

Annex 1: Conceptual Framework of the Swiss-Lithuanian Cooperation Programme

The Conceptual Framework is an integral part of the Framework Agreement between the Swiss Federal Council and the Government of the Republic of Lithuania concerning the implementation of the Swiss-Lithuanian Cooperation Programme. The Conceptual Framework defines objectives, principles, strategies and thematic focus as well as indicative financial allocations.

1. Objectives

The Swiss-Lithuanian Cooperation Programme pursues two objectives:

- To contribute to the reduction of economic and social disparities between Lithuania and the more advanced countries of the enlarged European Union (EU); and
- To contribute within Lithuania to the reduction of economic and social disparities between the dynamic urban centres and the structurally weak peripheral regions.

The Swiss-Lithuanian Cooperation Programme includes national and trans-national Projects that support a sustainable, economically and socially balanced development.

Towards the end of the implementation period of the Swiss Contribution, both Parties may jointly decide on a global evaluation of the results achieved by the Swiss-Lithuanian Cooperation Programme.

2. Principles

The Swiss-Lithuanian cooperation is guided by the following principles:

Transparency. Transparency and openness are key to all cooperation activities and are binding at all levels. Special emphasis shall be given to transparency in project selection, contract awarding and financial management.

Social inclusion. Cooperation activities aim at including socially and economically disadvantaged individuals and groups in the opportunities and benefits of development.

Equal opportunities and rights. Cooperation activities aim at increasing women's and men's opportunities to exercise their rights equally through a gender-based approach.

Environmental sustainability. Cooperation activities aim at incorporating requirements of environmental sustainability.

Commitment by all stakeholders. All institutions and decision-makers involved in the Swiss-Lithuanian Cooperation Programme are committed to an efficient and effective implementation of the agreed Projects.

Subsidiarity and decentralisation. Cooperation activities aim at including considerations of subsidiarity and decentralisation primarily in Projects at the municipal and regional levels.

3. Strategies

3.1. Main Strategic Considerations

The Swiss-Lithuanian Cooperation Programme is part of a comprehensive national development planning that includes the structural and cohesion programmes of the EU as well as the programmes of the EEA and the Norwegian Financial Mechanisms. The Swiss Contribution shall be complementary to these programmes and mainly focus on Projects that are not or only partially covered by other financial sources.

Main strategic considerations include:

a. Focusing. The Memorandum of Understanding between the Swiss Federal Council and the European Community defines four funding guidelines for the Contribution:

- Security, stability and support for reforms;
- Environment and infrastructure;
- Promotion of the private sector; and
- Human and social development.

These funding guidelines and the related focus areas provide a broad base for cooperation. Efficiency and effectiveness considerations as well as concern for the optimal allocation and use of available resources, are important. Therefore, the Swiss-Lithuanian Cooperation Programme shall have a clear strategic focus, guided by the following considerations:

- Concentration on a maximum of three focus areas in which at least 70% of the Contribution shall be spent (thematic concentration). The selection of the focus areas may be need-based and may take specific Swiss know-how into account.
- Concentration on a relatively small number of Projects.

b. Programme approach. A programme consists of component projects linked by a common theme or shared objectives. A programme approach shall be applied in focus areas which display several of the following characteristics: large financial Commitments; linking of different levels (national, regional, local); variety of actors; contribution to policy development; significant contributions to capacity building; and application of a common set of rules and procedures. A programme approach implies a delegated authority for decision-making on individual projects. A programme approach includes: an initial assessment of the focus area; the definition of objectives, guidelines and budgets; a programme implementation plan; and a sector monitoring and evaluation concept. To assure efficiency and effectiveness, the contribution to a specific programme shall represent a minimum amount of CHF 4 million.

c. Individual project approach. An individual project approach shall be applied in a focus area in which stand-alone projects shall be implemented. To assure efficiency and effectiveness, the contribution for each project under the individual project approach shall represent in general a minimum amount of CHF 1 million. Higher minimal financial volumes may be agreed upon (see Chapter 4 of this Annex). Block Grant financing may provide a means to accommodate smaller projects (see Annex 3).

d. Trans-national Projects. The Contribution may be used to finance trans-national Projects.

e. Partners and beneficiaries. The Swiss-Lithuanian Cooperation Programme shall include partners and beneficiaries from the public and private sectors, non-governmental organisations and other civil society organisations.

f. Partnerships. Partnerships between Swiss and Lithuanian partners are an enriching element of the Swiss-Lithuanian Cooperation Programme. Cooperation and partnerships are strongly encouraged, especially in focus areas in which Switzerland may contribute particular experience, know-how and technologies.

g. Flexibility. Flexibility and the possibility to react to opportunities require that initially only about 90% of the Contribution shall be allocated to particular focus areas and special items. Within two years after the beginning of the Swiss-Lithuanian Cooperation Programme, a review shall assess thematic priorities, redirect the initial financial allocations as agreed, and determine the priorities for the not yet allocated part of the Contribution.

h. Visibility. Visibility of the Swiss-Lithuanian Cooperation Programme for Lithuanian and Swiss citizens is an important aspect that may be taken into account when selecting and implementing Projects. Both Parties undertake to inform proactively on their cooperation.

3.2. Implementation Strategies

a. Identifying Projects. Project identification significantly impacts the quality of the Swiss-Lithuanian Cooperation Programme. Lithuania is responsible for the identification of Projects to be financed by the Contribution. Switzerland can offer Lithuania Project proposals.

b. Setting Project selection criteria. Project selection shall be based on a clear set of criteria. General selection criteria shall include:

- Responsiveness to the objectives of the Swiss-Lithuanian Cooperation Programme;
- Adherence to the principles of the Swiss-Lithuanian Cooperation Programme described in Chapter 2 of this Annex;
- Responsiveness to the strategic considerations outlined in Chapter 3.1 of this Annex;
- Anchoring in the national development planning and, if possible, the National Strategic Reference Framework and the respective Operational Programme(s);
- Innovation and/or the potential to offer new solutions that can be applied subsequently on a larger scale (pilot Projects);
- Capacity of the Executing Agency;
- Leverage potential (mobilisation of additional resources);
- Feasibility in the given time-span; and
- Sustainability of results.

Specific selection criteria for each focus area may be formulated prior to starting the implementation of the Swiss-Lithuanian Cooperation Programme.

c. Supporting Project planning. Project preparation and detailed Project planning are of paramount importance for efficiency and effectiveness in Project implementation. Preparation support may be requested by Lithuania or recommended by Switzerland and shall be financed through the Project Preparation Facility (see Annex 3).

d. Enhancing implementation capacities. Successful Project implementation depends on the capacities of the implementing and monitoring organisations. If need be, capacity enhancement may be requested by Lithuania or recommended by Switzerland and may be financed by the Contribution as an integral part of Project financing.

4. Thematic Focus and Indicative Financial Allocations

The following thematic focus and indicative financial allocations shall apply to the Swiss-Lithuanian Cooperation Programme:

1. Security, Stability and Support for Reforms			
N°	Focus areas	Approach, objectives and eligible projects	Indicative financial allocation
1.	Modernisation of the judiciary	<p><u>Individual project approach with the following objective</u> To enhance the performance of the judicial system.</p> <p><u>Types of eligible projects:</u></p> <ul style="list-style-type: none"> - Optimisation of judicial management including the introduction of a system for video transmission, recording and storage in courts. 	Up to 1.771032 million CHF

2. Environment and Infrastructure			
N°	Focus areas	Approach, objectives and eligible projects	Indicative financial allocation
2	<p>Rehabilitation and modernisation of basic infrastructure</p> <p>and</p> <p>Improvement of the environment</p>	<p><u>Individual project or programme approach with 1 objective</u></p> <p><u>Objective 1</u> To enhance hospital infrastructure in order to improve health services while protecting the environment and increasing energy efficiency.</p> <p><u>Types of eligible projects:</u> Projects or programmes of a minimum value of CHF 3 million in the fields of:</p> <ul style="list-style-type: none"> - Introduction of energy efficient building technologies in hospitals, including i.a. the modernisation of heating and water systems, air ventilation and air conditioning. 	Up to 19 million CHF

3. Human and Social Development			
N°	Focus areas	Approach, objectives and eligible projects	Indicative financial allocation
3	Research and development	<u>Programme approach with 2 objectives:</u>	Up to 13,052 million CHF

		<p>Objective 1:</p> <p>To support research cooperation and to enhance the knowledge base in selected research topics.</p> <p>Types of eligible projects:</p> <ul style="list-style-type: none"> - Joint research projects and institutional partnerships <p>Objective 2:</p> <p>To strengthen the scientific potential through enhanced access to education and through selective promotion programmes.</p> <p>Types of eligible projects:</p> <ul style="list-style-type: none"> - Scholarships for advanced degree and post-graduation programmes, mainly PhD, in Switzerland (CHF 4 million) - Academic exchange programmes for lecturers in post-graduation programmes, mainly PhD, in priority between Switzerland and Lithuania or Lithuania and EU countries 	
4	Health	<p><u>Programme approach with the following objective:</u></p> <p>To improve the perinatal and neonatal health care system.</p> <p>Types of eligible projects:</p> <ul style="list-style-type: none"> - Renewal of material basis (medical equipment, infrastructure) - Training of the staff 	<p>Up to 26,6 million CHF</p>

4. Special Allocations		
Item	Content	Indicative financial allocation
NGO Block Grant	<p><u>Programme approach with the following objective:</u></p> <p>To promote civil society's contribution to economic and social cohesion as important actors of development and participation and to strengthen their cooperation with local municipalities.</p> <p>Types of eligible projects:</p> <ul style="list-style-type: none"> - Small Project Block grant(s) for the civil society/NGOs contributing to development initiatives by strengthening the communities' organisations and their co-operation with 	<p>Up to 5,552775 million CHF</p>

	local municipalities (including promotion/enhancement of partnerships between Lithuania and Switzerland)	
Project Preparation Facility	Priority objective: To support the preparation of Final Project Proposals.	Up to 262'193 CHF
Swiss Programme Management	Swiss administration of the Swiss-Lithuanian Cooperation Programme.	3.54 million CHF
Lithuanian Technical Assistance	Lithuanian administration of the Swiss-Lithuanian Cooperation Programme including preparation, implementation, monitoring, evaluation.	Up to 1.08 million CHF

Overview on the Indicative Allocations	
Funding guidelines	Indicative financial allocation (million CHF)
1. Security, Stability and Support for Reforms	1,771032
2. Environment and Infrastructure	19
3. Human and Social Development	39,652
4. Special Allocations	10,434968
Total indicative allocations	70.858

Unused balances of focus areas and special allocations shall be added to the not yet allocated amount once all the final decisions on the Final Project Proposals in the respective focus area or item have been taken. The allocation of the not yet allocated funds shall be done by mutual agreement (e.g. confirmed in the minutes of meetings or by correspondence) between the NCU and SDC/SECO in the course of the operational implementation of the Swiss-Lithuanian Cooperation Programme. Out of the not yet allocated funds, at least CHF 1 Mio. shall be used for the programmes prepared by the Ministry of Health, preferably for measures regarding energy efficiency.