

FRAMEWORK AGREEMENT

between

THE SWISS FEDERAL COUNCIL

and

**THE GOVERNMENT OF THE REPUBLIC OF
LITHUANIA**

On

**THE IMPLEMENTATION OF THE SECOND SWISS
CONTRIBUTION TO SELECTED MEMBER STATES OF
THE EUROPEAN UNION TO REDUCE ECONOMIC AND
SOCIAL DISPARITIES WITHIN THE EUROPEAN UNION**

THE SWISS FEDERAL COUNCIL (hereinafter referred to as “Switzerland”)

and

THE GOVERNMENT OF THE REPUBLIC OF LITHUANIA (hereinafter referred to as the “Lithuania”),

hereinafter collectively referred to as the “Parties”,

- NOTING the solidarity of Switzerland with the endeavours of the European Union (EU) to reduce economic and social disparities within the EU;
- COMMITTED to further reducing the economic and social disparities within the EU and within Lithuania;
- BUILDING upon the successful cooperation between the Parties during Lithuania’s transition process leading to its accession to the EU and in the framework of the Swiss contribution to the enlarged EU;
- SHARING AND PROMOTING the fundamental values of democracy, the rule of law and political pluralism;
- RESPECTING AND DEFENDING human rights, human dignity and fundamental freedoms;
- REFERRING to the United Nations Sustainable Development Goals;
- HAVING regard to the friendly relations between the Parties;
- DESIRING to further strengthen these relations and the fruitful cooperation between the Parties;
- REFERRING to the “Memorandum of Understanding between the European Union and Switzerland on a contribution by Switzerland towards reducing economic and social disparities and for cooperation in the area of migration in the European Union” signed on **30.06.2022** for a total amount of CHF 1,302,000,000 (one billion three hundred and two million Swiss francs) to selected EU Member States for cooperation in the areas of cohesion and migration (hereinafter referred to as the “second Swiss Contribution”);
- NOTING the cooperation in the area of migration of up to CHF 200,000,000 (two hundred million Swiss francs) under the second Swiss Contribution;
- IN VIEW of the cooperation in the area of cohesion of up to CHF 1,102,000,000 (one billion one hundred and two million Swiss francs) under the second Swiss Contribution.

hereby agree as follows:

Article 1 – Definitions

For the purposes of this Framework Agreement:

“Contribution” means the maximum non-refundable financial contribution granted by Switzerland to Lithuania under this Framework Agreement;

“Country-Specific Set-Up” (Annex 1) means the thematic and geographic allocations of the Contribution and specific rules agreed between Switzerland and Lithuania as well as the attribution of responsibilities and tasks to entities involved in the implementation of the Swiss Lithuanian Cooperation Programme and in Support Measures respectively;

“Memorandum of Understanding” means the Memorandum of Understanding between the European Union and Switzerland on a contribution by Switzerland towards reducing economic and social disparities and for cooperation in the area of migration in the European Union” signed on 30.06.2022 for a total amount of CHF 1,302,000,000 (one billion three hundred and two million Swiss francs) to selected EU Member States for cooperation in the areas of cohesion and migration;

"National Coordination Unit" means the national public entity of Lithuania designated to act on its behalf for the implementation of the Swiss-Lithuanian Cooperation Programme.

“Programme” means a coherent set of Programme Components carried out in line with national priorities, policies or strategies of the Partner State with the support of the Contribution comprising a single comprehensive implementation and budget framework with overarching goals. A Programme may be accompanied by a policy dialogue;

“Project” means an indivisible series of activities, carried out with the support of the Contribution, which is aimed at achieving agreed objectives and outcomes and is not part of a Programme;

“Regulations” means the Regulations on the implementation of the second Swiss Contribution in the area of cohesion issued by Switzerland and containing the general rules and procedures on the implementation of the Swiss-Lithuanian Cooperation Programme;

“Support Measure” is used as generic term and means a specific Project, Programme or Technical Support within the framework of the Swiss-Lithuanian Cooperation Programme;

“Support Measure Agreement” means an agreement between the Parties and, if need be, additional contracting parties, on the implementation of a Support Measure;

“Swiss-Lithuanian Cooperation Programme” means the bilateral programme for the implementation of this Framework Agreement;

“Technical Support” means part of the Contribution provided under the Cooperation Programme for the preparation of Support Measures and for the efficient and effective implementation of the Cooperation Programme.

Article 2 – Legal Framework

1. This Framework Agreement, together with the following documents, constitutes the legal framework of the implementation of the second Swiss Contribution in the area of cohesion:

- (a) the Regulations and subsequent amendments thereof;
- (b) Support Measure Agreements, or other agreements between the Parties, resulting from the Framework Agreement; and
- (c) any operational procedures or guidelines adopted by Switzerland after consultation with Lithuania;

2. In the event of conflicts/contradictions between the provisions of these instruments, the aforementioned order of precedence shall apply.

Article 3 – Objectives and Principles

1. The overall objective of the Swiss-Lithuanian Cooperation Programme is to contribute to the reduction of the economic and social disparities within the EU and within Lithuania, building upon and further strengthening the bilateral relations between Switzerland and the EU and its Member States.

2. The Parties shall select Support Measures that contribute to the achievement of the overall objective and which, with the exception of Technical Support, contribute to at least one of the five objectives of the second Swiss Contribution, which are to:

- a) promoting economic growth and social dialogue, reducing (youth) unemployment;
- b) managing migration and supporting integration. Increasing public safety and security;
- c) protecting the environment and the climate;
- d) strengthening of social systems;
- e) civic engagement and transparency.

3. Support Measures, with the exception of Technical Support and unless otherwise agreed upon by the Parties, shall be assigned to at least one thematic area of cooperation, as set out in the Regulations. The Parties shall achieve a thematic concentration for the Contribution. Therefore, the Parties shall mutually agree on a limited number of thematic areas to receive support under the Swiss-Lithuanian Cooperation Programme, as set out in the Country-Specific Set-Up.

4. The Parties shall encourage partnerships and the exchange of expertise between actors from Lithuania and Switzerland.

5. Support Measures shall respect social inclusion and ensure environmental sustainability.

6. All actions under the Swiss-Lithuanian Cooperation Programme shall be implemented in line with the objectives, principles, strategic directions, geographical and thematic focus as outlined in the Country-Specific Set Up and the Regulations.

Article 4 – Financial Framework

1. Switzerland agrees to grant a Contribution to Lithuania of up to CHF 45.2 million (forty five million two hundred thousand Swiss francs) with reference to the agreed thematic areas and geographic allocation and according to the indicative allocation defined in the Country Specific Set-Up.
2. The Contribution in paragraph 1 does not include expenditures of Switzerland for the management costs of the “Swiss-Lithuanian Cooperation Programme” and for the “Swiss Expertise and Partnership Fund Cohesion”. The latter shall be a fund administered by Switzerland, aimed at making Swiss expertise available to selected EU Member States, ensuring the quality and sustainability of Support Measures, strengthening bilateral relations and fostering partnerships between Switzerland and Lithuania.
3. The period of eligibility of expenditures from Support Measures, as defined in Chapter 6 of the Regulations, ends on 3 December 2029, inclusive. Funds not used until this date shall no longer be available to Lithuania.
4. Under the Swiss-Lithuanian Cooperation Programme, with the exception of the amounts reserved for Swiss management costs and the Swiss Expertise and Partnership Fund, the Contribution should be provided in the form of non-refundable grants or concessional financial facilities such as credit lines, guarantee schemes, equity, debt participation, and loans.
5. The financing from the Contribution shall not exceed 60% of the eligible expenditures from the Support Measure, except for:
 - a) Projects or Programmes receiving additional financing in the form of budget allocations from national, regional or local authorities, in which case the financing from the Contribution may not exceed 85% of the total eligible expenditures;
 - b) Projects or Programmes implemented by non-governmental organisations, which may be financed to a degree higher than 60% or fully by the Contribution;
 - c) Technical Support, which may be financed to a degree higher than 60% or fully by the Contribution;
 - d) Support Measures in the form of credit lines, guarantee schemes, equity and debt participation and loans to the private sector, which may be financed to a degree higher than 60% or even fully by the Contribution.
6. Lithuania shall ensure compliance with applicable rules on state aid and public procurement.

Article 5 – Principles for Support Measures

1. Support Measures shall be implemented in accordance with the legal Framework pursuant to Article 2.
2. Lithuania is responsible for the identification of Support Measures, which are
 - a. relevant and in line with national priorities;

- b. effective in addressing the identified needs;
 - c. feasible and efficient to implement;
 - d. expected to have impact;
 - e. designed to create sustainable benefits.
3. Lithuania shall avoid any duplication of and/or overlap with any part of a Support Measure which is receiving support from any other structural and/or cohesion funds, such as the European Funds, the European Economic Area Financial Mechanism or the Norwegian Financial Mechanism, as the case may be.
4. Each Support Measure shall be approved first by Lithuania and then by Switzerland.
5. Each Support Measure shall be subject to a Support Measure Agreement.
6. The Parties attach high importance to the monitoring, evaluation and auditing of the Support Measures and the Contribution. Each Party shall share, without delay, any useful information requested by the other party. The Parties shall ensure effective coordination and monitoring of the Swiss-Lithuanian Cooperation Programme.
7. Switzerland, or any third party appointed to act on its behalf, shall have the right to visit, monitor, review, audit and evaluate all activities and procedures related to the implementation of the Support Measures as deemed appropriate by Switzerland. Lithuania shall provide any and all information, assistance and documentation, which may be requested or useful, to allow Switzerland to exercise such right.
8. In order to ensure effective implementation of the Swiss-Lithuanian Cooperation Programme, the Competent Authorities referred to in Article 6 shall hold annual meetings. The purpose of such meetings shall be to review the progress achieved in the Swiss-Lithuanian Cooperation Programme, agree on any necessary measures to be taken, and provide a forum for discussion of issues of bilateral interest.

Article 6 – Competent Authorities

1. Lithuania has authorised a national public entity to act on its behalf as the National Coordination Unit (see Country-Specific Set-Up). The National Coordination Unit shall have overall responsibility for reaching the objectives of the Swiss-Lithuanian Cooperation Programme as well as for its implementation in accordance with this Framework Agreement.
2. Switzerland has authorised the Federal Department of Foreign Affairs, acting through the Swiss Agency for Development and Cooperation (SDC), and the Federal Department of Economic Affairs, Education and Research, acting through the State Secretariat for Economic Affairs (SECO), to act on its behalf for the implementation of the Swiss-Lithuanian Cooperation Programme. Support Measures are assigned to either the SDC or SECO in line with their respective fields of competence.

Article 7 – Liability

The responsibility of Switzerland with regard to the Swiss-Lithuanian Cooperation Programme is limited to providing funds in accordance with the relevant Support Measure Agreements. No liability to Lithuania, to any public or private entity involved in a Support Measure or to any third parties is or will be assumed by Switzerland.

Article 8 – Common Concern

The Parties share a common concern to prevent and fight against corruption, which jeopardises good governance and the proper use of resources needed for development, and, in addition, endangers fair and open competition in procurement procedures based upon price and quality. The Parties therefore agree to combine their efforts to fight corruption and, in particular, agree that any offer, gift, payment, remuneration or benefit of any kind whatsoever, made to whomsoever, directly or indirectly, with a view to being awarded a mandate or contract under this Framework Agreement, or during the performance hereof, will be construed as an illegal act or corrupt practice. Any act of this kind constitutes sufficient grounds for terminating this Framework Agreement and the relevant Support Measure Agreement, cancelling the procurement or resulting award, or taking any other proportionate corrective measure laid down by applicable law. The Parties shall promptly inform each other of any well-founded suspicion of an illegal act or corrupt practice.

Article 9 – Amendments

1. Any amendment to this Framework Agreement shall be made in writing with the mutual agreement of the Parties.
2. Notwithstanding paragraph 1 above, the Country-Specific Set-Up may be amended by mutual agreement of the Competent Authorities referred to in Article 6 through an exchange of letters between them.

Article 10 – Final Provisions

1. The Country-Specific Set-Up (Annex 1) shall form an integral part of this Framework Agreement.
2. This Framework Agreement shall enter into force, after its signature, on the date of receipt of the last notification confirming the completion by both Parties of their respective approval procedures. It applies until both Parties have fulfilled all their obligations. The Parties shall provisionally apply this Framework Agreement and the Annex hereto commencing on the date on which this Framework Agreement is signed by both Parties.
3. Any dispute which may result from the application of this Framework Agreement shall be resolved by diplomatic means.

4. This Framework Agreement may be terminated at any time by one of the Parties giving six months' prior written notice. Prior to making such a decision, the Parties shall enter into consultation regarding the reasons for the termination.

5. In the event of termination of this Framework Agreement, its provisions shall continue to apply to the relevant Support Measure Agreements concluded before the termination of this Framework Agreement. The Parties shall decide by mutual agreement on any other consequences of the termination.

Signed in Vilnius on [Date], in two original copies in the English language.

For the Swiss Federal Council

For the Government of the Republic of
Lithuania