FINANCING MEMORANDUM

The European Commission, hereinafter referred to as "THE COMMISSION", acting for and on behalf of the European Community, hereinafter referred to as "THE COMMUNITY"

on the one part, and

The Government of the Republic of Lithuania, hereinafter referred to as "THE RECIPIENT"

on the other part,

HAVE AGREED AS FOLLOWS:

The measure referred to in Article 1 below shall be executed and financed out of the budget resources of THE COMMUNITY in accordance with the provisions set out in this Memorandum. The technical, legal, and administrative framework within which the measure referred to in Article 1 below shall be implemented is set out in the General Conditions annexed to the Framework Agreement of November 1991 between THE COMMISSION and THE RECIPIENT, and supplemented by the terms of this Memorandum and the Special Provisions annexed hereto.

ARTICLE 1 - NATURE AND SUBJECT

As part of its aid programme, THE COMMUNITY shall contribute, by way of grant, towards the financing of the following MEASURE:

Programme number: LI02.01 to LI02.04
Title: Phare national programme for Lithuania in 2002 (part 1)
Duration: Until 31 March 2004

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of 12.68 MEUR hereinafter referred to as "THE EC GRANT".

ARTICLE 3 - DURATION AND EXPIRY

For the present MEASURE, THE EC GRANT is hereby available for contracting until 31/03/2004 subject to the provisions of his Memorandum. All contracts must be signed by this date. Any balance of funds of the EC GRANT which have not been contracted by this date shall be cancelled. The deadline for disbursement of THE EC GRANT is 31/03/2005. All disbursements must be completed by the deadline for disbursement. THE COMMISSION may however, in exceptional circumstances, agree to an appropriate extension of the contracting period or of the disbursement period, should this be requested in due time and properly justified by THE RECIPIENT. This Memorandum shall expire at the expiry of the disbursement period of the EC GRANT. All the funds which have not been disbursed shall be returned to the Commission.
ARTICLE 4 - ADDRESSES

Correspondence relating to the execution of THE MEASURE, stating THE MEASURE'S number and title, shall be addressed to the following:

for the COMMUNITY:

Delegation of the European Commission to Lithuania
Naugarduko 10
2001 Vilnius
Lithuania

Fax (+370) 2 31 31 92

for THE RECIPIENT:

Mrs Dalia Grybauskaite
Ministry of Finance
J.Tumo-Vaizganto 8a/2
2600 Vilnius
Lithuania

ARTICLE 5 - NUMBER OF ORIGINALS

This Memorandum is drawn up in duplicate in the English language.

ARTICLE 6 - ENTRY INTO FORCE

This Memorandum shall enter into force on the date on which it has been signed by both parties. No expenditure incurred before this date is eligible for the EC GRANT.

The Annexes shall be deemed an integral part of this Memorandum.

Done at Vilnius
Date 04.20.2022

for THE RECIPIENT

for THE COMMUNITY

Done at Vilnius
Date 3.4.2022

Michael GRAHAM
Encl.

1. Framework Agreement (Annexes A & B)
2. Special Provisions (Annex C)
3. Visibility/Publicity (Annex D)
SPECIAL PROVISIONS

1. OBJECTIVES AND DESCRIPTION

The part of the National Phare Programme for Lithuania covered by this Financing Memorandum aims at contributing towards building up structures and procedures and at developing IT and data exchange systems that will allow Lithuania, upon its accession, to function fully and effectively within the European Union in the area of Free Movement of Goods, Taxation, co-operation in the fields of Justice and Home Affairs and Customs Union.

With a view to accelerating support in priority sectors, particular emphasis has been placed on further strengthening administrative capacities and reorganising institutions to ensure compatibility with EU working methods and standards. In this context, there is an ever-increasing urgency to improve conditions for Lithuania’s compatibility with and/or integration into several EU data exchange systems, not least in the areas of Customs and Taxation. Consequently, the Customs project aims at ensuring that IT systems are in place and tested, and that staff are trained accordingly, so as to ensure a smooth incorporation into the EU system. Similarly, in the area of Taxation, the IT systems of the Lithuanian State Tax Inspectorate will be modernised and the administrative capacity of the Lithuanian tax authorities to implement the acquis will be strengthened. In the area of Free Movement of Goods the project addresses the need to strengthen the administrative and technical capacities regarding standardisation and thereby improving the conditions for Lithuania to become a full member of CEN/CENELEC. Finally, the project in the area of Justice and Home Affairs addresses the important need to strengthen the migration and asylum management system in Lithuania. In line with the Accession Partnership Priority, this project will ensure the establishment of a fully functioning national Foreigners’ Register in Lithuania, in line with EU and international standards. The components which have to be in compliance with the acquis upon accession will be implemented as early components in the projects.

In view of the provisions of Article 4 of the Accession Partnership Regulation (EC 622/98), overall agreement on the Phare 2002 programme will depend on the Government’s commitment, as described in the individual project fiches. Any structures to be set up in relation to the projects should be established on a sustainable basis.

Below is a more succinct description of the projects to be financed, including the main objectives, intended results, the corresponding Accession Priorities, links to previous projects and conditions for support:
Free Movement of Goods

L102.01 Strengthening of administrative and technical Capacities of the National Standards Body

The project addresses the 2001 Accession Partnership priorities of supporting the establishment of a Standards Association, completion of the adoption of European Standards, and greater involvement of industry in the standards preparation process. The overall objective is to strengthen the administrative and technical capacities of the National Standards Body with particular emphasis on preparation for membership of European Standards Organisations (CEN/CENELEC). The project aims to complete the process of alignment in the field of standardisation, reinforce IT infrastructure thereby increasing capacity to adopt European standards, and increase awareness among economic operators of the activities of the Lithuanian standards bodies. The project is linked to several projects financed from the 1997, 1998 and 2000 programmes which provided extensive equipment, training and advice on legislative alignment. The results of the project are, inter alia: completion of the process of legislative alignment; establishment of a standardisation management and information system compatible with CEN/CENELEC systems; revised business plan for the National Lithuanian Standards Body; adoption of European standards as national standards, and improved overall preparedness for membership of CEN/CENELEC.

The project contains a twinning, technical assistance and investment component. The project is conditional upon the necessary co-financing being made available, and adoption and transposition of relevant legislation on standardisation prior to the implementation of the investment component.

Taxation

L102.02 Modernisation of the State Tax Inspectorate

The project addresses a number of the 2001 Accession Partnership priorities, namely the completion of legislative alignment, development of IT systems and strengthening of administrative capacity and control procedures. The overall objective is to align the Lithuanian Tax administration with the acquis facilitating improved administrative cooperation and mutual assistance. The project aims to bring legislation on the operations of the Lithuanian State Tax Inspectorate up to EU standards, to improve the institutional structure and administrative capacity of the Inspectorate, and to develop data processing and communication systems for the exchange of EU tax and trade information. The project is linked to a project financed from the 1997 programme of which the overall aim was to modernise the tax administration and develop strategic and business planning procedures. The results of the project will see the IT system being developed, tested and fully operational to interface with EU information exchange systems (VIES, SEED, FISCAL, SCENT etc.). Furthermore, legislation on further aligning indirect taxation will be developed, administrative structures improved and extensive training carried out. The project will be implemented through a twinning, technical assistance and supply component. The project is conditional upon the necessary co-financing being made available.
Co-operation in the Fields of Justice and Home Affairs

L102.03 Migration and Asylum Management System

The project addresses the 2001 Accession Partnership priority of completing alignment with the acquis on visa policy asylum and migration and strengthening administrative capacity. The overall objective is to align Lithuanian asylum and migration legislation with the acquis and to strengthen the administrative capacity to ensure effective enforcement. The project aims to establish a comprehensive asylum and migration data processing and communication system, and ensure full alignment with the acquis. The project is linked primarily to a project financed from the 1999 programmes on the adoption and implementation of the Schengen acquis, to PHARE horizontal programmes in the field of asylum and migration and to an earlier Phare project on the upgrading of a Foreigners' Registration Centre at Pabradė. The results of the project shall be improved IT systems for the processing of asylum requests, a fully functioning Foreigners' Register and improved fingerprinting equipment. In terms of Institution Building, staff will have increased their competence through training; internal working rules and procedures will be improved, and an asylum handbook will be prepared and published. The project contains a twinning, technical assistance and investment component. The project is conditional upon the necessary co-financing being made available and the commitment of the Government to guarantee a proper functioning of the system in the future, preparation of a strategy for legislative alignment, and the necessary preparatory measures being undertaken by the Migration Department (e.g. establishment of a network of translation services) prior to project commencement.

Customs Union

L102.04 Implementation of EU Customs Information Systems

The project addresses the 2001 Accession Partnership priorities of accelerating the implementation of the IT strategy of the Lithuanian customs administration and of developing IT systems to allow for the exchange of computerised data between the EU and Lithuania. The overall objective is to ensure the proper and effective functioning of the Lithuanian Customs Information system, in conformity with EU standards. The project aims to prepare the Lithuanian Customs Information for EU membership of the EU by developing the Information Systems within the Customs administration and ensuring interconnectivity of computer systems. The project is linked to inter alia a project financed from the 1996 programme to establish an automated declaration processing system and from projects from the 1999 and 2000 programmes designed to construct a computerised version of the Customs Master Tariff Register and to reorganise and strengthen the customs administration. The results of the project will be the implementation of several EU, customs-related systems (New Computerised Transit System, European Binding Tariff Information, Economic Tariff Management, Inward Processing Relief, etc.). The project will be implemented through a technical assistance and supply component. The project is conditional upon national co-financing being made available.
2. BUDGET

<table>
<thead>
<tr>
<th>No.</th>
<th>OBJECTIVE/Project</th>
<th>IB</th>
<th>INV</th>
<th>Total Phare</th>
</tr>
</thead>
<tbody>
<tr>
<td>L102.01</td>
<td>FREE MOVEMENT OF GOODS</td>
<td>1.80</td>
<td>0.43</td>
<td>2.23</td>
</tr>
<tr>
<td></td>
<td>Strengthening of administrative and technical Capacities of the National Standards Body</td>
<td>1.80</td>
<td>0.43</td>
<td>2.23</td>
</tr>
<tr>
<td>L102.02</td>
<td>TAXATION</td>
<td>1.5</td>
<td>2.5</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td>Modernisation of the State Tax Inspectorate</td>
<td>1.5</td>
<td>2.5</td>
<td>4.0</td>
</tr>
<tr>
<td>L102.03</td>
<td>CO-OPERATION IN THE FIELDS OF JUSTICE AND HOME AFFAIRS</td>
<td>1.15</td>
<td>1.75</td>
<td>2.9</td>
</tr>
<tr>
<td></td>
<td>Migration and Asylum Management System</td>
<td>1.15</td>
<td>1.75</td>
<td>2.9</td>
</tr>
<tr>
<td>L102.04</td>
<td>CUSTOMS UNION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Implementation of EU Customs Information Systems</td>
<td>3.55</td>
<td>3.55</td>
<td>3.55</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>4.45</td>
<td>8.23</td>
<td>12.68</td>
</tr>
</tbody>
</table>

3. IMPLEMENTATION ARRANGEMENTS

a) Financial and Project Management by the Candidate Country

The programme will be managed in accordance with the Phare Decentralised Implementation System (DIS) procedures.

The National Aid Co-ordinator (NAC) will have overall responsibility for programming, monitoring and implementation of Phare programmes. The National Authorising Officer (NAO) and the Project Authorising Officers (PAO) will ensure that the programmes are implemented in line with the procedures laid down in the DIS Manual and other instructions of the Commission, and that all contracts are being prepared in accordance with the Practical Guide for PHARE, ISPA and SAPARD.

The NAC and the NAO shall be jointly responsible for co-ordination between PHARE (including PHARE CBC), ISPA and SAPARD.

The National Fund (NF) in the Ministry of Finance, headed by the NAO, will supervise the financial management of the Programme, and will be responsible for reporting to the European Commission. The NAO shall have overall responsibility for financial management of the PHARE funds. He shall ensure that the PHARE rules, regulations and procedures pertaining to procurement, reporting and financial management as well as Community state aid rules are respected, and that a reporting and project information system is functioning. This includes the responsibility of reporting all suspected and actual cases of fraud and irregularity. The NAO shall

---

1. taking into consideration the rules set down in the annex of Council Regulation 1266/1999
2. The Practical Guide has replaced section F ("Procurement") of the DIS Manual
have the full overall accountability for the PHARE funds of a programme until the closure of the programme.

b) Project size

All projects will be greater than 2 M€.

c) Contracting and disbursement deadline;

All contracts must be concluded by 31 March 2004. All disbursements must be made by 31 March 2005.

d) Recovery of Funds

Any proven irregularity or fraud discovered at any time during the implementation of the programme will lead to the recovery of funds by the Commission.

If the implementation of a measure appears not to justify either a part or the whole of the assistance allocated, the Commission is to conduct an appropriate examination of the case, in particular requesting the beneficiary country to submit its comments within a specified period of time and to correct any irregularity.

Following the examination referred to in the previous paragraph, the Commission may reduce, suspend or cancel assistance in respect of the measures concerned if the examination reveals irregularity, an improper combination of funds or a failure to comply with one of the conditions in the financing memorandum and in particular any significant change affecting the nature or conditions of implementation of the measure for which the Commission's approval has not been sought. Any reduction or cancellation of the assistance is to give rise to recovery of the sums paid.

Where the Commission considers that an irregularity has not been corrected or that all or part of an operation does not justify either all or part of the assistance granted to it, the Commission is to conduct a suitable examination of the case and request the beneficiary country to submit its comments within a specified period. After the examination, if the beneficiary country has undertaken no corrective measures, the Commission may:

(a) reduce or cancel any advance;

(b) cancel all or part of the assistance granted to the measure.

The Commission is to determine the size of a correction taking into account the nature of the irregularity and the extent of any failures in the management and control systems.

Any funds not used by the expiry date of the programme will be recovered by the Commission. A final written declaration with supporting documentation shall be issued by the NAO just after the end of the disbursement period of the Financing Memorandum showing the total amount contracted and disbursed. A final bank reconciliation showing the existing balances in the NF/IA/CFCU shall also be enclosed.
Notwithstanding the recovery of unused and ineligible funds after expiry of the Financing Memorandum, a complementary recovery order may be issued after the final audit of the reliability and consistency of contracts and disbursements as well as their compliance with the provisions of the Financing Memorandum has been carried out, taking into account the independent opinion of the final audit.

The National Authorising Officer will ensure the reimbursement of any unused funds or any sum wrongly paid within sixty calendar days of the date of notification. If the NAO does not repay the amount due to the Community, the beneficiary country shall refund this amount to the Commission. Interest on account of late payments shall be charged on sums not repaid by applying the rules specified in the Financial Regulation governing the Community Budget.

e) Financial Flows

The Commission will transfer funds to the NF in accordance with the Memorandum of Understanding signed between the Commission and Lithuania in December 1998. Funds will be transferred following requests from the NAO onto a separate bank account, denominated in €, which will be opened and managed by the NF in the Central Bank (or "in a Bank agreed in advance with the Commission").

aa) Transfer of Funds to the National Fund

A payment of up to 20% of the funds to be managed locally* will be transferred to the NF following signature of the Financing Memorandum and the Financing Agreements (FAs) between the NF and the Implementing Agencies (IAs)/Central Finance and Contracts Unit (CFCU). The provisions foreseen in articles 2 and 13 of the MoU on the NF must also be met. Furthermore, the NAO must submit to the Commission the designation of the PAOs and a description of the system put in place, highlighting the flow of information between the NF and the IA/CFCU and the manner in which the payment function will be carried out.

Two replenishments will be made of up to 30% of the funds to be managed locally* and the final payment of up to 20% or the full balance of the budget whichever is the lesser amount. The first replenishment will be triggered when 5% of the budget* has been disbursed by the IAs and the CFCU. The second replenishment may be requested when 35% of the total budget* in force has been disbursed. The final third replenishment * will be paid when 70% of the total budget* in force is disbursed.

Exceptionally the NAO may request an advance payment of more than the percentages mentioned above in accordance with the procedures laid down in the aforesaid Memorandum of Understanding. Save for express prior authorisation from the Commission HQs, no replenishment may be made if the trigger points mentioned above have not been respected.

bb) Transfer of Funds to the Implementing Agencies

---

3 All candidate countries signed the MoU for the establishment of the National Fund in December 1998.

* excluding the amount foreseen for the Community programmes
The National Fund will transfer funds to IAs, including the Central Financing and Contracting Unit (CFCU), in accordance with Financing Agreements (FAs) signed between the NFs and the IAs/CFCU where applicable. Bank accounts for sub-programmes shall be opened in the name of the relevant Implementing Agency/CFCU in charge of the financial administration of the sub-programme in line with Art. 13 of the MoU on the establishment of the National Fund.

Each individual FA will be endorsed in advance by the European Commission. In cases where the NF is itself the paying agent for the CFCU/IA there will be no transfer of funds from the NF to the CFCU/IA. The CFCU and the IAs must each be headed by a Programme Authorising Officer (PAO) appointed by the NAO after consultation with the NAC. The PAO will be responsible for all the operations carried out by the relevant CFCU/IA.

For those contracts with funds retained for a warranty period extending beyond the end of the disbursement period of the programme, the overall total of funds related to those contracts, as calculated by the PAO and established by the Commission, will be paid to the Implementing Agency before the official closure of the programme. The Implementing Agency assumes full responsibility of depositing the funds until final payment is due and for ensuring that said funds will only be used to make payments related to the retention clauses.

The Implementing Agency further assumes full responsibility towards the contractors for fulfilling the obligations related to the retention clauses. Interests accrued on the funds deposited will be paid to the Commission after final payment to the contractors. Funds not paid out to the contractors after final payments have been settled shall be reimbursed to the Commission. An overview of the use of funds deposited on warranty accounts - and notably of the payments made out of them - and of interests accrued will annually be provided by the NAO to the Commission.

cc) Interest

In principle, all bank accounts\(^4\) will be interest bearing. Interest will be reported to the European Commission. If the Commission so decides, on the basis of a proposal from the NAO, interest may be reinvested in the Programme.

---

\(^4\) in particular, but not exclusively, accounts run by the NF, the CFCU and IAs
f) Implementing Agencies will be responsible for sub-programmes as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Project</th>
<th>Implementing Agency</th>
<th>Ministries or Institutions with a technical role</th>
</tr>
</thead>
<tbody>
<tr>
<td>L102.01</td>
<td><strong>FREE MOVEMENT OF GOODS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strengthening of administrative and technical Capacities of the National Standards Body</td>
<td>CFCU</td>
<td>Lithuanian Standards Board</td>
</tr>
<tr>
<td>L102.02</td>
<td><strong>TAXATION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Modernisation of the State Tax Inspectorate</td>
<td>CFCU</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>L102.03</td>
<td><strong>CO-OPERATION IN THE FIELDS OF JUSTICE AND HOME AFFAIRS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Migration and Asylum Management System</td>
<td>CFCU</td>
<td>Ministry of Interior</td>
</tr>
<tr>
<td>L102.04</td>
<td><strong>CUSTOMS UNION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Implementation of EU Customs Information Systems</td>
<td>CFCU</td>
<td>Ministry of Finance</td>
</tr>
</tbody>
</table>

g) Environmental Impact Assessment and Nature Conservation

The procedures for environmental impact assessment as set down in the EIA-directive\(^5\) are fully applicable for all investment projects under PHARE. If the EIA-directive has not yet been fully transposed, the procedures should be similar to the ones established in the above-mentioned directive. If a project would fall within the scope of annex I or annex II of the EIA Directive, the carrying out of the EIA-procedure must be documented\(^6\).

If a project is likely to affect sites of nature conservation importance, an appropriate assessment according to Art. 6 of the Habitats-Directive\(^7\) must be documented\(^8\).

All investment projects shall be carried out in compliance with the relevant Community environmental legislation. The Project Fiches will contain specific clauses on compliance with the relevant EU-legislation in the field of the environment according to the type of activity carried out under each investment project.

---


\(^6\) in Annex EIA to the corresponding investment project fiche

\(^7\) DIR 92/43/EEC; OJ 206/7; 22.7.1992

\(^8\) in Annex Nature Conservation to the corresponding investment project fiche
h) Special rules for certain components for the programme

Twinning

The amounts earmarked for twinning projects will cover the eligible costs (as set down in the DIS instructions) for implementing the work plan agreed between the Member State and the Applicant Country. The eligible costs may include costs incurred by the selected Member State during the preparation of the twinning covenant in the period between signature of the Financing Memorandum and the final notification of the financing approval of the covenant.

4. MONITORING AND ASSESSMENT

Project implementation will be monitored through the Joint Monitoring Committee (JMC). It includes the NAO, the NAC and the Commission. The JMC will meet at least once a year to review all Phare funded programmes in order to assess their progress towards meeting the objectives set out in Financing Memoranda and the Accession Partnership. The JMC may recommend a change of priorities and/or the re-allocation of Phare funds.

The JMC will be assisted by Monitoring Sub-Committees (MSC) which will include the NAC, the PAO of each IA (and of the CFCU where applicable) and the Commission Services. The MSC will review in detail the progress of each programme, including its components and contracts, on the basis of regular Monitoring and Assessment reports produced with the assistance of external consultant (in accordance with the provisions of the DIS Manual), and will put forward recommendations on aspects of management and design, ensuring these are effected. The MSC will report to the JMC, to which it will submit overall detailed reports on all Phare financed programmes.

The Commission services shall ensure that an ex-post evaluation is carried out after completion of the Programme.

5. AUDIT AND ANTI-FRAUD MEASURES

a) By the Candidate Countries

Each year an audit plan and a summary of the findings of the audits carried out shall be sent to the Commission. Audit reports shall be at the disposal of the Commission.

Appropriate financial control shall be carried out by the competent national financial control authority with respect to the implementation of the programme.

Beneficiary countries shall ensure investigation and satisfactory treatment of suspected and actual cases of fraud and irregularity following national or Community controls.

Irregularity shall mean any infringement of a provision of Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by
them, either by reducing or losing revenue accruing from own resources collected directly on behalf of the Communities, or by an unjustified item of expenditure.

Fraud shall mean any intentional act or omission relating to:

(i) the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by, or on behalf of, the European Communities,

(ii) non-disclosure of information in violation of a specific obligation, with the same effect,

(iii) the misapplication of such funds for purposes other than those for which they are originally granted.

The national authorities shall ensure the functioning of a control and reporting mechanism equivalent to the one foreseen in Commission Regulation 1681/94.

In particular, all suspected and actual cases of fraud and irregularity as well as all measures related thereto taken by the national authority must be reported to the Commission services without delay. Should there be no suspected or actual cases of fraud and irregularity to report, the beneficiary country shall inform the Commission of this fact at the end of each quarter.

b) By the Commission

All financing memoranda as well as the resulting contracts are subject to supervision and financial control by the Commission (including the European Anti-fraud Office) and audits by the Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out by the Delegation in the Candidate Country concerned and on-the-spot checks.

In order to ensure efficient protection of the financial interests of the Community, the Commission may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (Euratom, EC) No. 2185/96. The accounts and operations of the National Fund, and, where applicable, the CFCU and all relevant Implementing Agencies may be checked at the Commission’s discretion by an outside auditor contracted by the Commission without prejudice to the responsibilities of the Commission and the European Union's Court of Auditors as referred to in the “General Conditions relating to the Financing Memorandum” attached to the Framework Agreement.

---

9 OJ L 253; 7.10.00; p. 5-14

10 OJ L 292; 15.11.1996; p. 2-5
6. VISIBILITY/PUBLICITY

The appropriate Programme Authorising Officer will be responsible for ensuring that the necessary measures are taken to ensure appropriate publicity for all activities financed from the programme. This will be done in close liaison with the Commission Delegation. Further details are at the Annex “Visibility/Publicity”.

7. SPECIAL CONDITIONS

In the event that agreed commitments are not met for reasons which are within the control of the Government of Lithuania, the Commission may review the programme with a view, at the Commission’s discretion, to cancelling all or part of it and/or to reallocate unused funds for other purposes consistent with the objectives of the Phare programme.
1. **Objective and scope**

Information and publicity measures concerning assistance from the European Community Phare Programme are intended to increase public awareness and transparency of EU action and to create a consistent image of the measures concerned in all applicant countries. Information and publicity shall concern measures receiving a contribution from the Phare Programme.

2. **General principles**

The appropriate Programme Authorising Officer in charge of the implementation of Financing Memoranda, and other forms of assistance shall be responsible for publicity on the spot. Publicity shall be carried out in co-operation with the EC Delegations, which shall be informed of measures taken for this purpose.

The competent national and regional authorities shall take all the appropriate administrative steps to ensure the effective application of these arrangements and to collaborate with the EC Delegations on the spot.

The information and publicity measures described below are based on the provisions of the regulations and decisions applicable to the Structural Funds. They are:


Specific provisions concerning ISPA are included in:

- Commission Decision of 22\textsuperscript{nd} June 2001, Official journal of the European Communities No L.182/58

Information and publicity measures must comply with the provisions of the above mentioned regulation and decision. A manual on compliance is available to national, regional and local authorities from the EC Delegation in the country concerned.

3. **Information and publicity concerning Phare programmes**

Information and publicity shall be the subject of a coherent set of measures defined by the competent national, regional and local authorities in collaboration with the EC Delegations for the duration of the Financing Memorandum and shall concern both programmes and other forms of assistance.
The costs of information and publicity relating to individual projects shall be met from the budget for those projects.

When Phare programmes are implemented, the measures set out at (a) and (b) below shall apply:

(a) The competent authorities of the applicant countries shall publish the content of programmes and other forms of assistance in the most appropriate form. They shall ensure that such documents are appropriately disseminated and shall hold them available for interested parties. They shall ensure the consistent presentation throughout the territory of the applicant country of information and publicity material produced.

(b) Information and publicity measures on the spot shall include the following:

(i) In the case of infrastructure investments with a cost exceeding EUR 1 million:

- billboards erected on the sites, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.

- permanent commemorative plaques for infrastructures accessible to the general public, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.

(ii) In the case of productive investments, measures to develop local potential and all other measures receiving financial assistance from Phare, Ispa or Sapard:

- measures to make potential beneficiaries and the general public aware of Phare, Ispa or Sapard assistance, in accordance with the provisions cited at paragraph 3(b)(i) above.

- measures targeting applicants for public aids part-financed by Phare, ISPA or SAPARD in the form of an indication on the forms to be filled out by such applications, that part of the aid comes from the EU, and specifically, the Phare, ISPA or SAPARD Programmes in accordance with the provisions outlined above.

4. **Visibility of EU assistance in business circles and among potential beneficiaries and the general public**

4.1 Business circles

Business circles must be involved as closely as possible with the assistance, which concerns them most directly.

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to potential beneficiaries, particularly SMEs. These should include an indication of the administrative procedures to be followed.
4.2 Other potential beneficiaries

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to all persons who benefit or could benefit from measures concerning training, employment or the development of human resources. To this end, they shall secure the co-operation of vocational training bodies involved in employment, business and groups of business, training centres and non-governmental organisations.

Forms

Forms issued by national, regional or local authorities concerning the announcement of, application for and grant of assistance intended for final beneficiaries or any other person eligible for such assistance shall indicate that the EU, and specifically the Phare, Ispa or Sapard Programmes, is providing financial support. The notification of aid sent to beneficiaries shall mention the amount or percentage of the assistance financed by the Programme in question. If such documents bear the national or regional emblem, they shall also bear the EU logo of the same size.

4.3 The general public

The media

The competent authorities shall inform the media in the most appropriate manner about actions co-financed by the EU, and Phare, ISPA or SAPARD in particular. Such participation shall be fairly reflected in this information.

To this end, the launch of operations (once they have been adopted by the Commission) and important phases in their implementation shall be the subject of information measures, particularly in respect of regional media (press, radio and television). Appropriate collaboration must be ensured with the EC Delegation in the applicant country.

The principles laid down in the two preceding paragraphs shall apply to advertisements such as press releases or publicity communiqués.

Information events

The organisers of information events such as conferences, seminars, fairs and exhibitions in connection with the implementation of operations part-financed by the Phare, Ispa or Sapard Programmes shall undertake to make explicit the participation of the EU. The opportunity could be taken of displaying the European flags in meeting rooms and the EU logo upon documents depending on the circumstances. The EC Delegation in the applicant country shall assist, as necessary, in the preparation and implementation of such events.

Information material

Publications (such as brochures and pamphlets) about programmes or similar measures financed or co-financed by Phare, Ispa or Sapard should, on the title page, contain a clear indication of the EU participation as well as the EU logo where the national or regional emblem is used.
Where such publications include a preface, it should be signed by both the person responsible in the applicant country and, for the Commission, the Delegate of the Commission to ensure that EU participation is made clear.

Such publications shall refer to the national and regional bodies responsible for informing interested parties.

The above-mentioned principles shall also apply to audio-visual material.

5. Special arrangements concerning billboards, commemorative plaques and posters

In order to ensure the visibility of measures part-financed by the Phare, Ispa or Sapard Programmes, applicant countries shall ensure that the following information and publicity measures are complied with:

Billboards

Billboards providing information on EU participation in the financing of the investment should be erected on the sites of all projects in which EU participation amounts to EUR 1 million or more. Even where the competent national or regional authorities do not erect a billboard announcing their own involvement in financing the EU assistance must nevertheless be announced on a special billboard. Billboards must be of a size which is appreciable to the scale of operation (taking into account the amount of co-financing from the EU) and should be prepared according to the instructions contained in the technical manual obtainable from EC Delegations, referred to above.

Billboards shall be removed not earlier than six months after completion of the work and replaced, wherever possible, by a commemorative plaque in accordance with the specifications outlined in the technical manual referred to above.

Commemorative plaques

Permanent commemorative plaques should be placed at sites accessible to the general public (congress centres, airports, stations, etc.). In addition to the EU logo, such plaques must mention the EU part financing together with a mention of the relevant Programme (Phare, Ispa or Sapard).

Where a national, regional or local authority or another final beneficiary decides to erect a billboard, place a commemorative plaque, display a poster or take any other step to provide information about projects with a cost of less than EUR 1 million, the EU participation must also be indicated.

6. Final provisions

The national, regional or local authorities concerned may, in any event, carry out additional measures if they deem this appropriate. They shall consult the EC Delegation and inform it of the initiatives they take so that the Delegation may participate appropriately in their realisation.
In order to facilitate the implementation of these provisions, the Commission, through its Delegations on the spot, shall provide technical assistance in the form of guidance on design requirements, where necessary. A manual will be prepared in the relevant national language, which will contain detailed design guidelines in electronic form and this will be available upon request.