APPROVED by Decree No. DR-20-2-2020-16 of the Deputy Director of the Public Institution Central Project Management Agency of 25 February 2020 (edition of the Decree No. DR-20-2-2020-19 of the Deputy Director of the Public Institution Central Project Management Agency of 6 March 2020)

**GUIDELINES FOR APPLICANTS**

**Of the call “Supporting access to culture and strengthening cultural education”**

**under the** **EEA financial mechanism programme “Culture” 2014-2021**

1. **General provisions**
2. 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 lays down the requirements for applicants, which they shall follow in preparing and submitting their applications.
3. The Guidelines for Applicants have been prepared in observance of the following:
   1. Memorandum of Understanding regarding the implementation of EEA financial mechanism 2014–2021 of 24 April 2018 among the Republic of Lithuania and Iceland, the Principality of Liechtenstein and the Kingdom of Norway (hereinafter – the Memorandum);
   2. Regulation implementing EEA financial mechanism 2014–2021 (hereinafter – the Regulation) approved by EEA Financial Mechanism Committee on 8 September 2016;
   3. Rules of Administration and Financing of EEA and Norwegian Financial Mechanisms 2014-2021 (Order No. 1K-389 of the Minister of Finance of the Republic of Lithuania of 12 November 2018);
   4. Contract regarding the financing of the EEA financial mechanism programme “Culture” 2014-2021 of the Ministry of Finance of the Republic of Lithuania and the EEA Financial Mechanism Committee of 19 June 2019;
   5. 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)
4. The terms used in the Guidelines shall be understood as defined in the legal acts referred to herein and the Description of Functions of the Authorities Responsible for the Management and Control of EEA and Norwegian Financial Mechanisms 2014-2021.
5. Other terms and abbreviations used in the Guidelines:
   1. **Co-financing Funds** – funds of the state budget of the Republic of Lithuania for financing programmes implemented from EEA and (or) Norwegian financial mechanism funds.
   2. **Community** – a community organization, a legal entity as defined by the Law on Associations of the Republic of Lithuania, whose founders and members are residents of a local residential community (its part or several residential areas) (their representatives) and the purpose of which is to implement public interests related to living in the neighbourhood.
   3. **CPMA** – PI Central Project Management Agency.
   4. **Donor Project Partner** – a legal entity, public or private, commercial or non-commercial and non-governmental organisations, established as a legal person in one of the Donor States (the Republic of Iceland, the Principality of Liechtenstein and the Kingdom of Norway) and/or natural person, who has the right of legal residence in the Principality of Liechtenstein, which is actively involved in the preparation of a project application and contributes to the implementation of the project on the basis of a partnership agreement signed with the Project Promoter.
   5. **DMS** – site for the exchange of project data of EEA and Norwegian financial mechanisms 2014-2021.
   6. **EEA** – European Economic Area.
   7. **Cultural education** - engaging activities with audiences aimed at developing participants' cultural competencies;
   8. **MAFR** - Rules of Administration and Financing of EEA and Norwegian Financial Mechanisms 2014-2021, approved by the Order No. 1K-389 of the Minister of Finance of the Republic of Lithuania of 12 November 2018;
   9. **Mechanism Funds** – funds of EEA mechanism 2014-2021;
   10. **Applicant** – a legal entity registered in Lithuania having submitted a project application. After signing a project contract, the Applicant becomes a Project Promoter.
   11. **Process Working Group** – a working group for the establishment of processes of administration of EEA and Norwegian financial mechanisms, set up by Order No. 1K-109 of the Minister of Finance of the Republic of Lithuania of 8 March 2018 “Regarding the Formation of a Working Group”;
   12. **Project Partner** – a legal person registered in Lithuania, actively involved in the preparation of a project application and contributing to the implementation of the project on the basis of a partnership agreement signed with the Project Promoter.
   13. **Project Promoter** – a legal entity registered in Lithuania to which mechanism, co-financing funds are allocated and which, on a basis of a contract signed with the CPMA, is responsible for the implementation of the project selected under the call "Developing Cultural Accessibility and Enhancing Cultural Education".
   14. **Programme** – EEA financial mechanism programme “Culture” 2014-2021 (hereinafter also referred to as the Programme for Culture).
   15. **Region** – a county or a territory of Lithuania consisting of several counties or municipalities that have common boundaries outside the three major cities (Vilnius, Kaunas and Klaipėda).
   16. **Market Research –** collection of qualitative and quantitative information on the supply of goods, services, suppliers, goods supplied, services provided by them, and service prices, their analysis and preparation of general conclusions for making decisions on the funds needed for the procurement of the project.
   17. **Social Inclusion** – the process of ensuring that all members of the society are provided with opportunities they need to participate in economic, social, political and cultural life.
   18. **Creative Product** – the original result of an artistic or cultural activity in a form, which allows it to be presented to the public.
   19. **Donor States** – the Republic of Iceland, the Principality of Liechtenstein and the Kingdom of Norway.
   20. **Local Stakeholders** – local entities at the municipal level (authorities, organizations, companies or communities).
6. **Objectives of the programme “culture” and areas of support**
7. The aim of the Programme is enhancing socio-economic development through cultural cooperation, cultural entrepreneurship and cultural heritage management.
8. The open call “Supporting access to culture and strengthening cultural education” will be aimed at developing cultural accessibility and cultural education. This call will promote audience development and mobility of high-quality professional cultural and creative products and services in the regions of Lithuania. Special attention will be given to innovative methods of implementation of these initiatives.
9. The following are the objectives of the open call of the Programme:
   1. To improve the dissemination of professional cultural products and services and to ensure an equal access thereto;
   2. To encourage creativity of children and youth by facilitating their participation in cultural education activities;
   3. To strengthen cooperation between cultural organizations in regions and larger cities.
10. Within this call financing will be provided for the following activities:
    1. Promoting dissemination of high quality professional cultural and creative products and services in regions of Lithuania;
    2. Cultural events and (or) activities, promoting audience development at the regional and local levels and attracting local communities, artists and cultural figures;
    3. Implementing activities for children and youth encouraging them to actively participate in culture;
    4. Implementing projects encouraging social inclusion and anti-discrimination.
11. EUR 1 500 000.00 (of which EUR 1 275 000.00 from the Mechanism Funds and EUR 225 000.00 from the national co-financing) shall be allocated for the implementation of the projects under the call “Supporting access to culture and strengthening cultural education”. The “Culture” Program has a total budget of EUR 8 235 294.00 (of which EUR 7 000 000.00 from the Mechanism and EUR 1 235 294.00 from national co-financing).
12. All information on the Programme and the submission of Programme project applications is published online at [www.eeagrants.lt](http://www.eeagrants.lt) and [www.cpva.lt](http://www.cpva.lt).
13. **Eligible applicants, project partners and requirements for the partnership agreement**
14. Potential Applicants are Public or private entities, commercial or non-commercial and non-governmental organizations established as legal persons in the Republic of Lithuania;
15. The core activity of the Applicant or its partners from Lithuania shall be carried out in the cultural and/or creative sector as defined in Regulation (EU) No. 1295/2013 establishing the Creative Europe Programme.
16. Project Partners:
    1. Public or private entities, commercial or non-commercial and non-governmental organizations established as legal persons in the Republic of Lithuania. If the Applicant carries out its core activity outside of the cultural and / or creative sector within the meaning of Regulation (EU) No 1295/2013 establishing the Creative Europe Programme, at least one partner from Lithuania shall carry out its core activity in these sectors;
    2. Public or private entities, commercial or non-commercial and non-governmental organizations established as legal persons in one of the Donor States whose principal activity is in the cultural and / or creative sector within the meaning of Regulation (EU) No 1295/2013 establishing the Creative Europe Programme, and natural persons who are legal residents in Liechtenstein;
    3. Public or private entities, commercial or non-commercial and non-governmental organizations established as legal persons in non-EEA countries, which share a border with Lithuania, also international organizations, entities or agencies as defined in clause 7.2.2 of the Regulation.
17. In this call, the same institution can submit one application only as an Applicant. Should an Applicant submit more than one application, the first submitted application only shall be assessed (based on the date and time of its submission), and all other applications shall be rejected.
18. The Applicant must have at least one partner from at least one Donor State (Norway, Iceland or Liechtenstein). The number of project partners is unlimited.
19. The same legal entity may participate as a partner in several projects, but only in one project as an Applicant.
20. The benefits and contribution of a Partner (-s) in the project shall be substantiated in the project application. The Applicant shall choose as partners solely those legal and natural persons (where applicable), who will make an actual contribution to the activities of the project and / or will actively use the results created in the course of the project. The Applicant shall assess the necessity of the Partner (-s) for the project and the related management difficulties.
21. A draft partnership agreement (or where a partnership agreement has been signed before the submission of an application - a copy of the signed agreement) or a letter of intent to conclude such an agreement shall be submitted along with the application. One partnership agreement may be concluded with all Project Partners or a separate partnership agreement (-s) may be concluded with each individual Project Partner (-s). A draft partnership agreement or a letter of intent shall be submitted in English, if a partner from a Donor State is at least one party to the partnership agreement or the letter of intent.
22. The template of the partnership agreement in English is available online: [https://eeagrants.org/resources/2014-2021-bilateral-guideline-annex-6-partnership-agreement-template.](https://eeagrants.org/resources/2014-2021-bilateral-guideline-annex-6-partnership-agreement-template)
23. Where a copy of a draft partnership agreement or a signed partnership agreement is submitted along with the application, it shall include the following conditions:
    1. Purpose of the agreement, distribution of tasks between the Applicant and the Partner (-s) in the implementation of the project;
    2. Detailed budget of the project, distribution of costs between the Applicant and the Partner (-s), procedure of covering costs of the Partner (-s), including provisions on the applicable exchange rate if the costs are incurred in a currency other than the euro (in any case, exchange losses are ineligible costs for the project);;
    3. Provisions on the method of calculation of indirect costs (possible methods are set out in clause 276 of the MAFR) and the maximum possible sum of indirect costs;
    4. Provisions governing the procedure of covering costs incurred by a Project Partner (-s) from a Donor State. Pursuant to clauses 290 and 292 of the MAFR, to account for its costs, a Project Partner from a Donor State may present the following to the Project Promoter:
       1. Copies of documents substantiating costs and proof of their payment, or
       2. If a Project Partner from a Donor State is a public authority or institution having a competent official who is entitled to audit the respective entity and whose independence in the preparation of financial statements is ensured, such a Project Partner may submit with each payment request declaring the costs incurred thereby a report signed by the said competent official regarding the eligibility of the costs for financing (according to the form prepared by the Process Working Group confirming that the costs indicated in the conclusion on the eligibility of the costs for financing have been incurred in accordance with the Regulation, national legislation and accounting practices in the partner country;
       3. If a Project Partner from a Donor State is not a public authority or institution and / or does not have a competent official, who is entitled to audit the respective entity and / or whose independence in the preparation of financial statements is not ensured, such a Project Partner may submit with each payment request declaring the costs incurred thereby a declaration of costs of the partner (in the form prepared by the Process Working Group) confirming that the costs specified in the declaration of costs have been incurred in accordance with the Regulation, national legislation and accounting practices in the project partner’s country. Such a declaration of project partner’s costs shall additionally be signed by a Project Promoter’s representative, certifying that the Project Partner has completed the activities, provided the services, and the Project Promoter is satisfied with the result, while the expenses incurred are in line with the project budget. If the total costs incurred by the Project Partner from a Donor State throughout the entire period of implementation of the project exceed EUR 10 000 (except for expenses, which have been paid in a simplified procedure, at a unit cost and / or a flat rate), a report regarding the eligibility of costs (in the form prepared by the Process Working Group) signed by an independent auditor shall be submitted along with the final payment request for all costs incurred by the Project Partner. In such a case, a draft partnership agreement (a signed partnership agreement) shall also indicate which party of the partnership agreement (Project Promoter or Donor Project Partner) shall be the buyer of and the payer for the services of audit of costs of a Donor Project Partner, ensuring that a service provider conducting an audit is competent to audit such costs and to confirm that the costs incurred by the Project Partner comply with the requirements of the Regulation and legal acts applicable in the Donor State of the Project Partner as well as with accounting principles.
    5. The provision that the amount of costs incurred shall be denominated in the euro in the declaration of costs and / or the conclusion on the eligibility of costs. Where costs have been incurred in a foreign currency, they shall be converted into the euro according to the reference exchange rate published by the European Central Bank at the date of the declaration of costs and / or the conclusion on the eligibility of cost.
    6. The provision that the Project Partner shall store documents of substantiation of costs and evidence of their payment in observance of provisions of applicable legislation, but not less than specified in the project contract;
    7. The provision that the Project Partner shall create conditions for inspecting and auditing project and project-related documents for institutions entitled to do that in the implementation of the programme;
    8. The provision regarding dispute resolution.
    9. The provision stating that the project budget, breakdown of costs between the applicant and the partner (s), the method of calculation of indirect costs and their maximum amount, set in the partnership agreement or its draft, prepared before submitting a project application, may vary according to the amount of eligible costs determined during the evaluation of the application. In case the project budget changes, the partnership agreement will have to be modified.
24. Where a letter of intent to sign partnership agreement is submitted along with the application, it shall include at least the following conditions:
    1. The purpose of the letter of intent, distribution of tasks between the Applicant and the Partner (-s) in the implementation of the project;
    2. Detailed project budget, distribution of costs between the Applicant and the Partner (-s).
25. Where a draft partnership agreement or a letter of intent is submitted along with the application, a copy of a signed partnership agreement shall be submitted to the programme operator before signing a project contract.
26. The Partner (-s) shall participate in the implementation of the project and shall use its results or products, however the Applicant shall be responsible for proper implementation, coordination of the project and the use of funds. Where mechanism funds and co-financing funds are allocated for the project, a project contract shall be concluded with the Applicant, who shall become a Project Promoter as from the date of signing the project contract. Mechanism funds and co-financing funds allocated for the implementation of the entire project shall be paid directly to the Project Promote, who shall then settle with the Partner (-s).
27. **Eligible projects**
28. Financing shall be allocated for projects that contribute to the pursuit of objectives of the Programme and this open call, and that meet the following special project eligibility criteria (all listed criteria are mandatory and shall be applied to all projects):
    1. The project shall involve children and youth (under 29 years old) in events and/or activities at the regional or local level;
    2. The project shall cover innovative forms of cultural education, such as co-production, joint performances, inclusive education, interactive methods using new media, etc.;
    3. A new cultural – artistic – creative product or service shall be created or the existing one shall be developed or distributed in the course of the project.
    4. The created product shall be presented at least 3 times at different levels of the territory of Lithuania (in different locations):
       1. At least once at local level (in municipal districts / rural elderships);
       2. At least once at the municipal level (in the municipal center according to the administrative division of the territory of Lithuania, except when the municipality is also the county center);
       3. Not more than once at the county level (i.e. in Alytus, Marijampolė, Panevėžys, Šiauliai, Tauragė, Telšiai and Utena cities). Not eligible locations for presentation of products - cities of Vilnius, Kaunas and Klaipėda).
    5. Local Stakeholders shall be included in events and activities at the regional or local level.
    6. Joint cultural activities in cooperation with at least one entity from a Donor State (Norway, Island, Liechtenstein) shall be carried out in the course of the project.
29. In the implementation of the project the Applicants shall seek to contribute to the achievement of the following monitoring indicators:

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| **Outcome Indicator** |
| * 1. Number of participants in events financed under the Programme (mandatory); |
| * 1. Share of local beneficiaries participating in project activities (mandatory); |
| * 1. Share of people reporting increased access to cultural activities (mandatory). |
| **Output Indicator** |
| * 1. Number of activities supported; |
| * 1. Number of children and youth involved in events and activities at regional or local level (mandatory); |
| * 1. Number of local stakeholders involved in events and activities at regional or local level (mandatory); |
| * 1. Number of projects related to social inclusion and anti-discrimination (optional); |
| * 1. Number of cross-sectoral partnerships supported (optional); |
| * 1. Number of people participating in educational activities (optional). |

1. By the project, the Applicants shall seek to contribute to the monitoring indicators of the Programme product "Enhancing Capacities of Cultural Players through Bilateral Co-Operation”, if the project provides for activities related to these indicators:

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| **Indicator** |
| * 1. Number of implemented joint cultural activities |
| * 1. Number of employees from Donor States taking part in the exchange (broken down by gender and the Donor State) |
| * 1. Number of employees from beneficiary countries taking part in the exchange (broken down by gender and the Donor State) |

1. A methodology for calculating monitoring indicators is provided in Annex 5 to the Guidelines.
2. A maximum of 24 months shall be planned for the implementation of project activities. During the implementation of the project, the project activities may be extended in presence of duly justified reasons, but not longer than till 30 April 2024.
3. The project shall be prepared in observance of the principles of **good governance** (accountability, transparency, participation, equality, rule of law, skills, competence and sensitivity to human needs shall be ensured in the implementation of the project), **sustainable development** (alignment of economic, social development and environmental protection objectives, taking into account their complex interdependence and the expected effects of their implementation) and **gender equality and equal opportunities** (ensuring equal opportunities for women and men and the elimination of any discrimination based on ethnic or racial origin, age, disability, sexual orientation, religion or views). The project cannot have an adverse impact on these principles.
4. The project shall meet the set project administrative criteria, general project selection criteria and specific project compliance criteria (project eligibility criteria) and shall aim to meet the specific priority project selection criteria (benefit and quality) laid down in Annexes 2, 3 and 4 to the Guidelines.
5. The project shall be non-profit-making, aimed at serving the public interest (pursuing goals important to the society rather than a commercial interest or satisfaction of needs of a single person (legal or private).
6. **Requirements for the provision of *DE MINIMIS* aid**
7. According to the Guidelines, Applicants may be granted *de minimis* aid, which is in line with the provisions of the *De Minimis* Regulation. The beneficiary of *de minimis* aid shall be a Project Promoter and / or a Partner, who carries out or is likely to carry out economic activities from the funds of the project and whose actions affect or intensions (if implemented) could affect competition and trade between EU states.
8. Pursuant to the provisions of Article 3 of the *De Minimis* Regulation, the total de minimis aid amount granted to any one company within the meaning of Article 2 (2) of the *De Minimis* Regulation may not exceed EUR 200 000 over any period of 3 financial years. This limit shall apply irrespective of the form of de minimis aid and the goals pursued, regardless of whether the aid granted by a Member State is financed from EU origin resources partly or in full.
9. The Programme Operator shall assess and determine whether Applicants will be provided de minimis aid for the project under the Guidelines, i.e.:
   1. At the time of the evaluation of the application, given the information presented by the Applicant in the application or the questionnaire on the presence or absence of state and de minimis aid (Annex 6 to the Guidelines), also additional information provided by the applicant (if any), it shall complete a checklist regarding the presence or absence of state and de minimis aid (Annex 7 to the Guidelines) and determine whether the project activities or a part of activities planned to be financed under the project should be subject to de minimis aid rules, and whether the Applicant and each of the Partners will be beneficiaries of de minimis aid in the implementation of project activities;
   2. If project activities or a part of activities are subject to de minimis aid rules, the Programme Operator shall ask the Applicant to submit, within the period of time specified by the Programme Operator, which may not be shorter than 5 business days, a Single Undertaking Declaration completed by each de minimis aid beneficiary (the declaration form is available online at [www.esinvesticijos.lt](http://www.esinvesticijos.lt), under the section "Documents" (document type: "Other forms", document category: "Forms of administrative authorities", document title: “Single Undertaking Declaration” according to Commission Regulation (EU) No 1407 / 2013) necessary to determine the scope of one undertaking as defined in the *De Minimis* Regulation, also other information and / or documents necessary to assess the provision of de minimis aid;
   3. It shall check the right of each de minimis aid beneficiary to receive the total de minimis aid provided to a single undertaking (the Programme Operator shall check all affiliated companies of the Applicant (Partner) listed in the Single Undertaking Declaration), also checking in the Register of Granted State Aid and De Minimis Aid (hereinafter - the Register) whether the granted aid (i.e. financing allocated for Applicants according to the Guidelines from the EEA Financial Mechanism and Co-Financing Funds, as well as state budget funds, municipal budget funds and / or other public funds, which are contributed as own contribution of an Applicant (Partner) to the financing of the project) will not exceed the allowed de minimis aid sum specified in clause 20 hereof, and will complete the checklist of project compliance with de minimis aid rules in the form presented in Annex 7 to the Guidelines.
10. Having checked the Applicant’s (Partner’s) right to receive the total de minimis aid amount granted to a single undertaking during the evaluation of the application and made sure that the aid granted will not exceed the allowed de minimis aid amount, and having conducted the evaluation of the Project’s benefit and quality (which scores 50 points or more), the Programme Operator shall reserve the planned amount of de minimis aid to be granted in the Register pursuant to the Rules on the Processing of Data of Granted State Aid and De minimis Aid as approved by Resolution No. 1S-120/2015 of the Competition Council of 13 November 2015.
11. The Ministry of Culture shall make a decision to grant de minimis aid within 5 business days after receipt of a Programme Operator’s decision to allocate financing for the project, which, according to the evaluation carried out by the Programme Operator, shall mean the provision of de minimis aid.
12. The Ministry of Culture shall notify the Programme Operator of the decision made to grant de minimis aid within two working days of the decision-making day. The Ministry of Culture shall also inform the beneficiaries of de minimis aid of the decision to grant de minimis aid in writing or by e-mail, indicating therein the amount of de minimis aid and including a clear reference to the De Minimis Regulation (indicating the name of the Regulation and the number of a publication notice in the Official Journal of the European Union).
13. Having received information from the Ministry of Culture on the decision made to grant de minimis aid, the Programme Operator shall provide information on the granted de minimis aid to the Register in accordance with the procedure laid down in the Regulations of the Register of Granted State Aid and De Minimis Aid approved by Resolution No. 35 of the Government of the Republic of Lithuania of 19 January 2005 “Regarding the Approval of Regulations of the Register of Granted State Aid and De Minimis Aid”.
14. **Requirements for eligible project costs and financing**
15. Project costs shall comply with requirements which project costs are subject to, laid down in Chapter XIX of the MAFR and the eligibility requirements set out in Chapter 8 of the Regulation.
16. The minimum amount of mechanism and co-financing funds, which may be requested under this call, shall be EUR 50 000.00 (fifty thousand euro) and the maximum shall be EUR 200 000.00 (two hundred thousand euro).
17. The maximum share of the project, which may be financed from the mechanism and co-financing funds, shall be 90% of the total eligible project costs. The Applicant and / or the Partner (-s) shall contribute to the project at least 10% (i.e. the share of own contribution) of the total eligible costs of the project, and ensure payment of all other costs necessary for the implementation of the project, including ineligible costs determined during the implementation of the project.
18. If the Project Promoter is a non-governmental organization, as defined in Article 1.6 (n) of the Regulation, or a social partner, as defined in Article 1.6 (y) of the Regulation, up to 50% of its own contribution may be covered by a contribution in kind. The own contribution covered by a contribution in kind shall meet the conditions and be justified in accordance with provisions of the Methodology of Calculation and Application of the Covering of Own Contribution to Projects of EEA and Norwegian Financial Mechanism Programmes 2014 – 2021 by Contributions in Kind” approved by the CPMA, published online at [www.cpva.lt](http://www.cpva.lt).
19. The Applicant and / or the Partner may, at its own initiative and funds of its own and/or other sources, contribute to the implementation of the project more than the requested amount.
20. Eligible costs shall be directly linked to the implementation of the project and necessary to achieve the goal and the intended results of the project. The principles of economy, efficiency and effectiveness shall be followed when planning a project budget.
21. The implementation of project activities may be commenced and project costs shall be eligible from the date of the decision on project financing. Inclusion of an expenditure item into the project budget template approved by the Programme Operator cannot be considered as confirmation of eligibility of that expenditure item. All project activities shall be completed and all costs shall be incurred and paid during the period of eligibility of project costs for payment till the deadline for the eligibility of project costs for payment indicated in the project contract, except for costs, which were invoiced in the last month of the period of eligibility of costs for financing and which are considered eligible for financing, if the invoice substantiating the project costs is paid within 30 days from the end of the period of eligibility of project costs for financing. Final date of eligibility of expenditure in projects is 30 April 2024.
22. The project and project activities may not have been financed or be financed, or, having granted financing, submitted for financing from other programmes financed from state budget funds, other funds or financial mechanisms (European Union Structural Funds, the Swiss Confederation, etc.) and other EEA Financial Mechanism programmes, if this may lead to eligible costs of the project or a part thereof being financed several times, including de minimis aid.
23. Calculation (substantiation) of project costs shall be submitted along with the planned project budget. In cases where costs are incurred in connection with (public) procurement (except for costs to be declared and paid in a simplified procedure), the planned costs shall be based on the conducted market research. The recommended market research summary form and explanations for its completion are provided in Annex 8 to the Guidelines.
24. The following are the categories of eligible or ineligible costs under this Call:

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| **Cost category No.** | **Cost category name** | **Requirements and explanations** |
| **Direct costs** | | |
| 1. | Land and real estate | Ineligible. |
| 2. | Contractor works (construction, reconstruction, repair and other works) | Ineligible. |
| 3. | Fixed assets | Costs of depreciation of new or used equipment or devices (hereinafter all together referred to as equipment), necessary for the implementation of the project, achievement of project objectives and indicators, and project administration and publication, used in the project falling within the period of project implementation, provided that equipment is depreciated according to generally accepted accounting principles which the Project Promoter or Partner, or similar equipment in general, is subject to.  If the equipment is an integral and necessary component for achieving the outcomes of the project, the entire purchase price of that equipment may be recognized as eligible costs (this shall not apply to project administration and publicity). In such a case, ensuring that the Project Promoter keeps the equipment in its ownership for a period of at least five years following the completion of the project and continues to use that equipment for the benefit of the overall objectives of the project for the same period, keeps the equipment properly insured against losses such as fire, theft or other normally insurable incidents both during project implementation and for at least five years following the completion of the project, ensures proper equipment maintenance at least 5 years after the end of the project, shall be necessary, unless the project contract establishes otherwise (insurance costs during the lifetime of the project may be eligible project funding). Where a Partner purchases equipment, the Project Promoter shall ensure that the Partner abides by the above provisions.  Movable tangible property used directly in carrying out project activities, the cost of acquisition of which is EUR 1 000 and more (irrespective of the value which the Project Promoter or the Partner considers the minimum value for categorizing the acquired assets as fixed assets according to their accounting policy), such as movable or stationary objects, tools, machinery, mechanisms or instruments required to create an art work, when the following conditions are met, shall be considered equipment: the useful life of assets is more than one year when used for their intended purpose, and the assets used retain their original form and appearance; when in case of damage of assets, a loss or depreciation of parts thereof fixing the assets than replacing them with new ones is more expedient; assets do not lose their identity (ability to perform functions) even when integrated into another more complex unit.  In cases when it may or is used for other than the project’s purposes, costs of depreciation or acquisition of the equipment (if applicable) shall be financed in application of the *pro-rata* principle (taking into account the proportion of the use of equipment for project and other purposes).  Costs for fixed assets may not exceed 30% of eligible project costs. |
| 4. | Goods (current assets) and services | Costs of acquisition of goods and services necessary for the implementation of the project, the achievement of goals and indicators of the project, and project administration and publicity.  In cases where they may or are used for other than the project’s purposes, the costs of acquisition of goods from the project’s funds shall be financed in application of the *pro-rata* principle (taking into account the proportion of the use of equipment for project and other purposes). |
| 5. | Business trips and traveling | Costs of traveling and business trips of employees carrying out and administering project activities and engaged in publicizing project activities, including daily allowances.  All Project Promoters and / or Partners from Lithuania, irrespective of their legal status, shall be subject to provisions of the Resolution No. 526 of the Government of the Republic of Lithuania of 29 April 2004 “Regarding the Payment of Daily Allowances and Compensation of Other Business Trip Expenses” (except for cases where expenses are declared and compensated in a simplified procedure).  Expenses of business trips and traveling abroad (where they last for more than 1 day) (excluding costs of traveling abroad and going back in all types of vehicles) shall be declared and compensated in a simplified procedure in application of the respective per diem rates of the European Commission (which cover costs of travel insurance, accommodation, meals, local trips and other necessary travel expenses abroad) (unit costs) (also available here: https://www.cpva.lt/data/public/uploads/2020/01/europos-komisijos-skelbiamos-dienpinigiu-normos-perdiems-2017-03-17\_en.pdf). The per diems applied during the implementation of the project shall remain unchanged.  Travel expenses incurred during the business trips and traveling within the territory of the Republic of Lithuania (fuel or public transportation expenses) shall be declared and compensated on a simplified bases, applying the unit costs per 1 km (EUR 0.07/ km exclusive of VAT, or EUR 0.08/ km inclusive of VAT), set in the Report No. FĮ-005 on the Analysis for Setting Unit costs of Fuel and Public Transportation Expenses (edition of 24 April 2015) of the Ministry of Finance of the Republic of Lithuania, available on the website [www.esinvesticijos.lt](http://www.esinvesticijos.lt) (document “Analysis of Simplified Compensation of Expenses” under the section “Documents”, sub-section “Analyses”).  The unit costs applied during the implementation of the project shall not be changed, except when changes the VAT rate applicable to fuel and (or) public transport costs; and (or) when following the methodology used for the determination of unit costs for projects of the European Union Structural Funds, the managing or audit authority of the European Union Structural Funds determines that unit cost rate or the conditions of its application has not been properly determined. In cases when the unit cost rate should have been lower or otherwise applied, the adjusted rate or conditions of its application shall apply for the payment of simplified project costs incurred from the date of entry into force of the revision of the rate or conditions of its application). |
| 6. | Salary | Salary payable for the time of employees hired or assigned to carry out project activities and administer the project or engage in the publicizing the project, which they spent actually working on the project: salary, social insurance contributions and salary-related expenses established by legal acts, if they are in line with the usual Project Promoter’s and Partner’s salary policy. Solely the share of costs, which is directly related to the project being carried out and calculated and paid for the time spent working on the project shall be considered eligible costs.  Respective salary expenses of employees of public authorities shall be eligible to the extent they are related to activities, which the respective public authority would not carry out, if it wasn’t for the project.  Salary expenses shall not exceed the market rates payable to employees of a respective specialization and qualification, except in duly justified cases. Salary of employees of budgetary institutions, teachers and educational staff shall be calculated in accordance with national legislation governing the calculation of salary of such employees. The planning of salaries may be based on data published by Statistics Lithuania of the Republic of Lithuania, data on similar projects, historical salary data provided by the Applicant and / or a Partner, or data on salary normally paid in the company (institution, organization) for the same functions and / or duties (for example, statements on the average monthly salary of 6 months of the specific employee, statements on the average salary of employees in the respective position (or carrying out similar functions), information about the average salary in the company (institution, organization), published by the Project Promoter, etc.).  The application shall contain information on the number of hours (days, months) planned for each position (function) or their group for the implementation of the project and the planned average hourly (daily, monthly) rate, also explaining the basis and/or indicating the methodology used to calculate the planned average hourly (daily, monthly) rate and enclosing the supporting documents (if necessary).  Expenses for annual leave and additional days-off of employees implementing and administering the project shall be declared and paid on a simplified bases by applying the coefficients of payments for annual leave and additional days-off set in the Report No. FN-005 on the Analysis on Setting Flat Rates of Payment of Annual Leave and Additional Days Off (edition of 20 July 2017) of the Ministry of Finance of the Republic of Lithuania, published on the website [www.esinvesticijos.lt](http://www.esinvesticijos.lt) (document “Analysis of Simplified Compensation of Expenses” under the section “Documents”, sub-section “Analyses”). |
| **Indirect costs** | | |
| 7. | Indirect costs | Eligible indirect project costs are costs that are not directly attributable to the implementation of project activities, but are necessary for the implementation of the project and can be related to direct project costs. Indirect costs may not include any direct eligible costs. The method for determining indirect costs shall be selected (and, where appropriate, justified) at the time of drafting an application.  The methods for determining indirect project costs are provided for in clause 276 of the MAFR: either on the basis of actual indirect costs (subclauses 276.1 and 276.2 of the MAFR) or at a flat rate (subclauses 276.3.1, 276.3.2 and 276.3.3 of the MAFR).  If the method provided for in subclause 276.3.1. of the MAFR is selected to determine indirect costs of the project, indirect project costs shall be justified in accordance with provisions of the "Methodology for Determining and Applying a Flat Rate for Indirect Costs” approved by the CPMA and published online at [www.cpva.lt](http://www.cpva.lt) (current edition: <https://www.cpva.lt/eee-ir-norvegijos-finansiniai-mechanizmai-2014-2021-m./dokumentai/682/act719?sqid=994b3627fada2d63b94793688db3b709c08413e2>).  Examples of indirect costs are the general costs of the organization for infrastructure (such as electricity, natural gas, heating, water, cleaning, security, room maintenance, communications, etc.), small office equipment and office supplies, and horizontal activities of the organization such as administrative and financial management, human resources, training, legal advice, etc., as part of the project implementation. |

1. Costs that are necessary for the administration of the project indicated in the paragraph 48 under headings 3 to 6, e.g. salary expenses of Project Promoter’s or Partner’s employees for time spent working on project administration, purchase of goods for project administration purposes, costs of project administration services, costs of inspection (auditing) of expenses of partners from Donor States (where applicable), other project-administration related costs. Project administration costs may not exceed 10% of eligible project costs.
2. The publicity costs of the project indicated in the paragraph 48 under headings 3 to 6 shall be considered as direct costs of the project and shall be eligible for financing when incurred in the course of communication actions of the project as foreseen in the clauses 260-264 of the MAFR.
3. Value added tax (VAT), which the Applicant (the Project Promoter) and / or a Partner will not or could not deduct and recover according to legislation, shall be eligible for financing from mechanism and co-financing funds.
4. In all cases, ineligible costs are defined in Section III of Chapter XIX of the MAFR.
5. Project costs shall be compensated upon the Project Promoter’s submission of a payment request in application of the method of cost compensation with or without an advance payment, and / or the payment of invoices. The procedure and method (-s) of payment of costs shall be set out in the project contract.
6. In the course of the implementation of the project, the Project Promoter has a possibility to request an advance payment not exceeding 30% of the total grant amount (if the payment of an advance has been provided for in the project contract), which shall later be registered after the recognition of declared expenses as eligible costs in accordance with the provisions of clause 300 of the MAFR. An advance assurance document (where applicable in accordance with clause 289.2 of the MAFR) shall be presented along with an advance payment request (if any). If an advance payment is made for a project, the Project Promoter shall have a separate account with the credit institution for managing financing allocated for the project.
7. A Project Partner (-s) from a Donor State and/or a project participant (-s) from a Donor State shall account for the expenses incurred in the course of project implementation in accordance with the procedure laid down in clauses 292-294 of the MAFR and pursuant to the memo prepared by the Process Working Group published online at [www.cpva.lt](http://www.cpva.lt) (for the current memo edition and the forms see: <https://www.cpva.lt/eee-ir-norvegijos-finansiniai-mechanizmai-2014-2021-m./dokumentai/682/act690?sqid=994b3627fada2d63b94793688db3b709c08413e2>).
8. **Preparation, acceptance of applications, evaluation and selection of projects**
9. Mechanism and co-financing funds for projects under this open call shall be allocated by way of an open call for applications.
10. An open call for applications “Supporting access to culture and strengthening cultural education” is published online at [www.eeagrants.lt](http://www.eeagrants.lt) and [www.cpva.lt](http://www.cpva.lt).
11. In order to receive financing, the Applicant shall online via the DMS fill in an application, drafted by the Process Working Group (a typical form is available in Annex 1 to these Guidelines), and together with annexes submit it via the DMS by the date specified in the call for applications. After submitting the application, the applicant shall immediately be sent a confirmation via the DMS of the registration of the application stating the unique code assigned to the application. If the DMS / NORIS functionality is not guaranteed, the applicant will be informed about the registration of the application and its unique code in written, by sending information to the email address of the indicated contact person.
12. Applications submitted by other than DMS means and measures shall not be accepted and shall be returned to Applicant. In case of a temporary failure to ensure DMS functionalities, which makes it impossible for Applicants to submit applications or annexes thereto on the deadline for the submission of applications, the CPMA shall extend the deadline for the submission of applications for 7 days and/or create the opportunity to submit applications or annexes thereto by other means, informing Applicants thereof via DMS or in writing, if DMS functions have not been installed or are not ensured.
13. The Applicant may ask questions regarding the conditions of allocation of financing, also questions relating to the filling of applications and other financing allocation-related questions by calling CPMA phone numbers indicated in the call, in writing, e-mail or verbally.
14. The Applicant shall submit the following annexes along with its application:
    1. A questionnaire on the presence or absence of state aid and *de minimis* aid (Annex 6 to the Guidelines);
    2. Documents justifying the validity of the project’s budget (in cases where costs will be incurred in holding (public) procurement procedures (except for costs, which will be declared and compensated on a simplified bases), the planned costs shall be justified by a conducted market research);
    3. A copy of a draft partnership agreement in the content specified in clause 16 hereof (if a partnership agreement has been signed before the submission of the application – a copy of a signed agreement) or a letter of intent to conclude such an agreement;
    4. Documents proving the commitment to contribute own funds to the implementation of the project, indicating the amount of own contribution, its percentage share and the source of funds (e.g. a copy of the decision of the municipal council, a copy of a loan agreement, documents evidencing funds from a private investor, a commitment signed by the manager of an institution (organization) contributing own funds, etc.);
    5. Justification of calculation of indirect project costs;
    6. Documents and/ or information, which proves that the Applicant or at least one Partner from the Republic of Lithuania operates in the cultural and creative sector;
    7. If the plan is to cover a part of own contribution by a contribution in kind – documents and/or information, which proves that the Applicant and/ or the Partner (-s) is an NGO as per the definition in the Article 1.6 (n) of the Regulation or is a social partner as defined in Article 1.6 (y) of the Regulation.
    8. Documents justifying the partnerships envisaged in the project (if applicable) between different sectors, provided that the parties of such partnership are not partners in the project (a cooperation agreement or other document is to be provided).
15. The CPMA shall arrange the evaluation of applications following the provisions of Chapter XVII of the MAFR. The evaluation shall be done by evaluators completing evaluation tables in the forms presented in Annexes 2, 3 and 4 to the Guidelines.
16. At the time of the evaluation of applications, the CPMA may ask the Applicant to submit the missing information and/ or documents. The Applicant shall submit this information and/or documents within the deadline set by the CPMA, which should be at least 3 working days. The CPMA and the Applicant shall correspond via DMS in the course of the evaluation.
17. At least two independent experts shall conduct a benefit and quality evaluation. Applications shall be evaluated in scores in accordance with priority project selection criteria, which may not be changed in the course of the evaluation of projects. The maximum possible score according to each criterion is indicated in Annex 4 to the Guidelines. The maximum score, which may be given according to all criteria of evaluation of the project’s benefit and quality, shall be 100. 50 shall be the minimum mandatory score for projects under this call. Where projects receive the same score, and the amount is not sufficient to finance all projects, priority shall be given to projects which score higher on the first priority selection criterion and, where projects are scored equally on this priority criterion, priority shall be given to projects which score higher on the next consecutive priority criterion. If all priority projects are evaluated in the same way and the amount of the call for proposals is insufficient to finance all of them, they shall be arranged in sequence according to the time of receipt of an application via DMS (entering the application received the earliest first). Where the evaluation score of two evaluators differs by more than 30 percent of the higher score, then the CPMA shall appoint the third independent evaluator. In such a case, the project shall be given a score of an average of two scores that came the closest.
18. Applications shall be evaluated for no more than 90 days after the deadline for the submission of applications specified in the call for applications.
19. The evaluation term may be extended by a decision of the CPMA, if:
    1. in case more than 100 applications were received;
    2. in the evaluation of applications, Financial Mechanism Office, Program Partner, Coordinating Authority or other related authorities were addressed for interpretation of certain evaluation provisions. In such a case, the evaluation term shall be extended for the period of time, which passed from the referral date till the day when a response was received.
20. The CPMA shall make a decision on financing of projects, which were approved by the project selection committee and which are in line with the requirements of evaluation of project benefit and quality, project eligibility and administrative compliance.
21. Applications shall be rejected if it is determined that::
    1. The same Applicant has submitted more than one application;
    2. The application does not meet at least one general or special project compliance criterion (eligibility) laid down in Annex 3 to the Guidelines;
    3. The Applicant does not meet at least one administrative compliance criterion indicated in Annex 2 to the Guidelines;
    4. The Applicant submitted misleading information in its application, or the Applicant or persons related to the application (the project planned for implementation) seek to receive information, which the CPMA considers to be confidential, or to unlawfully exert influence on evaluation results or evaluators;
    5. The project scores less than 50 in the evaluation of benefit and quality.
22. The CPMA shall conclude a bilateral project contract with the Applicant whose project has been selected for financing from mechanism and co-financing funds. A project contract shall comprise general conditions and special conditions. General conditions are approved by the Decree No. 2019/20-3-1 of the Deputy Director of the CPMA of 1 July 2019 “Regarding approval of the General conditions of the 2014-2021 European Economic Area financial mechanism or 2014-2021 Norwegian mechanism project contract”. Special conditions are laid down in the Annexe 10.
23. If the Applicant refuses or fails to sign a project contract within the deadline set by the CPMA or fails to fulfil the conditions that must be fulfilled before concluding a project contract within the set period of time (fails to fulfil a reservation or submit information and documents proving the fulfilment of the reservation), the Applicant will be deemed to have refused the Agreement.
24. The project contract shall be concluded, modified and terminated in accordance with the provisions of Chapter XVIII of the MAFR.
25. **FINAL PROVISIONS**
26. The Applicant (Project promoter) may appeal CPMA’s decisions in accordance with the procedure laid down in clause 429 of the MAFR.
27. **Annexes to the Guidelines:**
    1. Typical Project Application Form (to be completed via DMS online), Annex 1;
    2. Administrative Compliance Evaluation Methodology (draft), Annex 2;
    3. Eligibility Evaluation Methodology, Annex 3;
    4. Benefit and Quality Evaluation Methodology, Annex 4;
    5. Methodology for Calculating Monitoring Indicators, Annex 5;
    6. Questionnaire on the Presence or Absence of State Aid and De Minimis Aid, Annex 6;
    7. Checklist of Presence or Absence of State Aid and De Minimis Aid, Annex 7;
    8. Checklist of Project’s Compliance with De Minimis Aid Rules, Annex 8;
    9. Recommended Market Research Summary Form and Explanations on its Completion, Annex 9;
    10. Draft Special Conditions of the Project contract, Annex 10.