Annex 10 to the Guidelines for applicants of the open call “Supporting access to culture and strengthening cultural education” under the EEA financial mechanism programme “Culture” 2014-2021

**(draft) special conditions of the agreement on implementation of project No. … …………………. Of the EEA financial mechanism 2014–2021**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_ No. ­­­­­­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*(date) (project implementation agreement number)*

**The Public Institution Central Project Management Agency** (hereinafter – the Programme Operator) and

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(hereinafter – the Project Promoter),

*(name of the Project Promoter)*

hereinafter both together referred to as the Parties,

pursuant to clause 229 of the Rules of the Administration and Financing of EEA and Norwegian Financial Mechanisms 2014–2021 approved by Order No. 1K-389 of the Minister of Finance of the Republic of Lithuania of 12 November 2018 “Regarding the Implementation of EEA and Norwegian Financial Mechanisms 2014–2021 in Lithuania” (hereinafter – the MAFR),

whereas EEA financial mechanism funds 2014–2021 (hereinafter – mechanism funds) and funds of the state budget of the Republic of Lithuania (hereinafter – co-financing funds) were allocated for the implementation of the project specified in this project implementation agreement (hereinafter – the Agreement) by the letter of the Programme Operator No. \_\_\_\_\_\_\_\_ of \_\_ \_\_\_\_\_\_\_ 20\_\_,

also given the:

Regulation of the Implementation of EEA Financial Mechanism 2014–2021 approved by the EEA Financial Mechanism Committee on 8 September 2016,

the Description of Functions of the Authorities Responsible for the Management and Control of EEA and Norwegian Financial Mechanisms 2014-2021 approved by Order No. 1K-389 of the Minister of Finance of the Republic of Lithuania of 12 November 2018 “Regarding the Implementation of EEA and Norwegian Financial Mechanisms 2014–2021 in Lithuania”,

the MAFR,

*(additionally indicating the title of the Guidelines for Applicants, which form the basis for financing the project, and the date and number of the Decree of the Deputy Director of the CPMA approving the Guidelines for Applicants)*,

being aware of the fact that this Agreement comprises not only the Special Conditions and Annex (-es), but also General Conditions of the Agreement approved by Decree No. 2019/20-3-1 of the Deputy Director of the Public Institution Central Project Management Agency of 1 July 2019 “Regarding the Approval of the General Conditions of the Project Implementation Agreement under the EEA Financial Mechanism 2014–2021 or Norwegian Financial Mechanism 2014–2021”,

declaring and warranting to each other that the representatives of the Parties having signed the Agreement have been duly authorized by the Party to sign it,

hereby conclude this Agreement for the project “\_\_\_\_\_\_\_\_\_\_\_\_ “ , project code \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

*(project name) (project code)*

(hereinafter – the Project).

1. **Object of the Agreement**
   1. This Agreement lays down the procedure and conditions of financing the Project, the description and budget of which is indicated in Annex 1 of the Agreement (*also listing other annexes, if any*), for the implementation of which mechanism and co-financing funds were allocated.
2. **Mechanism and co-financing funds allocated for the project**
   1. The maximum amount of eligible Project costs planned in the Project budget is EUR \_\_\_\_\_\_\_*.*
   2. The Project Promoter shall be allocated up to EUR \_\_\_\_\_ for covering eligible costs referred to in sub-clause 2.1 of the Special Conditions of the Agreement for the implementation of the Project, of which:
      1. Mechanism funds shall total up to EUR \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and
      2. Co-financing funds – up to EUR ­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
   3. Mechanism and co-financing funds account for \_\_\_\_\_\_ % of the total eligible Project costs.
   4. The Project Promoter and/or the Partner (-s) *(the Partner (-s) shall be included, if it (they) is (are) provided for in the Project))* undertakes to contribute own funds for covering eligible costs specified in sub-clause 2.1 hereof, which are not covered from the funds referred to in sub-clause 2.2 hereof (*the provision regarding the payment of eligible costs shall be included, if the Project Promoter and/or the Partner (-s) must contribute own funds to the Project),* and all Project costs that does not meet eligibility requirements.
   5. *If the Project is subject to de minimis aid, the respective provisions shall be included:*

Mechanism and co-financing funds allocated for the implementation of the Project (*where only a part of the allocated amount is de minimis aid, the amount (in figures) of de minimis aid specified in the Programme Partner’s decision regarding the provision of de minimis aid shall be specified*) are *de minimis* aid, provided under the Commission Regulation (EU) No. 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ 2013 L 352, p. 1) (hereinafter – *De Minimis* Regulation).

1. **Start and end of the implementation of the project**
   1. The start of the implementation of the Project shall be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *(may be specified):*

*or “the effective date of the Agreement”, if Project activities were not started upon the Programme Operator’s decision on the Project financing;*

*or a specific date may be entered, which may not be earlier than the date of adoption of a Programme Operator’s decision on the Project financing.*

* 1. The end of the implementation of the Project shall be \_\_ \_\_\_\_\_\_\_\_ 20\_\_\_ *(last day of the month when the achievement of the last Project indicator is planned in accordance with the Project implementation schedule presented in clause 7 of Annex 1. If the last day of the month is a day-off, the first day following the day-off shall be specified)*.

1. **Payments**

* 1. Project costs shall be compensated in application of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *(the method (-s) of payment of costs shall be specified – cost compensation with or without an advance, and/or the payment of invoices).*
  2. *(whether or not an advance is to be paid shall be specified. If an advance is not paid, this sub-clause shall not be included in the Agreement).* The Project Promoter may be paid an advance of up to \_\_\_ % (up to EUR \_\_\_\_\_\_\_\_\_\_\_\_\_) of all the mechanism and co-financing funds allocated for the implementation of the Project specified in sub-clause 2.2 of the Special Conditions of the Agreement.
  3. *(to be specified if pursuant to sub-clause 289.2 of the MAFR, the Project Promoter shall present an advance security document. If the Project Promoter does not have to present an advance security document, this sub-clause shall not be included in the Agreement).* The Project Promoter shall present to the Programme Operator along with its request for payment of an advance an advance security document (a letter of guarantee or surety of a financial institution or an insurance company, or a surety insurance letter), in line with the following conditions:
     1. An advance security amount indicated in the advance security document shall be no lower than the amount of mechanism and co-financing funds indicated in the Project Promoter’s request for an advance;
     2. The Ministry of Culture of the Republic of Lithuania shall be indicated as the beneficiary in the advance security document;
     3. The expiry date of the advance security document indicated in the advance security document shall be at least \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *(a specific date shall be entered, which shall be calculated adding 30 business days to the deadline for the submission of the final payment request specified in sub-clause 4.5 of the Special Conditions of the Agreement).*
  4. *(to be specified if pursuant to sub-clause 289.2 of the MAFR, the Project Promoter shall present an advance security document. If the Project Promoter does not have to present an advance security document, this sub-clause shall not be included in the Agreement).* Having extended the Project implementation deadline, the Project Promoter shall submit to the Programme Operator an extension of the advance security document or a new advance security document in line with the conditions laid down in sub-clauses 4.3.1 and 4.3.2 of the Special Conditions of the Agreement, the expiry date of which shall be at least 30 days after the deadline for the submission of the final request for payment indicated in the amendment to the Agreement, no later than within 10 business days after the effective date of the amendment to the Agreement changing the Project implementation deadline.
  5. The Project Promoter shall submit to the Programme Operator an advance payment request *(an advance payment request shall be included, if an advance has been planned in the Project)* and interim payment applications in accordance with the procedure and deadlines laid down in the General Conditions of the Agreement *(if given the specifics of the Project, the need of cash flows of the Project Promoter, the Project Promoter is not subject to the deadlines for the submission of interim payment requests provided for in the General Conditions of the Agreement, provisions on different deadlines for the submission of interim payment requests shall be entered in sub-clause 4.5)*. The final payment request shall be submitted to the Programme Operator by \_\_ \_\_\_\_\_\_\_ 20\_ *(the date shall be specified having taken into account the fact that the Project Promoter shall submit the final payment request no later than within 20 business days after the deadline specified in clause 3.2 of the Special Conditions of the Agreement)*.

1. **Simplified compensation of direct project costs**

*(to be specified if the plan is to cover direct Project costs in application of a simplified payment of costs)*

* 1. The following direct Project costs shall be covered in a simplified procedure:

*(simplified payment (-s) of direct costs applicable in respect of a specific Project only shall apply)*

* + 1. costs of business trips and travelling abroad (for more than 1 day) (excluding costs of traveling abroad and going back by all types of vehicles) shall be compensated on a simplified bases applying the per diem rates of the European Commission, which cover costs of accommodation, meals, local trips, insurance and other necessary travel expenses abroad) (unit costs) published on the European Commission’s website online at (applicable version: https://ec.europa.eu/europeaid/sites/devco/files/perdiems-2017-03-17\_en.pdf);
    2. transportation expenses incurred in business trips and traveling in the territory of the Republic of Lithuania (fuel or public transportation expenses) shall be compensated in a simplified procedure in application of unit cost per 1 km set in the Report on the Analysis for Setting Unit costs of Fuel and Public Transportation Expenses No. FĮ-005 (edition of 24 April 2015) of the Ministry of Finance of the Republic of Lithuania published on the website [www.esinvesticijos.lt](http://www.esinvesticijos.lt) (under the section “Documents” -> “Analysis” -> sub-section “Analysis of Simplified Compensation of Expenses”), unit costs per 1 km (0.07 EUR / km without VAT or 0.08 EUR / km with VAT);
    3. the simplified reimbursement of unit costs may not be applied to the donor partner, as well as the costs of the Project Promoter and / or partner, where the costs or part of the costs included in the unit costs are included in the price of other services;
    4. expenses for annual leave and/ or compensation for unused annual leave an benefits for additional days-off of employees of the Project Promoter and Project Partner (-s) from Lithuania, implementing and administering Project activities, shall be compensated on a simplified bases using the flat rates for payment for annual leave and additional days-off set in the Report on the Analysis on Setting Flat Rates of Payment of Annual Leave and Additional Days-Off No. FN-005 (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) (under the section “Documents” -> “Analysis” -> sub-section “Analysis of Simplified Compensation of Expenses”), fixed coefficients (flat rates) for annual leave and additional rest days.

*(if compensation of direct Project costs in a simplified procedure is not planned, the following shall be included:)*

* 1. Non-applicable.

1. **Indirect costs**

*(if indirect Project costs are planned, the following shall be included:)*

1. The maximum possible amount of indirect Project costs shall be EUR \_\_\_\_\_\_\_\_. The method of \_\_\_\_\_\_\_ shall apply to determine indirect Project costs *(the applicable method shall be specified; sub-clause 276 of the MAFR lists all possible methods. If methods of calculation of indirect costs of the Project Promoter and the Partner (-s) differ, the following shall be indicated: The method of \_\_\_\_\_\_\_ shall apply to determine indirect Project costs of the Project Promoter. The method used to determine indirect costs of the Partner (-s) shall be specified in the partnership agreement (-s) concluded by the Project Promoter and the Partner (-s)). If indirect costs are to be covered in a simplified procedure applying a flat rate, the following shall be indicated additionally:* A flat rate of \_\_\_ % of \_\_\_\_\_ *(the eligible direct costs of which this percentage shall be calculated shall be specified)* shall apply for compensating indirect Project costs*).*

*(If no indirect costs have been planned in the Project, the following shall be specified:)*

6.1. Not applicable.

1. **Other conditions**
   1. *(If the evaluation of the Project application was completed with the proviso that the required documents and / or information will be provided by the deadline specified in the Agreement, the requirements to submit the relevant documents and / or information to the Project Promoter by the respective deadline shall be stated).*
   2. Costs incurred for non-current assets may not exceed 30% of eligible Project costs.
   3. Project administration costs may not exceed 10% of eligible Project costs.
   4. The Project Promoter shall notify the Programme Operator of any training, seminars, conferences or other events planned under the Project via the EEA and Norwegian financial mechanism 2014–2021 project data exchange website (DMS) by submitting a completed schedule of events in a form approved by the Programme Operator, not later than 5 business days before the start of the respective event.
   5. The project sustainability period shall be \_\_\_\_\_\_\_ years after the approval of the final payment request.
   6. The Project Promoter shall provide the Programme Operator with post-project reports throughout the entire Project sustainability period specified in sub-clause 7.5 of the Special Conditions of the Agreement (*if sub-clause 7.1 is not included, numbering of the sub-clause shall be changed respectively*). The procedure and deadlines for the submission of post-project reports are laid down in the General Conditions of the Agreement.
   7. *(If equipment or machinery is acquired in the Project, and the Programme Operator determines in the course of the evaluation of the application that the equipment or machinery are an integral and necessary part of the Project implementation results, and thus the total price of acquisition of the equipment of machinery (or pro rata part of the price of acquisition of the equipment and machinery attributable to the Project) may be recognized as eligible costs, and the equipment and machinery comply with the conditions laid down in sub-clause 272.3 of the MAFR, the following shall be indicated:)*

The Project Promoter shall ensure:

*If equipment and machinery acquired in the course of the Project are financed from the Project funds 100 %, sub-clause 7.7.1 shall read as follows:*

* + 1. The ownership to the equipment and machinery (hereinafter – equipment), which is an integral and necessary part of Project implementation results, and thus the price of acquisition of this equipment may be recognized as eligible costs and which meets the conditions laid down in sub-clause 272.3 of the MAFR, shall be retained and its use for the purposes of the Project only shall be ensured in the course of the Project implementation and during the Project sustainability period specified in sub-clause 7.5 of the Special Conditions of the Agreement (*if sub-clause 7.1 is not included, numbering of the sub-clause shall be changed respectively)*;

*If both equipment and machinery, which are 100% financed from the Project funds, and equipment and machinery, which are financed from the Project funds in accordance with the pro rata principle, are acquired in the course of the Project, sub-clause 7.7.1 shall read as follows:*

*7.7.1*. The ownership to the equipment and machinery (hereinafter – equipment), which is an integral and necessary part of Project implementation results, and thus the price of acquisition of this equipment or *pro* rata part of the price of acquisition of this equipment attributable to the Project may be recognized as eligible costs, and which meets the conditions laid down in sub-clause 272.3 of the MAFR, shall be retained and its use for the purposes of the Project only shall be ensured, or, if *pro rata* part of the price of acquisition of this equipment may be recognized as eligible costs, its use for Project purposes to the extent no lower than that set in sub-clause 7.8 of the Special Conditions of the Agreement shall be ensured in the course of the Project implementation and during the Project sustainability period specified in sub-clause 7.5 of the Special Conditions of the Agreement (*if sub-clause 7.1 is not included, numbering of the sub-clause shall be changed respectively)*;

*If equipment and machinery acquired under the Project are financed in application of pro rata principle only, sub-clause 7.7.1 shall read as follows:*

*7.7.1.* The ownership to the equipment and machinery (hereinafter – equipment), which is an integral and necessary part of Project implementation results, and thus *pro* rata part of the price of acquisition of this equipment attributable to the Project may be recognized as eligible costs, and which meets the conditions laid down in sub-clause 272.3 of the MAFR, shall be retained and its use for the purposes of the Project shall be ensured to the extent no lower than that set in sub-clause 7.8 of the Special Conditions of the Agreement in the course of the Project implementation and during the Project sustainability period specified in sub-clause 7.5 of the Special Conditions of the Agreement (*if sub-clause 7.1 is not included, numbering of the sub-clause shall be changed respectively)*;

* + 1. The equipment shall be duly insured against such damages as fire, theft or other normally insured events, during the Project implementation period and the Project sustainability period set in sub-clause 7.5 of the Special Conditions of the Agreement (*if sub-clause 7.1 is not included, numbering of the sub-clause shall be changed respectively*). The Project Promoter shall ensure that the equipment is insured no later than within 1 (one) month from its acquisition date;
    2. Proper maintenance of equipment during the Project implementation period and the Project sustainability period set in sub-clause 7.5 of the Special Conditions of the Agreement (*if sub-clause 7.1 is not included, numbering of the sub-clause shall be changed respectively*), including the allocation of funds for equipment maintenance, shall be ensured.
  1. *(If the value of the equipment acquired under the Project is more than EUR 1 000 and the acquisition of equipment is financed from Project’s funds in application of the pro rata principle, the following shall be included:)*

Equipment acquired under the Project, which meets the conditions laid down in sub-clause 272.3 of the MAFR, i.e. *[specific equipment shall be specified]*, shall be used during the Project implementation period and the Project sustainability period set in sub-clause 7.5 of the Special Conditions of the Agreement (*if sub-clause 7.1 is not included, numbering of the sub-clause shall be changed respectively*) for the Project purposes to the extent no lower than \_\_\_\_\_\_\_\_*(percentage value shall be specified)* % *(additional provisions may be entered, for example, giving a reference to the methodology of attributing equipment to the Project approved by the Project Promoter (Partner)).*

* 1. *(If the value of the equipment acquired under the Project is less than EUR 1 000 and the acquisition of equipment from Project’s funds in application of the pro rata principle, the following shall be included:)*

Equipment acquired under the Project, which does not meet the conditions laid down in sub-clause 272.3 of the MAFR, i.e. *[specific equipment shall be specified]*, shall be used during the Project implementation period and the Project sustainability period set in sub-clause 7.5 of the Special Conditions of the Agreement (*if sub-clause 7.1 is not included, numbering of the sub-clause shall be changed respectively*) for the Project purposes to the extent no lower than \_\_\_\_\_\_\_\_*(percentage value shall be specified)* % *(additional provisions may be entered, for example, giving a reference to the methodology of attributing equipment to the Project approved by the Project Promoter (Partner)).*

* 1. The Programme Operator may exempt the Project Promoter from the obligations set forth in sub-clauses 7.7, 7.8 and / or 7.9 (*leaving the necessary ones only*) of the Special Conditions of the Agreement, if further use of the equipment for the purposes of the Project is not economically viable.
  2. Where a Partner (-s) acquires the equipment referred to in sub-clauses *7.7, 7.8 and/or 7.9* *(leaving the necessary ones only)* of the Special Conditions of the Agreement, the Project Promoter shall ensure that the Partner (-s) also complies with the requirements referred to in sub-clauses *7.7, 7.8 and/or 7.9* *(leaving the necessary ones only)*.
  3. *If it is known in advance (from information presented in the application) that property created, acquired or renovated in the course of the Project will be transferred or otherwise assigned to other beneficiaries, who are not Project Partners, a provision for an advance approval of the Programme Operator shall be included:*

The Programme Operator agrees that *property [to be specified which or a reference to the Annex of the Agreement listing the respective property may be included]* created, acquired or renovated in the course of the Project may be *transferred or assigned to [indicating to whom, or a reference to the of the Agreement may be provided]* in accordance with the procedure established by legislation, without a separate consent of the Programme Operator specified in sub-clause 3.1.21 of the General Conditions of the Agreement. The Project Promoter shall provide the Programme Operator with all documents related to the *transfer or assignment of the property* no later than within 10 business days from the date of *transfer or assignment of the property*.

* 1. *If the Project provides for Partners, the following shall be specified:*

Having amended the Partnership Agreement (-s), the Project Promoter shall notify the Programme Operator of its (their) amendment through the DMS and provide the agreement (-s) regarding the amendment to the partnership agreement (-s) or other documents substantiating the amendment to the partnership agreement (-s) within 5 business days after the effective date of the amendment to the partnership agreement (-s).

* 1. *If the Project provides for participants, the following shall be specified:*

The Project Promoter shall ensure that consents of natural persons to provide their data (including personal data) to the Programme Operator and other authorities referred to in sub-clause 8.1 of the General Conditions of the Agreement are obtained, if such consents are necessary.

* 1. *If the Project provides for participants and they must be from respective target groups only, the following shall be specified:*

In the implementation of the Project, the Project Promoter shall ensure that solely representatives of the target group specified in sub-clause 5.6 of Annex 1 of the Agreement take part in Project activities and undertake to have documents, which substantiate that each participant is a part of the target group.

* 1. *If in the implementation of the Project the preparation/ creation of recommendations, methodologies, guidelines, studies, quality standards, training programmes, etc., is planned, the following shall be specified:*

When submitting to the Programme Operator post-project reports, the Project Promoter shall present information on the *implementation/ application/ use of the recommendations, methodologies, guidelines, studies, quality standards, training programmes prepared/ created (the applicable shall be left and/or additional options shall be entered given the results/ products planned to be created in the Project)* in the implementation of the Project*.*

* 1. *(Other conditions, which the Project Promoter is subject to, shall be specified, if they have been set in the Guidelines for Applicants, and/or programme agreements, and/or other conditions and/or exceptions applicable to the Project implementation and/or Project sustainability period listed in the General Conditions of the Agreement).*
  2. *(If applicable, additional conditions shall be included, if at the time of the evaluation of applications, the Programme Operator identifies a risk the control of which requires additional special conditions of the Agreement, for example, conditions related to the deadlines for achieving interim Project results).*
  3. The Project Promoter shall ensure that in the course of the implementation of the Project, *de minimis* aid requirements laid down in the *De minimis* Regulation are followed.

1. **Effective date of the Agreement and details of the Parties** 
   1. The Agreement shall take effect upon its signing by the Parties, and shall be valid till the fulfilment of obligations of the Parties hereunder.
   2. The Agreement has been concluded in two copies of equal legal force, with one going to each Party.
   3. Addresses and details of the Programme Operator:

|  |  |
| --- | --- |
|  | **Programme Operator** |
| Legal entity code | 126125624 |
| Address | S. Konarskio g. 13, Vilnius |
| Postal code | 03109 |
| Telephone | +370 5 251 4400 |
| E-mail | [info@cpva.lt](mailto:info@cpva.lt) |

* 1. Address and details of the Project Promoter are presented in clause 1 of Annex 1 of the Agreement.

1. **Annexes of the Agreement**
   1. Annex No 1 Project Description and Budget;
   2. *(other annexes of the Agreement, if any, shall be listed)*.

**Signatures of the Parties**

|  |  |
| --- | --- |
| Deputy Director of the Public Institution Central Project Management Agency | Project Promoter or representative of the Project Promoter |
| (signature) | (signature) |
| (name and surname) | (name and surname) |
| (date) | (date) |