



# LITHUANIAN - SWISS COOPERATION PROGRAMME

## **ANNUAL MEETING ON THE LITHUANIAN-SWISS COOPERATION PROGRAMME**

Tuesday, 20 April 2010

Venue: Ministry of Finance, Vilnius  
Conference Room 331  
9.00 – 12.00 h

### **MINUTES**

#### Lithuania (LT):

Mr. Rolandas Kriščiūnas, Chairman, Vice-minister of the Ministry of Finance, National Coordination Unit (NCU),  
Ms. Jūratė Vlaščenkienė, Deputy Head of International Financial Assistance Coordination Division, Ministry of Finance, NCU,  
Ms. Roma Beržinytė, Chief Specialist of International Financial Assistance Coordination Division, Ministry of Finance, NCU,  
Ms. Eglė Puodžiukaitė, Chief Specialist of International Financial Assistance Coordination Division, Ministry of Finance, NCU,  
Mr. Viktoras Sirvydis, Director of Central Project Management Agency (CPMA),  
Ms. Jolanta Kačinskaitė, Acting Head of the International Programmes' Management Department, CPMA,  
Ms. Dalia Krupavičienė, Senior Project Manager, Swiss Programme Unit, CPMA,  
Ms. Neringa Janušienė, Project Manager, Swiss Programme Unit, CPMA,  
Ms. Rūta Griguolienė, Senior Financier, Financial Management Unit, CPMA.

#### Switzerland (CH):

Ms. Gabriela Nuetzi-Sulpizio, Ambassador, Embassy of Switzerland,  
Mr. Hugo Bruggmann, Co-chairman, Head of Swiss Enlargement Contribution Division, State Secretariat for Economic Affairs (SECO),  
Ms. Michelle Gysin, Programme Manager of Infrastructure Financing Division, SECO,  
Ms. Paula Wey, Programme Manager of Swiss Enlargement Contribution Division, SECO,  
Mr. Martin Lippuner, Programme Manager, Swiss Agency for Development and Cooperation (SDC),  
Ms. Christine Grieder, Head of the Swiss Contribution Office (SCO), Embassy of Switzerland,  
Ms. Olita Berzina, Programme Officer SCO, Embassy of Switzerland.

#### Others participants

Ms. Jurgita Bartašiūnaitė, Stagiaire, European Commission Representation in Lithuania.

## **Presentation on the Implementation of the Lithuanian-Swiss Cooperation Programme**

Mr. R. Kriščiūnas opened the meeting and welcomed all the participants.

Ambassador Gabriela Nuetzi-Sulpizio also welcomed all and thanked for fruitful cooperation in the implementation of the Lithuanian-Swiss Cooperation Programme.

Mr. R. Kriščiūnas presented the implementation status of the Lithuanian-Swiss Cooperation Programme (see Annex 1).

### **Discussions/Decisions**

#### **Reporting period of the Annual Report**

CH proposed that the next reporting period in the Annual Report would cover the whole year of 2010 and the first months of 2011 (depending on the date of annual meeting). LT agreed with this proposal. It was as well agreed that the work plan 2011 to be updated and presented at the next Annual Meeting shall be done on a monthly basis.

#### **“Rehabilitation and modernization of basic infrastructure and Improvement of the environment“ and „Health“ Programmes**

Mr. R. Kriščiūnas informed that during the reporting period the health sector programmes project outlines were submitted by LT in April 2009 and approved by CH in July 2009. Since 19 January 2010 the joint feasibility study aiming at the preparation of the Final Project Proposals is being developed by JSC “Earnst&Young” (Contractor). It is expected that the joint feasibility study will be prepared in June 2010 and the Final Project Proposals (FPP) officially submitted to CH in October 2010. Both parties agreed to speed up the approval process as much as possible in order to sign the Project Agreements at the end of the current year or at the early beginning of 2011. CH pointed out that the work plan is ambitious.

It was also agreed that all operational questions regarding these programmes and more detailed information on the preparation of the feasibility study would be discussed with the representatives of the Intermediate Body (MoH) and the Contractor in the working meeting on 20 April 2010.

#### **Research and Development Programme**

Mr. R. Kriščiūnas informed that during the reporting period, the Research and Development programme project outline was submitted by LT in August 2009 and approved by CH in October 2009. After analyzing the comments and conditions laid down in the Decision Letter, the Ministry of Education and Science decided to withdraw Objective I from further development of the Programme. The FPP is being drafted and planned to be officially submitted to CH in May 2010. If the approval procedure goes smoothly, it is expected to sign Project Agreement in August 2010 and to launch the first open call in fall 2010.

#### **NGO block grant (NGO Fund)**

Mr. R. Kriščiūnas informed that NGO Fund project outline was approved by CH in April 2009. Since 25 November 2009 the feasibility study on the NGO sector in Lithuania is being developed by the public institution “Social and Economic Development Centre”. Draft feasibility study was presented and discussed in a meeting with the representatives of the NGO sector on 7 April 2010.

For the next reporting period it is planned to finalize the NGO Fund feasibility study, prepare and submit to CH the NGO Fund FPP. It is expected to sign the Project Agreement in November 2010. The tender of the technical secretariat services is in the initial stage as the tender documents are under elaboration at the moment.

CH inquired when the first call for proposals is to be expected. LT informed that the first call for proposals is expected to be launched in the second quarter of the next year.

It was agreed that all operational questions regarding the NGO Fund and more detailed information on the preparation of the feasibility study would be discussed with representatives of the MoF and the Contractor in the working meeting on 21 April 2010.

### **Scholarship Fund (SF)**

Mr. R. Kriščiūnas informed that SF Agreement was signed on 29 June 2009. Draft Memorandum of Understanding has been negotiated between CRUS and the Lithuanian Research Council (in cooperation with the MoF, CPMA and MoES) and is ready for signature. 1st call for applications was launched on 1 January 2010 (ended on 1 April 2010), 16 applications were received from Lithuania. LT asked when the MoU could be signed as it was sent to CH in February 2010. CH promised to check this information with CRUS. CH also informed that Annual Report 2009 concerning the SF will be sent to LT until the end of April.

### **Development of the Final Project Proposal (FPP)**

CH informed that important points, such as: information on publicity measures, financial audits, evaluation should be shortly described and their costs should be foreseen in the budget in the FPP. VAT declarations should be submitted with the FPP as well.

In order to speed up the preparation of Project Agreements, CH suggested that some processes could go in parallel: elaboration of the Project Agreements or Project Implementation Agreements, preparation of tender documents etc.

### **Allocation of non-committed funds**

Both sides confirmed the consensus already reached by LT and CH sides before the Annual Meeting that out of the 7.086 MCHF non-committed funds, 1 MCHF shall be allocated to the Joint Research Projects and 1 MCHF to the programmes of the Ministry of Health. CH recalled the decision of the Swiss Federal Council to give priority to the security area when deciding on the non-committed funds. LT emphasized that it doesn't consider security as a priority area for the Lithuanian-Swiss cooperation programme and stressed the urgent needs of Lithuania in the fields of health and NGOs. Despite having assessed various possibilities, LT could identify only one project proposal (*video transmission, recording and storage in courts*) acceptable for financing by the Swiss Contribution. According to the LT side, new consultations to identify suitable security projects would take up to four months and the outcome would be highly uncertain. LT underlined that it would be difficult for the government to mobilize 15 % co-financing for a project that could hardly be justified in times of economic crisis. Based on this discussion, both sides agreed to allocate the remaining non-committed funds, including the leftover amount of the Project Preparation Facility (0.22 MCHF), as follows:

- An amount of 1.72 MCHF shall be allocated to the project *video transmission, recording and storage in courts* (security)
- the remaining non-committed amount of approximately 3.5 MCHF shall be allocated to the programmes of the Ministry of Health and / or the NGO Fund. The final decision shall be taken by mutual agreement after the completion of the feasibility study regarding the two programmes of the Ministry of Health

## **Public procurement**

CH asked LT to inform about the tender immediately when the tender is announced in order to provide the possibility for Swiss companies to participate in the tender. CH underlined that no special priority should be given to Swiss companies in the evaluation process. LT informed that this requirement is being followed.

## **Information and Publicity Activities**

CH informed that an information event on the Swiss contribution will be held in Switzerland on 19 November 2010. Two participants per country are invited to participate.

## **Amendment of Annex 1 and Annex 2 of the Framework Agreement**

LT proposed to amend Annex 1 and Annex 2 of the Framework Agreement. Annex 1 will be amended based on the decisions regarding the distribution of the non-committed funds of the Lithuanian – Swiss Cooperation Programme. Annex 2 will be also amended accordingly after inclusion of the individual project into the Annex 1.

Referring to the Annex 1 amendment, CH informed that they agree with the proposed modifications. As regards the amendment of the Annex 2, CH inquired if it is really necessary to adjust Annex 2. LT informed that Legal Department of the MoF insists that the corrections of the Annex 2 are necessary. It was agreed that CH will draft the exchange of letters to amend aforementioned annexes and send it to LT.

## **Individual Project**

LT proposed to join the two loops for the preparation of the individual project of the National Court Administration. The project is clear and concrete, joining of the loops would also speed up the practical start of project implementation.

CH informed that for formal reasons no exception could be made, but as the individual project is well elaborated the first loop should go fast and smoothly.

## **Procedures of the Programming Stage**

LT raised the proposal to accelerate the procedural side of the programming stage on both sides (in Lithuania and Switzerland). LT proposed CH to start with the development of the draft Project Agreements before the official approval of the FPP. As the experience shows, it takes quite a long time to harmonize the draft agreements, therefore, this would save time and speed up the start of practical implementation of the projects.

CH informed that the drafting of the Project Agreements can start when the FPP is submitted and they are released when the approval is known.

## **The date of the next Annual Meeting**

LT and CH agreed that the preliminary date of the next annual meeting will be discussed in October 2010 in the Baltic Retreat of the NCUs.

## **Compliance and system audits**

CH inquired about the progress of the compliance and system audits. LT informed that the rules for carrying out such audits were approved at the end of December 2009. The audits will be carried out by the intermediary bodies' internal audit units. Compliance assessments will be submitted to CH with the FPPs.

CH asked if the compliance and system audit will be carried out for Scholarship Fund (SF). LT mentioned that no audits were planned for SF as the intermediate body responsible for its implementation is CRUS.

CH also inquired if the functioning of internal audit units will be described in the FPP. LT informed that internal audit units will prepare the conclusions of the audits concerning the concrete programmes or NGO block grant. A descriptive part about the functioning of the internal audit units could be included in the FPP if that is necessary.

### **State Aid Rules**

CH inquired if there is any risk that State Aid rules could be violated in the scope of the Lithuanian-Swiss Cooperation Programme. LT preliminarily assumed that State Aid rules are not applicable since in general the projects do not benefit private actors. At the appraisal phase the projects will be checked in this respect.

### **Minutes of the Annual Meeting**

Parties agreed that the minutes of the Annual Meeting will be drafted by the NCU and submitted to CH for approval within 15 workdays after the meeting. Approved minutes will be published on the website of the Ministry of Finance.

### **Annexes**

**Annex 1.** NCU presentation “Implementation of the Lithuanian-Swiss Cooperation Programme: 2<sup>st</sup> Annual Meeting”.

**Annex 2.** Swiss information “Provisions to include in the Final Project Proposals”.