process and criteria shall be submitted to Switzerland for non-objection.	The corresponding clause is mentioned in the Project Agreement.	With signature of the project agreement.

Swiss Agency for Development and Cooperation SDC  
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<p><b>2. Tasks of the Joint Selection Committee:</b> The Final Project Proposal foresees to involve the Joint Selection Committee during the selection process of the projects, but not during the implementation of them. Switzerland asks to involve the Joint Selection Committee as well to monitor the implementation of the projects, e.g. by checking and approving annual reports of each project. Details of such an involvement shall be discussed in the first meeting of the Joint Selection Committee.</p>	<p>The corresponding clause is mentioned in the Project Agreement</p>	<p>With signature of the project agreement.</p>
<p><b>3. Reporting at project level:</b> The Final Project Proposal states that the project owners shall submit interim, annual and a final report on the implementation of the projects. Switzerland asks the Lithuanian Research Council to submit after project completion in English a written summary of each joint research and institutional partnership project. In addition to project content and results, the summary should e.g. inform on success, shortfalls, lessons learnt, sustainability of the partnership.</p>	<p>The corresponding clause is mentioned in the Project Agreement.</p>	<p>With signature of the project agreement.</p>

The fulfilment of the conditions is a prerequisite to the signature of the Project Agreement.

Yours sincerely,

Swiss Agency for Development and Cooperation SDC



Kurt Kunz  
Assistant Director-General



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra



## Lithuanian –Swiss Cooperation Programme

(In line with the requirements of Annexes I and II of the Framework Agreement between Lithuania and Switzerland)

### **FINAL PROJECT PROPOSAL**

### **Programme „Research and Development“**

## PROJECT SUMMARY

### I. General information

<b>Programme title</b>	Programme "Research and Development"
<b>Planned programme duration</b>	2010-2015 (2017)
<b>Priority sector</b>	Human and Social Development
<b>Location/region</b>	Republic of Lithuania

#### Short description of "Research and Development Programme"

Overall aim - to support Lithuanian research and development sector via its integration into the international research area.

R&D Programme Objective - to support Lithuanian-Swiss research cooperation and to enhance the knowledge base in selected R&D topics via joint research projects and institutional partnerships

#### Expected Results (outputs)

"Joint research projects and institutional partnerships"

- Joint research projects, thematically focused on natural sciences, environmental sciences and technology and health/life sciences implemented.
- Institutional partnerships between Swiss and Lithuanian research and higher education institutions in the following R&D themes: natural sciences, environmental technology and health/life sciences established.

#### Activities of the programme

"Joint research projects and institutional partnerships"

- To organize the open call(s) for proposals of joint research and institutional partnership projects (to prepare documents, to announce the publicity of open calls, to conduct publicity campaign and to provide consultations for potential applicants );
- To evaluate the applications, to select and approve for financing, to sign joint research and institutional partnership projects agreements
- To implement joint research and institutional partnership projects.

<b>Budget:</b>					
	<b>Total eligible project costs, CHF</b>	<b>Requested grant, CHF</b>	<b>Grant % of total eligible costs</b>	<b>Co-financing, CHF</b>	<b>Co-financing % of total eligible costs</b>
<b>R&amp;D programme</b>	10,649	9,052	85%	1,597	15%

**Partners:** -

## II. Programme Applicant

<b>Name</b>	Ministry of Education and Science of the Republic of Lithuania (MES)
<b>Contact details</b>	<p><u>Ms. Aušra Gribauskienė</u>  Division of Science  Department of Studies, Science and Technology  Ministry of Education and Science (IB)  Tel. No.: +370 5 219 0119  Fax. No.: +370 5 219 0100  E-mail address: <a href="mailto:ausra.gribauskiene@smm.lt">ausra.gribauskiene@smm.lt</a></p> <p><u>Ms. Kristina Babelytė</u>  Division of Technology and Innovations  Department of Studies, Science and Technology  Ministry of Education and Science (IB)  Tel. No.: +370 5 219 0119  Fax. No.: +370 5 219 0100  E-mail address: <a href="mailto:kristina.babelyte@smm.lt">kristina.babelyte@smm.lt</a></p> <p><u>Ms. Jūratė Devižienė</u>  Division of International Cooperation  Ministry of Education and Science (IB)  Tel. No.: +370 5 219 0118  Fax. No.: +370 5 219 0100  E-mail address: <a href="mailto:jurate.deviziene@smm.lt">jurate.deviziene@smm.lt</a></p>
<b>Previous, relevant experience</b>	<p>MES has long-lasting experience in cooperation with foreign countries in the fields of research and development (R&amp;D). International cooperation in the area of R&amp;D is developed in the frames of bilateral and multilateral agreements with China (Taiwan), Latvia, Ukraine, France, Germany, India, Slovakia, Belorussia, Belgium and other countries. Lithuanian research and higher education institutions, that implement or have intentions to create and realize joint R&amp;D activities with these countries, have the opportunity to receive competitive funding for joint research projects, covering the expenditures of Lithuanian researchers' visits to the foreign country's research and higher education institutions, organization of joint events in Lithuania, preparation and publication of co-articles, publications.</p> <p>In addition, relevant experience the MES gains while administrating four national programmes using the support of the EU structural funds: Researchers' Career Programme, National Programme for Cooperation between Public Research and Development and Business Sectors, National Higher Education Programme and National Integrated Programme. Overall sum of EU structural funds allocated according to these programmes should be about 782 mln. EUR (including 15 percent of national co-funding).</p>
<b>Programme partners</b>	-
<b>Swiss link</b>	<p>MES, which operates hereby as the Intermediate Body, and Research Council of Lithuania as the Executing Agency, according to the Framework Agreement, has no previous links to co-operation with the Swiss institutions. Lithuanian and Swiss research and higher education institutions collaborate in various EU Framework Programmes projects and other projects in the frames of bi(multi) lateral cooperation agreements at institutional level.</p>

### III. Programme relevance

Although Lithuania has very high ratio of number of students, today Lithuania's R&D personnel sector is not enough adequate to modern needs of this sector with in quantitative or qualitative aspects: researchers need up to date their competences, specific to their working field, as well as horizontal competencies and skills, in particular deepen their experience in the field of international cooperation. Also, even though in Lithuania there is widely developed network of research and higher education institutions, nevertheless Lithuania faces problems, for the new EU member states typical to the environment of R&D domain in terms of governance, structure, management and regulation.

As a small country Lithuania does not have the possibilities to create new knowledge in all R&D fields, therefore when creating research receptive business, it is meaningful to firstly pay attention to those fields, in which Lithuania has strong R&D and industrial potential. However, most often the main source of funds for R&D in the meantime in Lithuania is direct allocations from the state budget (in 2007, 0.82 % of GDP for R&D; only 0.16 % of GDP spent business sector). Certainly, in Lithuania there are research and higher education institutions and researchers that have already developed and keep elaborating their skills of international cooperation in this way diversifying their funding sources from international R&D programmes and initiatives, like the 7th Framework Programme, COST, EUREKA, EUROSTARS, BONUS etc., but these are not the majority.

Insufficient competitiveness of Lithuanian companies is determined by their insufficient innovative activities. And even though Lithuania's public expenditure is close to the EU average, but R&D themes of Lithuanian research and higher education institutions hardly meet the industry needs, therefore there is the lack of appropriate results for commercial activities. One of the main reasons of this is insubstantial cooperation between research and higher education institutions and economy subjects, while performing R&D activities, creating new products and technologies for the market.

On April 30, 2009, the Parliament of the Republic of Lithuania approved new Law on Science and Studies. The Law on Science and Studies enunciates the essential changes within the system of science and studies in Lithuania. It is planned to strengthen the system of competitive programme-based financing of research. In this way higher expedience of scientific activities, stronger relation between the needs of society and country's economy, and increase of research quality will be reached. The Law on Science and Studies also projects to reorganize the system of research institutes, changing their management and fixing their clear functions for consolidation of the country's research potential and closer relation between research, business and society. Improvement of internal management of state universities, while expanding their autonomies, referring property disposal rights to them as well as increasing the role of the university boards is also among the main directions of science and studies system development. With the Law on Science and Studies it is also expected to change the assessment principles of scientific production and its financing guidelines putting more emphasis on qualitative assessment, simultaneously combining long-term basic financing with competitive programme-based financing of research.

Forasmuch as the changes within science and studies system in Lithuania are concerned, in 2007 the Government of the Republic of Lithuania has approved the Concept for Establishment and Development of Integrated Science, Studies and Business Centres (Valleys). Valleys would be complex infrastructures that shall realize and re-enforce the strengths of regionally concentrated, sustainable research and innovation networks with clear and long-term commitments by universities, state institutes and companies. During the period 2009-2014 five Valleys should be established and fully begin functioning: two valleys were identified to be established in Vilnius ("Sunrise Technology Valley" in laser and light technologies, nanotechnology and materials, semiconductor physics, electronics and organic electronics, and civil engineering; and "Santara Valley" in biotechnology, molecular medicine, and ICT); two in Kaunas ("Santaka" in sustainable chemicals and pharmacy, mechatronics and related electronics, biomedical engineering, future energy, and ICT; and "Nemunas" in agro biotechnologies, bio-energy and forestry, food technology, safety, and health), and one in Klaipeda (a centre in sea environment and maritime technologies).

The programme outline „Research and Development” (hereinafter – R&D Programme) should presume effectiveness and competitiveness of the national R&D system, herewith contributing to successful implementation of the changes within R&D system mentioned above.

R&D Programme will create opportunities for all Lithuanian researchers and research and higher education institutions to actively collaborate with the Swiss academic society in the area of R&D and on the chosen R&D

themes. Joint research and institutional partnership projects will encourage diversity of R&D activities and accelerate Lithuanian Research Area's integration into and coherence with the European Research Area.

The State Aid rules will be fully respected while implementing the R&D Programme.

#### **Fit within the development strategies of the country/region and chosen sector; strategy of its intervention**

R&D Programme is in line with strategic aims of the Ministry of Education and Science of the Republic of Lithuania: to develop the system of science and studies, its international relations, to strengthen the country's intellectual potential pursuing for the efficiency of quality of education and science. R&D Programme corresponds to the trends of science and education system, formed in the State's Long-Term Development Strategy, approved by the Seimas of the Republic of Lithuania on 28 November, 2002, and in the Lithuania's Economy (Economics) Long-Term Development (Up to 2015) Strategy, approved by the Government of Lithuania on 12 June, 2002.

#### **IV. R&D Programme content**

**Overall aim (impact)** - to support Lithuanian research and development sector via its integration into the international research area

**R&D Programme objective (outcome)** - to support Lithuanian-Swiss research cooperation and to enhance the knowledge base in selected R&D topics via joint research projects and institutional partnerships.

The initial R&D Programme consisted of two objectives: one - for strengthening of administrative, management and analytical capacities in the system of research and higher education; the second designed for joint research projects and institutional partnerships. After analysis of the comments and conditions laid down in the Decision Letter (on preparation of the situation analysis concerning selection of the thematic field as well as detailed information on study visits and their contribution to the pilot scheme/model which was planned as part of Objective I implementation), the MES assessed time, human and administrative resources, necessary for the preparation of the analysis, its adequacy to the foreseen budget for the Objective I. MES came out with the decision to withdraw the objective I „Strengthening of administrative, management and analytical capacities in the system of research and higher education“ from further preparation process and to concentrate on the Objective II of the R&D Programme - joint research projects and institutional partnerships. In the same terms, the Final Project Proposal of R&D Programme was adjusted and reallocations were made.

#### **Expected Results (outputs)**

“Joint research projects and institutional partnerships” (hereinafter –Objective)

- Joint research projects thematically focused on natural sciences, environmental sciences and technology and health/life sciences implemented.
- Institutional partnerships between Swiss and Lithuanian research and higher education institutions in the following R&D themes: natural sciences, environmental technology and health/life sciences established.

#### **Activities (components)**

“Joint research projects and institutional partnerships”

- To organize the open call(s) for proposals of joint research and institutional partnership projects (to prepare documents, to announce the publicity of open calls, to conduct publicity campaign and to provide consultations for potential applicants );
- To evaluate the applications, to select and approve for financing, to sign joint research and institutional partnership projects agreements
- To implement joint research and institutional partnership projects.

For detailed description of the realisation of the Objective see Annex 1.

Before launching a call(s) for proposals, an intensive promotion campaign, supported by appropriate informative documents, should be carried out in Lithuania and in Switzerland in order to make all potential applicants aware of the opportunities and conditions of R&D programme. In Lithuania the campaigns shall be organised by

Executing Agency in cooperation with MES. The promotion campaign in Switzerland will be organised by official umbrella research organisations representing Swiss research institutions.

**Reporting at project level:**

- the participants of the joint research and institutional partnership projects submit Interim Reports, Annual Reports and a Final Report on implementation of joint research and institutional partnership projects to the Executing Agency.

Executing Agency submits consolidated Interim Reports, Annual Reports and a Final Report to the MES.

**Financial control**

Additional to the control to be performed by the Intermediate Body and CPMA, R&D Programme is subject to financial audit. Services of financial audit will be bought by the Executing Agency via public procurement procedures.

According to the Annex 2 of the Framework Agreement R& D programme is subject to intermediary financial audit(s), performed by external certified audit organization. At the completion of R&D programme a final financial audit by an external certified audit organization is obligatory.

Independent evaluation of R& D programme is not obligatory, but if decided - costs of independent evaluation of R& D programme will be borne by the requesting party.

**Eligible and non-eligible costs of R&D Programme**

The list of eligible and non-eligible costs of the activities of R&D Programme is provided in Annex 2.

**State aid rule**

The State Aid rules will be fully respected while implementing the R&D Programme

<u>Risks</u>	<u>Means for risks management</u>
<ul style="list-style-type: none"> <li>• Lack of co-operation and coordination between the relevant authorities involved</li> <li>• Insufficient quality of project applications submitted</li> <li>• Difficulties in management of the joint research and institutional partnership projects</li> <li>• Financial risk related to the fluctuations of exchange rates</li> </ul>	<ul style="list-style-type: none"> <li>• Programme Steering Committee will supervise the implementation of the R&amp;D Programme according to the provisions of the Framework Agreement.</li> <li>• Consultations should be provided to potential applicants in order to support them in project preparation process.</li> <li>• Research Council of Lithuania as an Executing Agency and MES as the Intermediate Body should closely monitor the implementation of joint research and institutional partnership projects and provide the projects' coordinators with all necessary information.</li> <li>• Fluctuations are acknowledged by both parties of the Lithuanian - Swiss Cooperation Programme, common solution on covering possible losses foreseen.</li> </ul>

**Beneficiaries/target group**

The beneficiaries of R&D programme will be as follows:

- individual researchers and research teams,
- higher education and research institutions (universities, research institutes).

### **Sustainability of R&D programme**

R&D Programme will facilitate the cooperation between the academic society's of Lithuania and Switzerland in exchange of best practices, new joint research and institutional partnership projects. R&D Programme will serve as the catalyser for establishing of new joint research and institutional partnership projects in clearly stated thematic areas. The priority for the young researchers in the programme will determine better qualifying PhD study programmes, post-doc activities and specific and horizontal competencies of researchers in general.

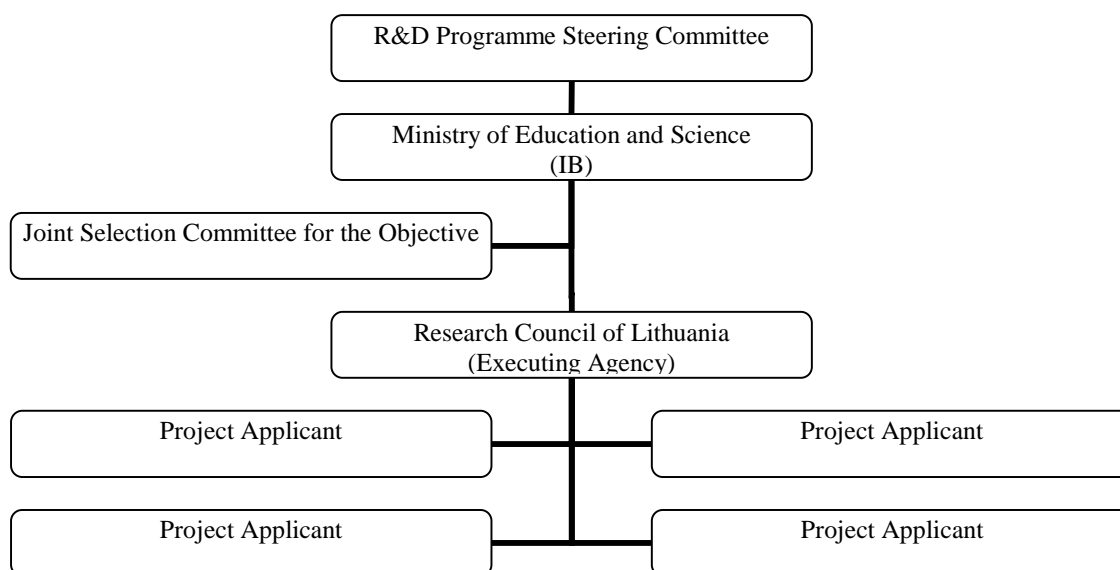
The long-term sustainability of R&D Programme depends on the ability of the state to warrant or develop new and diverse sources of funding. Nevertheless, the established cooperation between Lithuanian and Swiss academic communities may certainly become the platform for further cooperation and joint participation in other international R&D programmes.

## **V. R&D Programme organization**

### **Organizational set-up**

R&D Programme shall be implemented by the following bodies:

- R&D Programme Steering Committee;
- Joint Selection Committee for the Objective;
- MES as the Intermediate Body (IB) as it is defined in the Lithuanian - Swiss Framework Agreement;
- Research Council of Lithuania as an Executing Agency for the Objective;
- Central Project Management Agency (CPMA);
- National Coordination Unit (NCU), as it is defined in Lithuanian - Swiss Framework Agreement;



**Figure 1. General R&D programme organizational chart**

### **General responsibilities and functions**

Ministry of Finance (MoF) will act as the National Coordination Unit (hereinafter - the NCU) in accordance with the NCU responsibilities defined in the Framework Agreement. Certain functions are delegated to the CPMA.

### **R&D Programme Steering Committee**

For overall coordination of R&D Programme the Programme Steering Committee will be established. The Programme Steering Committee will be composed of the representatives of the Intermediate Body (chair), Executing Agency, association “Lithuanian Scientific Society”, “Lithuanian Society of Young Researchers”, the NCU and the CPMA (both with no voting right), representative from SDC (as an observer). The roles and responsibilities of the Programme Steering Committee include, but are not limited to:



- supervise and monitor the implementation of R&D Programme and its' compliance with the Framework Agreement;
- take the decision (approval or rejection) on the IB reports of this programme;
- take the decision on modifications of the plan and the budget of the Objective within the programme;
- take any measures considered necessary to fully achieve the planned Objective.

### **Joint Selection Committee for the Objective**

The composition and functions of the Joint Selection Committee is defined in the Annex 1.

### **Intermediate Body**

MES will act as Intermediate Body of R&D Programme. While implementing this programme MES will have the following functions:

- prepare the Final Project Proposal and submit it to the CPMA;
- submit the VAT declaration together with the Final Project Proposal to the CPMA;
- sign R&D Programme and Project Implementation Agreements;
- establish the Programme Steering Committee and organize its work;
- check and approve Project implementation reports provided by the Executing Agency and submit them to the CPMA together with the checked payment claims prepared by the Executing Agency;
- upon the receipt from the CPMA of conclusions on the eligibility of costs, prepare payment applications to the State Treasury and submit them to the NCU;
- control and coordinate the implementation process of R&D Programme in performing the necessary functions and responsibilities corresponding to the Objective defined in Annex 1 ;
- if necessary, perform on-the-spot checks at the Project implementation locations;
- check for any irregularities and report on them to the NCU and the CPMA;
- inform the Lithuanian - Swiss Cooperation Programme Steering Committee on the implementation process of R&D Programme (provide with the consolidated Interim Reports, Annual Reports and a Final Report);
- prepare reports on R&D Programme implementation and submit them to the CPMA;
- organizes public procurement for publicity, translation and other services for its own activities;

MES has Internal Audit Division, directly accountable to the Minister of Education and Science. The main tasks of the Internal Audit Division of MES in the frames of R&D Programme will be:

- perform system audits of R&D Programme in accordance to national laws and taking into account Swiss requirements as stated in the Framework Agreement between Lithuania and Switzerland.
- provide information on system audits to the NCU.

### **Executing Agency**

General responsibilities and functions of Executing Agency are as follows:

- submit the VAT declaration to the to the Intermediate Body;
- sign Project Implementation Agreements and ensure the compliance with their provisions;
- organize the process of public procurement for its own activities;
- check and certify the quantity and quality of provided services and delivered goods and their compliance with the provisions of the Project implementation agreement and respective procurement Contracts;
- prepare and submit Project implementation reports and other necessary information concerning project implementation and the use of Contribution, co-financing and own resources (if any) to the Intermediate Body;
- in accordance with the requirements of Framework Agreement, Project Agreement, R&D Programme and project implementation agreements prepare payment claims and together with certified copies of the supporting documents of the verified Project costs submit to the Intermediate Body;
- submit the draft of consolidated Project reports on the implementation of R&D Programme to the Intermediate Body;
- in case of suspected irregularities in the use of Contribution and co-financing funds, report them to the to the IB and the CPMA;
- on the request of the CPMA, refund the unduly paid and (or) used sums of Contribution and co-financing part
- is responsible that there is no double financing of any part of the Project by any other source of funds.

### **Central Project Management Agency (CPMA)**

The functions and responsibilities of the CPMA shall include the following:

- submit to the NCU conclusions on the Final Project Proposal's eligibility for financing;
- drafting and signing of R&D Programme and Project Implementation Agreements;
- perform the control of public procurement procedures as foreseen in R&D Programme and Project Implementation Agreements;
- check and approve the reports on the implementation of R&D Programme received from the Intermediate Body and submit them to the NCU;
- check if there is no double financing of any part of the Project by any other source of funds;
- supervise and control the implementation of Projects in accordance with R&D Programme and Project Implementation Agreements by establishing adequate monitoring and auditing system;
- check the payment claims submitted by the Intermediate Body. Verify the eligibility of costs for financing considering the project implementation reports approved by the Intermediate Body and submit the respective conclusion to the Intermediate Body;
- if necessary, perform on-the-spot checks at the Project implementation locations;
- verify in each Project whether the Value Added Tax (hereinafter the VAT) can be recovered by the Executing Agency and inform the Swiss authorities about it by submitting a relevant Executing Agency's declaration (hereinafter the VAT declaration);
- upon the receipt from the NCU of information on the payment of Contribution and co-financing funds, prepare and submit reimbursement requests together with the respective supporting documents and approved R&D Programme implementation reports to the Swiss authorities;
- in case of suspected irregularities in the use of Contribution and co-financing funds, perform the respective investigation and report accordingly to the NCU;
- recover unused or unduly paid or used Contribution and co-financing Funds from the Executing Agency in accordance with national legislation.

## VI. R&D Programme Budget (mln. CHF)

	Eligible costs			Non-eligible costs	Total project costs (grant + co-financing)	
	Amount of grant	National Co-financing				
		National public funds	Other sources	Total co-financing of the programme		
<b>The Objective</b>	8,252	1,456	-	1,456	-	9,708
<b>R&amp;D Programme management *</b>	0,800	0,141	-	0,141		0,941
<b>Total</b>	9,052	1,597	-	1,597	-	10,649

Note: Co-financing of the project from the State Budget of the Republic of Lithuania will amount to 15% of the total project eligible costs. All payments will be made by exact rate of 85% from the Swiss Contribution and 15% from the national co-financing.

The preliminary distribution of the total Programme costs for the Objective is drafted in the Annex1.

- R&D Programme management costs are directly attributed to the implementation of R&D Programme and are composed from the following elements:

R&D Programme management costs					Non-eligible costs	Total costs (grant+co-financing)
	Amount of grant	National Co-financing		Total co-financing of the programme		
		National public funds	Other sources			

a) R&D Programme management costs (occur entirely by the Intermediate Body)**	0,29	0,051	-	0,051	-	0,341
b) Management costs of the Objective (occur entirely by the Executing Agency for the Objective)	0,51	0,09	-	0,09	-	0,6
<b>Total</b>	<b>0,8</b>	<b>0,141</b>		<b>0,141</b>		<b>0,941</b>

<b>Eligible costs</b>	<b>Total amount (grant +co-financing) mln. CHF</b>
<b>R&amp;D Programme management costs (occur entirely by the Intermediate Body)**</b>	<b>0,341</b>
Personnel cost (including social security contributions and all other statutory costs related to employment obligations);	0,297
Publicity (information services, seminars for participants)	0,008
R&D Programme Steering Committee meetings organization costs	0,004
Translation (written and oral)	0,012
Other costs, if directly attributed and justified to the management of R&D Programme and necessary for its implementation (e.g. travel, including travel insurance cost and subsistence allowances for staff taking part in the programme)	0,02
<b>Management costs of the Objective (occur entirely by the Executing Agency for the Objective)</b>	<b>0,6</b>
Personnel cost (including social security contributions and all other statutory costs related to employment obligations)	0,406
Publicity (information services, seminars for participants)	0,02
Joint Selection Committee organization including travel, accommodation costs, per diems for the incoming Swiss members of JSC	0,09
Audit	0,036
Translation (written and oral)	0,015
Other costs, if directly attributed and justified to the management of R&D Programme and necessary for its implementation (e.g. travel, including travel insurance cost, and subsistence allowances for staff taking part in the programme)	0,033

Note: The allocation of R&D Programme management costs is indicative and may be reallocated if the need arises. For more details on the management costs of the Objective Programme see Annex 1 and Annex 2.

#### **Cost efficiency aspects versus alternatives**

The activities planned in the Project outline for R&D Programme follow the internationally performed analyses on Lithuanian R&D system, its policy and implementation challenges. (see Annex 3). Cost efficiency aspects would be congruent with long-term strategic R&D aims: development of international relations of the system of science and studies strengthening the country's intellectual potential and pursue of efficiency of quality of R&D activities.

Eventually, R&D Programme is expected to support research and development sector as integral and essential part of human and social cohesion and to contribute to the further development of R&D sector in Lithuania as well as to accelerate its integration into the international research area.

## VII. R&D PROGRAMME PUBLICITY

The aim of R&D Programme information and publicity is to clearly and effectively spread information on the activities performed in the frames of R&D Programme. Primary target group of information and publicity campaign is researchers and research and higher education institutions in Lithuania. Herewith, the information will be spread to any interested person or institution, which have expressed the interest to get acquainted with R&D Programme.

Intermediate Body and Executing Agency will respectively implement publicity measures depending on their own activities and responsibilities. Overall information and publicity campaign will be based on the Rules of Information and Publicity for the Swiss-Lithuanian Cooperation Programme, released by NCU.

## VIII. PROCUREMENT

Public procurements of Intermediate Body, Executing Agency and all beneficiaries will be performed according to the Law of the Republic of Lithuania on Public Procurement.

Intermediate Body, Executing Agency public procurements are planned for the audit, translation and publicity services.

## IX. DEVELOPMENT IMPACT

R&D Programme monitoring will be done according to the key performance indicators, detailed in Annex 4. R&D Programme will be performed by the Executive Agency with the involvement of R&D Programme Steering Committee.

## X. R&D Programme Horizontal Issues

Environmental aspects of the programme	It is expected that R&D Programme will make positive impact in this sector. The Objective of the programme outline - joint research projects, thematically focused on natural sciences, environmental sciences and technology and health/life sciences - are expected to make a direct significant impact on environmental issues.
Social and economical aspects of the programme	Knowledge society has the ability to effectively apply knowledge, but it also must create knowledge. Therefore the need to create, renew, join the specialists of the highest qualification is of immense importance. The created knowledge allows developing economics, but for vital science and business relations it is important to ensure appropriate abilities of the researchers: their scientific as well as horizontal competencies that would allow them applying their knowledge practically as well as taking active part in fundamental research. R&D Programme will directly contribute to increasing the ration of human and social cohesion of the country. Focus on PhD students, post-docs and promising researchers and research teams will increase the conformity of the human resources in R&D to the country's real social and economic needs.
Gender equality	R&D Programme will make a positive impact on development of understanding of gender equality in Lithuania. Special attention shall be taken on promoting equal gender participation within the programme objectives.



## Annex 3

**Disbursement Plan****I. Disbursements for reimbursement of advance payments paid by NCU to Intermediate body and/or Executing Agency and/or beneficiaries:**

Reporting period No.	Reporting period	Documents to be added to the Reimbursement Request for Advance Payment	Forecast disbursement amount, CHF
1.	<i>[Date of the signature of the Agreement]</i> – 30 June 2011	N/A	
2.	01 July 2011 – 31 December 2011	N/A	
3.	01 January 2012 – 30 June 2012	N/A	825 200
04.	01 July 2012 – 31 December 2012	N/A	
TOTAL			825 200

**II. Disbursements for reimbursement of eligible expenditures incurred (including advances paid to supplies):**

Reporting period No.	Reporting period	Documents to be added to the Reimbursement Request	Forecast disbursement amount, CHF
1.	<i>Date of the signature of the Agreement</i> – 30 June 2011	Interim Report	93 400
2.	01 July 2011 – 31 December 2011	Interim Report	93 300
3.	01 January 2012 – 30	Interim Report	67 300

June 2012			
4.	01 July 2012 – 31 December 2012	Interim Report	233 200
5.	01 January 2013 – 30 June 2013	Interim Report	733 500
6.	01 July 2013 – 31 December 2013	Interim Report, conclusions of the intermediary financial audit	733 400
7.	01 January 2014 – 30 June 2014	Interim Report	1 303 800
8.	01 July 2014 – 31 December 2014	Interim Report	1 635 000
9.	01 January 2015 – 30 June 2015	Interim Report	1 643 500
10.	01 July 2015 – 31 December 2015	Interim Report	1 643 400
11.	01 January 2016 – 14 June 2016	Last Interim Report, 1 <sup>st</sup> Project Completion Report, conclusions of the final financial audit	23 500
12.	15 June 2016 – 14 December 2016	2 <sup>nd</sup> Project Completion Report covering the expenditures for reporting, auditing and evaluation	23 500
TOTAL			8 226 800