

Norwegian Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

between

The Norwegian Ministry of Foreign Affairs

and

The Ministry of Finance of the Republic of Lithuania - National Focal Point,  
hereinafter referred to as the "National Focal Point",  
representing the Republic of Lithuania ,  
hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties"

for the financing of the Programme "Public Health Initiatives "

hereinafter referred to as the "Programme"

**Chapter 1**  
**Scope, Legal Framework, and**  
**Definitions**

Article 1.1  
Scope

This programme agreement between the Norwegian Ministry of Foreign Affairs (hereinafter referred to as the NMFA) and the National Focal Point lays down the rights and obligations of the Parties regarding the implementation of the Programme and the financial contribution from the Norwegian Financial Mechanism 2009-2014 to the Programme.

Article 1.2  
Legal Framework

1. This programme agreement shall be read in conjunction with the following documents which, together with this programme agreement, constitute the legal framework of the Norwegian Financial Mechanism 2009-2014:

- a. the Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as the Agreement);
- b. the Regulation on the implementation of the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as the "Regulation") issued by Norway in accordance with Article 8(8) of the Agreement;
- c. the Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as the "MoU"), entered into between the Kingdom of Norway and the Beneficiary State; and
- d. any guidelines adopted by the NMFA in accordance with the Regulation.

2. In case of an inconsistency between this programme agreement and the Regulation, the Regulation shall prevail.

3. The legal framework is binding for the Parties. An act or omission by a Party to this programme agreement that is incompatible with the legal framework constitutes a breach of this programme agreement by that Party.

Article 1.3  
Definitions

Terms used and institutions and documents referred to in this programme agreement shall be understood in accordance with the Regulation, in particular Article 1.5 thereof, and the legal framework referred to in Article 1.2 of this programme agreement.

Article 1.4  
Annexes and hierarchy of documents

1. The programme decision, including the financial plan (Annex I), and the operational rules (Annex II) form an integral part of this programme agreement. Any reference to this programme agreement includes a reference to its annexes unless otherwise stated or clear from the context.

2. The provisions of the annexes shall be interpreted in a manner consistent with this programme agreement. Should the meaning of any provision of the said annexes, so interpreted, remain inconsistent with this programme agreement, the provisions of the former shall prevail, provided that these provisions are compatible with the Regulation.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the programme proposal are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

**Chapter 2**  
**The Programme**

Article 2.1  
Co-operation

1. The Parties shall take all appropriate and necessary measures to ensure fulfilment of the obligations and objectives arising out of this programme agreement.

2. The Parties agree to provide all information necessary for the good functioning of this programme agreement and to apply the highest degree of transparency, accountability and cost efficiency as well as the principles of good governance, sustainable development, gender equality and equal opportunities.

3. The Parties shall promptly inform each other of any circumstances that interfere or threaten to interfere with the successful implementation of the Programme.

4. In executing this programme agreement the Parties declare to counteract corrupt practices. Further, they declare not to accept, either directly or indirectly, any kind of offer, gift, payments or benefits which would or could be construed as illegal or corrupt practice. The Parties shall immediately inform each other of any indication of corruption or misuse of resources related to this programme agreement.

Article 2.2

Main responsibilities of the Parties

1. The National Focal Point is responsible and accountable for the overall management of the Norwegian Financial Mechanism 2009-2014 in the Beneficiary State and for the full and correct implementation of this programme agreement. In particular, the National Focal Point undertakes to:

- a. comply with its obligations stipulated in the Regulation and this programme agreement;
- b. ensure that the Certifying Authority, the Audit Authority, the Monitoring Committee and the Programme Operator properly perform the tasks assigned to them in the Regulation, this programme agreement and the programme implementation agreement;
- c. take all necessary steps to ensure that the Programme Operator is fully committed and able to implement and manage the Programme;
- d. take the necessary measures to remedy irregularities in the implementation of the Programme and ensure that the Programme Operator takes appropriate measures to remedy irregularities in Projects within the Programme, including measures to recover misspent funds;
- e. make all the necessary and appropriate arrangements in order to strengthen or change the way the Programme is managed.

2. The NMFA shall, subject to the rules stipulated in the legal framework referred to in Article 1.2 of this programme agreement, make available to the Beneficiary State a financial contribution (hereinafter referred to as "the programme grant") to be used exclusively to finance the eligible cost of the Programme.

Article 2.3

Objective and outcomes of the Programme

- 1. The programme decision sets out the objective, outcome(s), outputs, indicators and targets for the Programme.
- 2. The National Focal Point shall ensure that the Programme Operator implements and completes the Programme in accordance with the objective, outcome(s), outputs, indicators and targets set for the Programme.

Article 2.4

Programme grant

1. The maximum amount of the programme grant, the programme grant rate, and the estimated eligible cost of the Programme shall be as specified in the programme decision.

2. In case the Programme is also supported by the EEA Financial Mechanism, this programme agreement shall be interpreted in conjunction with the agreement regulating that support.

3. The financial plan shall:

- a. contain a breakdown between the Programme's budget headings using the description put forward in the template for the programme proposal;
- b. indicate the agreed advance payment, if any.

4. The management cost of the Programme Operator shall not exceed the amount specified in the programme decision.

Article 2.5

Special conditions and programme specific rules

- 1. The programme decision shall list any conditions set by the NMFA with reference to paragraph 3 of Article 5.3 of the Regulation. The National Focal Point shall ensure compliance with these conditions and, in a timely manner, take the necessary steps to ensure their fulfilment.
- 2. The National Focal Point shall ensure compliance with any other programme specific rules laid down in the operational rules.

Article 2.6

Programme implementation agreement

- 1. With reference to Article 5.8 of the Regulation and without prejudice to paragraph 2 thereof, the National Focal Point shall, before any payment is made to the Programme, sign a programme implementation agreement with the Programme Operator. The National Focal Point shall notify the NMFA of such signing.
- 2. The signed programme implementation agreement shall be identical to the draft programme implementation agreement confirmed by the NMFA in accordance with paragraph 5 of Article 5.8 of the Regulation with regard to the content required according to paragraph 3 thereof. The National Focal Point shall inform the NMFA of any deviation from that confirmed draft which may be subject to a new confirmation according to paragraph 5 of Article 5.8 of the Regulation prior to any payment to the Programme.

Article 2.7

Reporting

The National Focal Point shall ensure that the Programme Operator provides financial reports, annual programme reports and a final programme report in accordance with Chapter 8 and Articles 5.11 and 5.12 of the Regulation as well as statistical reporting in accordance with the Programme Operator's Manual (Annex 9 to the Regulation).

Article 2.8

External monitoring

The external monitoring and audit referred to in Articles 10.1, 10.2, 10.3 and 10.4 of the Regulation shall not in any way relieve the National Focal Point or the Programme Operator of its obligations under the programme agreement regarding monitoring of the Programme and/or its projects, financial control and audit.

Article 2.9

Modification of the Programme

1. Unless otherwise explicitly stipulated in this programme agreement, any modification of the Programme is subject to prior approval by the NMFA.
2. Modifications that do not affect the objective, outcomes, outputs, indicators or targets of the Programme are permitted without NMFA's prior approval provided that they are limited to the following:
  - a. cumulative transfers between budget headings related to outcomes of an amount less than 10 % of total eligible expenditure of the Programme or € 1,000,000, whichever is higher, and
  - b. changes of internal practices of the Programme Operator that are not stipulated in the programme agreement.
3. Programme specific exceptions from paragraphs 1 and 2, if any, are set in the operational rules.
4. Expenditures incurred in breach of this article are not eligible.
5. Should there be a doubt as to whether the proposed modifications require approval by the NMFA, the National Focal Point shall consult the NMFA before such modifications take effect.
6. Requests for modifications shall be submitted and assessed in accordance with Article 5.9 of the Regulation.

Article 2.10

Communication

1. All communication to the NMFA regarding this programme agreement shall take place in English and be directed to the Financial Mechanism Office (hereinafter referred to as the FMO), which represents the NMFA towards the National Focal Point and the Programme Operator in relation to the implementation of the Programme.

2. To the extent that original documents are not available in the English language, the documents shall be accompanied by full and accurate translations into English.

3. The National Focal Point shall bear the responsibility for the accuracy of the translation that it provides and the possible consequences that might arise from any inaccurate translations.

4. The NMFA shall ensure that the National Focal Point is informed about communication between the NMFA and the Programme Operator that is relevant for the responsibilities of the National Focal Point under this programme agreement.

Article 2.11

Contact information

1. The contact information of the National Focal Point and the Programme Operator is as specified in the programme proposal.
2. The contact information for the NMFA and the Financial Mechanism Office are:  
Financial Mechanism Office  
Att: Director  
EFTA Secretariat  
Rue Joseph II, 12-16  
1000 Brussels  
Telephone: +32 (0)2 286 1701  
Telefax (general): +32 (0)2 211 1889  
E-mail: fmo@efta.int
3. Changes of or corrections to the contact information referred to in this article shall be given in writing without undue delay by the Parties to this programme agreement.

Article 2.12

Representations and Warranties

1. This programme agreement and the awarding of the programme grant is based on information provided by, through, or on behalf of the National Focal Point to the NMFA in the programme proposal or other communication prior to the signing of this programme agreement.
2. The National Focal Point represents and warrants that the information provided by, through, or on behalf of the National Focal Point in the programme proposal, in connection with the programme proposal, the implementation or conclusion of this programme agreement are authentic, accurate and complete.

## Chapter 3 Projects

### Article 3.1 Selection of projects

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 6 of the Regulation and the operational rules.
2. Eligibility of applicants is stipulated in Article 6. 2 of the Regulation and, in accordance with paragraph 3 thereof, subject only to the limitations stipulated in the operational rules.
3. Pre-defined projects shall be outlined in the operational rules.
4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 6.6 of the Regulation.

### Article 3.2 Project contract

1. For each approved project a project contract shall be concluded between the Programme Operator and the Project Promoter.
2. In cases where a project contract cannot, due to provisions in the national legislation, be made between the Programme Operator and the Project Promoter, the Beneficiary State may instead issue a legislative or administrative act of similar effect and content.
3. The content and form of the project contract shall comply with Article 6.7 of the Regulation.
4. The National Focal Point shall ensure that the obligations of the Project Promoter under the project contract are valid and enforceable under the applicable law of the Beneficiary State.

### Article 3.3 Project partners and partnership agreements

1. A project may be implemented in a partnership between the Project Promoter and project partners as defined in paragraph 1(w) of Article 1.5 of the Regulation. If a project is implemented in such a partnership, the Project Promoter shall sign a partnership agreement with the project partners with the content and in the form stipulated in Article 6.8 of the Regulation.
2. The partnership agreement shall be in English if one of the parties to the agreement is an entity from Norway.
3. The eligibility of expenditures incurred by a project partner is subject to the same limitations as would apply if the expenditures were incurred by the Project Promoter.

4. The creation and implementation of the relationship between the Project Promoter and the project partner shall comply with the applicable national and European Union law on public procurement as well as Article 7.16 of the Regulation.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article before the signing of the project contract.

### Article 3.4 Reallocation of funds

1. Reallocation of unused or cancelled financial contributions to projects shall be made in compliance with Article 6.9 of the Regulation.
2. Project grants not reallocated shall be reimbursed to the NMFA in accordance with Article 6.9 of the Regulation.

## Chapter 4 Finance

### Article 4.1 Eligible expenditures

1. Subject to Article 7.6 of the Regulation, eligible expenditures of this Programme are:
  - a. management costs of the Programme Operator in accordance with the detailed budget in the financial plan;
  - b. payments to projects within this Programme in accordance with the Regulation, this programme agreement and the project contract;
  - c. expenditure of funds for bilateral relations in accordance with Article 7.7 of the Regulation;
2. Expenditure related to the categories referred to in subparagraphs (d), (e) and (f) of Article 7.1 of the Regulation are eligible in accordance with Chapter 7 thereof if such expenditures are explicitly approved by the NMFA in the programme decision. The implementation of the activities under these categories shall be in compliance with the operational rules.
3. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 7.2 of the Regulation and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 7.3 of the Regulation as well as indirect costs in accordance with Article 7.4 of the Regulation.

Article 4.5

Irregularities, suspension and reimbursements

4. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 7.14 of the Regulation. The first date of eligibility of any pre-defined projects shall be no earlier than the date on which the National Focal Point notifies the NMFA of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 5.5 of the Regulation.

5. The maximum eligible costs of the categories referred to in paragraphs 1 and 2 are set in the programme decision. Programme specific rules on the eligibility of expenditure set in the programme decision or in the operational rules shall be complied with.

The NMFA has the right to make use of the remedies provided in the Regulation, in particular Chapter 12 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 11 and 12 of the Regulation regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 5

Final provisions

Article 4.2

Proof of expenditure

Costs incurred by Programme Operators, Project Promoters and project partners shall be supported by documentary evidence as required in Article 7.13 of the Regulation.

Article 4.3

Payments

1. Payments to the Programme shall be made when all relevant conditions for payments stipulated in this programme agreement and the Regulation have been fulfilled.

2. Payments to the Programme shall take the form of an advance payment, interim payments and payment of the final balance and shall be made in accordance with Articles 8.2, 8.3 and 8.4 of the Regulation.

3. Payments of the project grant to the Project Promoters may take the form of advance payments, interim payments and payments of the final balance. The level of advance payments and their off-set mechanism is set in the operational rules.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 8.1 of the Regulation.

5. Chapter 8 of the Regulation shall apply to all aspects related to payments, including currency exchange rules and handling of interests on bank accounts.

Article 4.4

Transparency and availability of documents

The National Focal Point shall ensure an audit trail for financial contributions from the Norwegian Financial Mechanism 2009-2014 to the Programme in accordance with Article 8.8 of the Regulation.

Article 5.1

Dispute settlement

1. The Parties waive their rights to bring any dispute related to the programme agreement before any national or international court, and agree to settle such a dispute in an amicable manner.

2. If a demand for reimbursement to the NMFA is not complied with by the Beneficiary State, or a dispute related to a demand for reimbursement arises that cannot be solved in accordance with paragraph 1, the Parties may bring the dispute before Oslo Tingrett.

Article 5.2

Termination

1. The NMFA may, after consultation with the National Focal Point, terminate this programme agreement if:

a. a general suspension decision according to Article 12.6 of the Regulation or a decision to suspend payments according to paragraph 1(h) of Article 12.1 of the Regulation has not been lifted within 6 months of such a decision;

b. a suspension of payments according to Article 12.1 of the Regulation, other than under paragraph 1(h), has not been lifted within one year of such a decision;

c. a request for reimbursement according to Article 12.2 of the Regulation has not been complied with within one year from such a decision;

d. the Programme Operator becomes bankrupt, is deemed to be insolvent, or declares that it does not have the financial capacity to continue with the implementation of the Programme; or

e. the Programme Operator has, in the opinion of the NMFA, been engaged in corruption, fraud or similar activities or has not taken the appropriate measures to detect or prevent such activities or, if they have occurred, nullify their effects.

2. This programme agreement can be terminated by mutual agreement between the Parties.

3. Termination does not affect the right of the Parties to make use of the dispute settlement mechanism referred to in Article 5.1 or the right of the NMFA to make use of the remedies provided in Chapter 12 of the Regulation.

Article 5.3  
Waiver of responsibility

1. Any appraisal of the Programme undertaken before or after its approval by the NMFA, does not in any way diminish the responsibility of the National Focal Point and the Programme Operator to verify and confirm the correctness of the documents and information forming the basis of the programme agreement.

2. Nothing contained in the programme agreement shall be construed as imposing upon the NMFA or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The NMFA does not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Programme or its projects including, but not limited to inconsistencies in the planning of the Programme or its projects, other project(s) that might affect it or that it might affect, or public discontent. It is the full and sole responsibility of the National Focal Point and the Programme Operator to satisfactorily address such issues.

4. Neither the National Focal Point, the Programme Operator, entities involved in the implementation of projects, nor any other party shall have recourse to the NMFA for further financial support or assistance to the Programme in whatsoever form over and above what has been provided for in the programme agreement.

5. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees, nor the NMFA, its officials or employees, can be held liable for any damages or injuries of whatever nature sustained by the National Focal Point or the Beneficiary State, the Programme Operator, Project Promoters or any other third person, in connection, be it direct or indirect, with this programme agreement.

6. Nothing in this programme agreement shall be construed as a waiver of diplomatic immunities and privileges awarded to the European Free Trade Association, its assets, officials or employees.

Article 5.4  
Entry into force and duration

1. This programme agreement shall enter into force on the date of the last signature of the Parties.

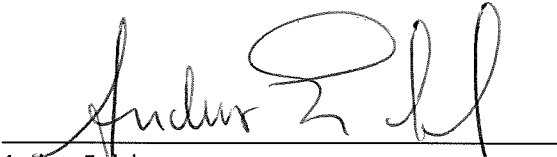
2. This programme agreement shall remain in force until five years have elapsed after the date of the acceptance of the final programme report.

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This programme agreement is drawn up in two originals in the English language.

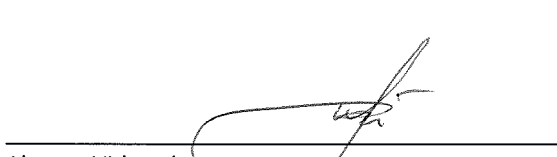
For the NMFA

Signed in Ostlo on 2.4.2013

  
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Anders Erdal  
Deputy Director General, Ministry of Foreign Affairs

For the National Focal Point

Signed in VILNIUS on 16/04/2013

  
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Aloyzas Vitkauskas  
Vice-minister of Finance

## Annex I - Programme Decision

### 1. Expected Outcomes & Indicators for Outputs

**Expected Outcome(s):** National health registries and health information systems, data management and use improved

#### Output

Child health monitoring information system developed and implemented

Output indicator(s)	Baseline	Target	Source of Verification
Number of municipalities covered by the developed child health monitoring information system	0	50	Project Promoter's reports.
Number of prepared templates for annual child health monitoring reports at municipal level	0	1	Project promoter's reports

#### Output

Users' Guides on child health monitoring information system developed

Output indicator(s)	Baseline	Target	Source of Verification
Number of Users' Guides on child health monitoring information system developed	0	1	Project promoter's reports

**Expected Outcome(s):** Improved access to and quality of health services including reproductive and preventive child health care

#### Output

Student health offices in schools meet set criteria

Output indicator(s)	Baseline	Target	Source of Verification
Number of repaired/equipped student health offices in schools meeting the criteria set in the course of the project	0	90	Project Promoter reports

#### Output

Health offices in pre-school education institutions meet set criteria

Output indicator(s)	Baseline	Target	Source of Verification
Number of repaired/equipped student health offices in pre-school education institutions meeting the criteria set in the course of the project	0	60	Project Promoter reports

**Expected Outcome(s):** Life-style related diseases prevented or reduced

#### Output

Youth-friendly healthcare service provision model developed

Output indicator(s)	Baseline	Target	Source of Verification
Number of models developed for the provision of youth-friendly health care services	0	1	Project Promoter reports



**Output**

Youth-friendly healthcare service provision model implemented in accordance with the needs of municipalities

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Number of municipalities involved in the implementation of the developed model for the provision of youth-friendly healthcare services	0	10	Project promoters reports

**Expected Outcome(s):** Reduced inequalities between user groups

**Output**

Methodological recommendations/guidelines and training programmes for the identification, evaluation and reduction of health inequalities in place/developed

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Number of prepared methodological recommendations/guidelines	0	2	Project Promoter reports
Number of prepared training programmes for identification, evaluation and reducing health inequalities	0	2	Project Promoters reports

**Output**

Capacity building events/training courses for the strengthening of the capacities to identify and reduce health inequalities organised

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Number of organised capacity building events/training courses for the strengthening of the capacities to identify and reduce health inequalities	0	9	Project promoters reports

**2. Conditions****2.1 General**

- 1) Bilateral, output and outcome indicators shall be reported on in the Annual Programme Report.
- 2) The details of use of the bilateral fund, detailed procedures and criteria for awarding support from the fund, and any other relevant details shall be further developed by the Programme Operator and must be submitted to the NMFA for approval prior to the allocation and disbursement of these funds.
- 3) The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters who have, in line with this Agreement, received an exception from the general rule in Article 7.3.1(c) of the Regulation with respect to any equipment (the excepted equipment):
  - Keep the excepted equipment in their ownership for a period of at least five years following the completion of the project and continue to use that equipment for the benefit of the overall objectives of the project for the same period;
  - Keep the excepted equipment properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and
  - Set aside appropriate resources for the maintenance of the excepted equipment for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract;

provided however that the Programme Operator may release any Project Promoter from the above obligations with respect to any specifically identified excepted equipment where the Programme Operator is satisfied that, having regard to all relevant circumstances, continued use of that equipment for the overall objectives of the project would serve no useful economic purpose.

The Focal Point shall furthermore ensure that the Programme Operator keeps a list of the excepted equipment for each project.

**2.2 Pre-eligibility**

Not applicable.

**2.3 Pre-payment**

Not applicable.

**2.4 Pre-completion**

Not applicable

## 2.5 Post-completion

Not applicable.

## 2.6 Other

Not applicable.

## 3. Eligibility of costs

### 3.1 Eligibility of costs - period

Eligibility of costs (excluding prog prep costs): 13/11/2012-30/04/2017

Eligibility of programme proposal preparation costs: 06/04/2011-12/11/2012

### 3.2 Grant rate and co-financing

Programme estimated total cost (€)	€7,058,824
Programme estimated eligible cost (€)	€7,058,824
Programme grant rate (%)	85.0000%
Maximum amount of Programme grant (€)	€6,000,000

### 3.3 Maximum eligible costs (€) and Advance payment amount (€)

Budget heading	Eligible expenditure	Advance payment*
Programme management	€705,881	€46,686
National health registries and health information systems, data management and use improved	€1,770,540	€0
Improved access to and quality of health services including reproductive and preventive child health care	€2,324,716	€0
Life-style related diseases prevented or reduced	€1,383,254	€0
Reduced inequalities between user groups	€619,316	€0
Fund for bilateral relations	€105,885	€11,585
Complementary action	€141,173	€11,585
Preparation of programme proposal	€8,059	€0
Reserve for exchange rate losses	€0	€0
Total	€7,058,824	€69,856

\* The advance payment is composed of €59,378 in grant amount and €10,478 in co-financing.

### 3.4 Retention of management costs

Retention of management costs - percentage of the management costs	10.00%
Retention of management costs - planned Euro value	€60,000

### 3.5 Small Grant Scheme

Outcome	Life-style related diseases prevented or reduced
Total Amount Reserved	€925,133
Grant Amount at Project Level	€37,005 – 250,000
Duration of the Project	6 – 12 months
Maximum Grant Rate at Project Level	100.00%

## Annex II - Operational Rules

### 1. Eligibility

#### 1.1 Eligible measures (sub-measures if any):

The Programme Operator is the Ministry of Health of the Republic of Lithuania.

The Programme shall strengthen capacities, develop a health information system for improved children's health monitoring, improve the health promotion infrastructures in schools and pre-school education institutions, and improve the quality and accessibility of youth health care services in municipalities. Whenever possible, the Programme Operator shall co-operate with other Programme Operators in the same Programme Area, including the NGO-Programme and the Programme "Public Health initiative".

The Programme will be implemented by way of two open calls (measures 1 and 2), one small grant scheme, and two pre-defined projects.

#### Open Calls

Measure 1: Improvement of the provision of healthcare services in schools and pre-school institutions.

Measure 2: Development of a Model for the Provision of Youth-Friendly Health Care Services.

#### Small Grant Scheme:

Improving the accessibility and quality of youth health care services in municipalities by implementing the model for the provision of Youth-Friendly Health Care Services

#### Two pre-defined projects:

- 1) Development and Implementation of the Child Health Monitoring Information System for Systematic Monitoring of the Children's Health Condition and Purposeful Health Policy Making
- 2) Development of the Model for the Strengthening of the Capacities to Identify and Reduce Health Inequalities

#### 1.2 Eligible applicants:

The rules on eligibility of applicants are set in Article 6.2 of the Regulation.

The following specifications apply to measure 1:

- Municipal public health bureaus,
- Municipal administration and municipal administrations (on the basis of co-operation agreements and with the decision of the councils of municipalities)

The applicants must meet the following criteria:

During the five years preceding the application, the applicant has not received any funding for the measures for which funding from the Programme funding is sought.

#### Small Grant Scheme:

- Municipal administrations

The applicants must meet the following criteria:

- The municipal public health bureau must operate in the municipality; and
- Provision of youth-friendly health care services to a specified number/percentage of young people.

More detailed requirements for eligible applicants shall be set in Guidelines for applicants.

#### 1.3 Special rules on eligibility of costs:

Costs are eligible in accordance with chapter 7 of the Regulation.

- By way of exception from Article 7.3.1(c) of the Regulation, the entire purchase price of new equipment will be eligible if the equipment is an integral and necessary component for achieving the outcome of the project. The CPMA will check and verify compliance with this condition.
- In addition to Article 7.6 of the Regulation, the following costs are not eligible:
  - the cost of purchase and depreciation of second hand equipment;
  - in-kind contributions.

## 2. Financial parameters

### 2.1 Minimum and maximum grant amount per project:

Measure 1:

The minimum amount of grant assistance applied for is €200,000; the maximum amount is €250,000.

**Measure 2:**

The minimum amount of grant assistance applied for is €400,000; the maximum amount is €458,121

**Small Grant Scheme:**

The minimum amount of grant assistance applied for is € 37,005; the maximum amount is € 250,000.

**2.2 Project grant rate:****Measures 1 and 2:**

Grants from the Programme will cover 100% of total eligible project costs. None of the costs of the project shall be provided or obtained by the Project Promoter.

**Small Grant Scheme:**

Grants from the Programme will cover 100% of total eligible project costs. None of the costs of the project shall be provided or obtained by the Project Promoter.

**3. Selection of projects****3.1 Selection procedures:**

The selection procedures shall be in accordance with Article 6.5 of the Regulation.

**3.2 Open calls and availability of funds (including number of calls, duration of calls, and estimated size):****Measure 1:**

There shall be two calls for applications, which shall make available € 2,324,716. The first call shall be launched no later than in the second quarter of 2014 and make available €1,162,358. The second shall be launched no later than in the fourth quarter of 2014 and make available €1,162,358. The calls shall be open at least for 2 months.

**Measure 2:**

There shall be one call for applications, which shall make available €458,121. The call shall be launched no later than in the third quarter of 2013. The call shall be open at least for 2 months.

**Small Grant Scheme:**

There shall be one call for applications. The call shall be launched no later than in the first quarter of 2015 and make available the entire re-granting amount of €925,133. The call shall be open at least for 2 months.

**3.3 Selection criteria:****Measures 1 and 2 and Small Grant Scheme:**

The following selection criteria will be taken into account:

- Relevance of the project;
- Importance of the project;
- Project methodology;
- Project budget and cost effectiveness; and
- Project management.

The selection criteria will be further developed by the Programme Operator and will be included in the text of the calls for applications.

**4. Payment flows, verification of payment claims, monitoring and reporting****4.1 Payment flows**

Payments towards the end beneficiaries will be in the form of advance payments, interim payments and payments of the final balance.

The Project Promoters have the possibility to request an advance payment not exceeding 30% of eligible expenditures. The advance payment ceilings and the off-set mechanism will be adapted to each Project Promoter's liquidity and specified in the Project Contract. An advance payment bank guarantee will be requested from Project Promoters who belong to the private sector. Additional information on the advance payment conditions and the off-set mechanism shall be further outlined in the description of the Programme Operator's Management and Control Systems according to Article 4.8.2 of the Regulation.

The interim payments will be based upon incurred costs. The Programme Operator has the possibility to withhold up to 5% of the total grant for the final balance.

**4.2 Verification of payment claims**

The payment requests prepared by the Project Promoters will be reviewed by the CPMA. The CPMA will finish the verification process within 45 working days after receiving all necessary supporting documents linked to the payment request. The conclusion of the CPMA on the eligibility of costs included in the payment request will be sent to the Programme Operator and to the Project Promoter.

The rules and frequency of payment requests provided by the Project Promoter will be set in the Project Contract. Payment requests based upon incurred expenditures will have to be provided no more than once per month and at least once every third month.

Depending on the risk level and the amount of documents of each payment request the CPMA will use two methods – 100% check and the sampling method. The CPMA will use the stratified systematic sampling method for verification of the payment requests to insure the best representativeness. It means that the costs are stratified to the different groups of costs (works, salaries etc.) and for the different groups the systematic sampling is applied. Depending on the results of the sample check, the sample size can be increased. The methods of verification of costs are periodically reviewed and improved.

In line with Article 7.13.3 of the Regulation, a report by an independent and certified auditor, certifying that the claimed costs are incurred in accordance with this Regulation, the national law and accounting practices of the project partner's country, shall, subject to Article 7.13.5 of the Regulation, be seen as sufficient proof of costs incurred by a project partner whose primary location is in a Donor State.

The detailed procedures for the verification of payment claims, periodicity of reporting periods, and deadlines for reporting outlined in the Programme proposal will further be detailed in the description of the Programme Operator's Management and Control Systems according to Article 4.8.2 of the Regulation.

#### 4.3 Monitoring and reporting

The Programme Operator and the CPMA are jointly responsible for the monitoring as specified in article 4.7.1 (f) of the Regulation.

On-the-spot checks will be conducted at least once during the project's implementation, and can also be conducted on an ad-hoc basis when considered necessary. Planned on-the-spot checks will be carried out based on the on-spot-checks annual plan. The Project Promoter will be informed about the date of the planned on-the-spot check in advance. On-the-spot checks on an ad-hoc basis can be organized when suspicions arise that the information provided by the Project Promoter is incorrect or misleading. On-the-spot checks on an ad-hoc basis can also be organized based on other reasons. Only in the latter cases, information about the date of the on-the-spot-check on an ad-hoc basis may be provided to the Project Promoter in advance. On-the-spot checks are carried out by the CPMA.

Irregularities will be handled in accordance with Article 11 of the Regulation.

Information on Reporting and Monitoring shall be outlined in the description of the Management and Control System according to Article 4.8.2 of the Regulation and further detailed in the CPMA's internal procedures.

## 5. Additional mechanisms within the programme

### 5.1 Funds for bilateral relations

The Programme Operator will set aside at least 1.5 % of the total Programme budget to a fund for bilateral relations.

27% of the fund for bilateral relations will be used to organise events, as well as to fund the search for project partners and the development of partnership ideas and projects between project promoters, the Programme Operator, other relevant stakeholders, and entities in Norway.

73% of the fund for bilateral relations will be used for networking events, as well as the exchange of knowledge and experience between project promoters, the Programme Operator, other relevant stakeholders, and entities in Norway.

The grant rate of the bilateral fund is 100%. The minimum grant amount is €1,000 and the maximum grant amount is €30,000.

The details of use of the bilateral fund, detailed procedures and criteria for awarding support from the fund, and any other relevant details will be further developed by the Programme Operator.

### 5.2 Complementary action

Costs of complementary action may not exceed an amount equal to 20% of the management costs for the Programme.

The funding shall *inter alia* be used to facilitate the participation of relevant stakeholders in events, seminars and / or activities agreed with the Donors. Complementary action under this Programme shall be further defined by the Programme Operator in

accordance with Article 7.11 of the Regulation.

### 5.3 *Reserve for exchange rate losses*

Not applicable.

### 5.4 *Small Grant Schemes*

The Programme contains one small grant scheme, as described in section 1 of this Annex II. The details of the scheme can be found in the applicable sections of this Annex II.

## 6. Pre-defined projects

### 1) Development and Implementation of the Child Health Monitoring Information System for Systematic Monitoring of the Children's Health Condition and Purposeful Health Policy Making

Project promoter: Institute of Hygiene

Project grant rate: 100%

Total estimated budget: € 1,770,540

The project shall develop a general child health monitoring information system intended for the analysis of preventive health check-up data and health-related factors by ensuring access to anonymized health data to a wider circle of specialists at the national and municipal levels.

### 2) Development of the Model for the Strengthening of the Capacities to Identify and Reduce Health Inequalities

Project promoter: Lithuanian University of Health Sciences

Project grant rate: 100%

Total estimated budget: € 619,316

The project will create more favourable conditions for the effective tackling of major public health challenges and health inequalities by combining the consolidated efforts of different policy sectors. The following activities shall be carried out:

1. Develop a model for the strengthening of the capacities to identify and reduce health inequalities (methodological recommendations/guidelines for the identification, evaluation and reduction of health inequalities).
2. Set up programmes of target training intended for the improvement of the administrative capacities to identify and reduce health inequalities.
3. Improve the administrative capacities of the Lithuanian national and municipal level policy makers and specialists working in municipal public health bureaus in the fields of reducing social health inequalities, justice of health relations (health equity), and intersectoral cooperation.

## 7. Modification of the programme

Any modifications of the Programme will follow the rules set forth in the Regulation and in Article 2.9 of the Programme Agreement.

## 8. Programme proposal version

Any reference to the Programme proposal in this Programme Agreement shall be interpreted as a reference to the version signed by the Programme Operator on 31 January 2012 and shall include all subsequent correspondence and communication between the NMFA, the Financial Mechanism Office, the National Focal Point and the Programme Operator.

## 9. Miscellaneous

Not applicable.

