

SAFE

OPERATIONAL ARRANGEMENTS BETWEEN THE EUROPEAN COMMISSION AND THE
REPUBLIC OF LITHUANIA

represented by:

- 1) The European Commission, 200, rue de la Loi, B-1049 Brussels, Belgium, represented for the purpose of the signature of these operational arrangements by the Commissioner for Defence and Space and the Commissioner for Budget, Anti-Fraud and Public Administration;

hereinafter referred to as the "**Commission**"

on the one part, and

- 2) The Republic of Lithuania represented for the purpose of the signature of these operational arrangements by the Minister of Finance and Minister of National Defence;

hereinafter referred to as the "**requesting Member State**"

on the other part,

hereinafter separately referred to as a "**Party**" and collectively as the "**Parties**",

WHEREAS:

- (1) Council Regulation (EU) 2025/1106 of 27 May 2025 establishing the Security Action for Europe (SAFE) through the Reinforcement of the European Defence Industry Instrument (the "SAFE Regulation") established the SAFE instrument to provide Member States with financial assistance, enabling them to carry out urgent and major public investments in support of the European defence industry in response to the current crisis situation.
- (2) The requesting Member State submitted to the Commission a European defence industry investment plan. By virtue of Council Implementing Decision (EU) 2026/413 of 17 February 2026 on making the financial assistance under Regulation (EU) 2025/1106 available to Lithuania (the "Council Implementing Decision") the Union shall make available to Republic of Lithuania a loan amounting to a maximum of EUR 6 375 487 000.
- (3) The Parties have entered into a loan agreement to set out - inter alia - the conditions for the disbursement and repayments of loans (the 'related loan agreement') on 9 May 2026.
- (4) The Parties should enter into operational arrangements to set out the relationship between the implementation of a plan and the corresponding financial assistance, including a tentative schedule of requests for payment based on which loans may be disbursed by the Commission, subject to availability of funds.
- (5) The disbursement should furthermore be conditional upon compliance with eligibility and reporting requirements set out in these operational arrangements and its annexes, and should ensure compliance with sound financial management principles and the protection of the financial interests of the Union.

The Parties have agreed the following:

1. SCOPE OF THE ARRANGEMENTS

- 1.1. These operational arrangements shall cover all activities under the assessed national European defence industry investment plan ('the Plan') for which financial assistance is provided, in accordance with the loan agreement concluded between the Parties pursuant Article 10 of the SAFE Regulation. These operational arrangements shall apply for the duration set out in the related loan agreement, including the full implementation of the Plan and any ex-post checks, reviews, audits and investigations.
- 1.2. All provisions of these operational arrangements shall be interpreted and implemented in line with the loan agreement referred to in paragraph 1.1. In case of conflict, the rules set out in the loan agreement shall prevail over any rules set out in these operational arrangements, including in their annexes.

2. ARRANGEMENTS AND TIMETABLE FOR IMPLEMENTATION OF THE PLAN

- 2.1. To facilitate smooth cooperation and effective implementation of the Plan, the Parties agree to maintain regular exchanges in relation to the implementation of the relevant activities, expenditures and measures related to defence products or other products for defence purposes carried out within the scope of these operational arrangements.
- 2.2. The requesting Member State designates the Ministry of Finance and Ministry of National Defence as the coordinator (the "**Coordinator**") to act as the interlocutor towards the Commission for the overall implementation of the Plan and of these operational arrangements. The Coordinator is responsible for coordinating and monitoring the implementation of the measures envisaged and the achievement of the milestones provided in the Plan and further detailed in Annex I to these operational arrangements, as well as the submission of requests for payments and the reporting referred to in point 3.
- 2.3. The Coordinator and the Commission shall hold at least semestrial exchanges to take stock of progress on the implementation of the Plan. Those exchanges may take place virtually or in person in the requesting Member State or in Brussels. While maintaining the capacity to hold physical or virtual meetings at shorter notice, such meetings should ordinarily be planned at least 7 days in advance, with a defined agenda.
- 2.4. The exchanges to take stock of progress on the implementation of the Plan shall, as a standing item on the agenda, discuss the timeline for payment requests as set out in Annex I to these operational arrangements. The Coordinator shall assess and inform the Commission in a transparent manner and without undue delay of any significant risks to the timeline for the completion of any milestone, notably where that may have implications for the timeline of the associated payment request.
- 2.5. The Coordinator and the Commission may organise ad hoc meetings outside of the regular planned exchanges to take stock of progress on the implementation of the Plan. Such meetings are to focus on specific implementation challenges or identify possible implementation issues.

- 2.6. The Coordinator shall facilitate, as relevant, contacts between the Commission and the contracting authority in charge of the implementation of specific procurement contracts. As part of the monitoring of the Plan, the Commission may organise technical meetings with such contracting authorities to seek further information. The Coordinator shall be kept informed of all such contacts and shall be invited to all technical meetings that may take place. The technical meetings may take place in addition to the exchanges with the Coordinator, to enable a more direct monitoring of the investments included under each procurement contract of the Plan and to identify possible implementation issues in advance of the exchanges between the Coordinator and the Commission. The outcome or issues identified during these technical meetings will be addressed, as relevant, in the meetings with the Coordinator.
- 2.7. Annex I contains the Plan implementation details, covering the procurements milestones' timetable, the verification methods, the supporting evidence to measure the progress in fulfilling the Plan and the indicative timeline for payment requests, together with the estimated amount to be paid.
- 2.8. Annex II contains the progress report template.

3. REPORTING AND PAYMENTS

- 3.1 The Coordinator may submit a request for payment up to twice a year, once in April for the first semester and once in October, for the second semester. Requests for payment shall be made in accordance with Article 7 of the related loan agreement and shall be submitted together with a report on the progress in the implementation of the Plan (the "progress report") using the template provided in Annex II to these operational arrangements. The Commission may make observations and request additional information notably in case of major delays affecting the implementation of the Plan.
- 3.2 By derogation from paragraph 3.1, for 2026 only one request for payment may be submitted in October 2026.
- 3.3 By derogation from paragraph 3.1, the final request for payments shall be submitted by 30 September 2030.
- 3.4 The progress shall be reported based on the achievement of milestones set out in Annex I and the requested payment shall correspond to the amount allocated to those milestones achieved.
- 3.5 If no payment request is submitted in any given year, the Coordinator shall submit a progress report using the template provided in Annex II by 30th November of that given year to report on the implementation of the Plan.
- 3.6 Each request for payment shall be accompanied by a statement of compliance as foreseen in Article 7.2(d) of the relevant loan agreement.
- 3.7 The Coordinator shall notify the Commission of any changes to achieved or planned milestones that may affect the conditions under which the financial assistance was made available, including in particular changes affecting the compliance with eligibility criteria. Any such changes affecting milestones already achieved may lead to an adjustment of the financial assistance in subsequent payment requests, including suspension, rejection, reduction or termination in accordance with the related loan agreement.

- 3.8 The Commission may request, at any point, additional reporting or supporting documents necessary to assess the implementation of the Plan which shall be provided by the Coordinator without delay, including for the purpose of checks, audits and investigations.
- 3.9 The Coordinator shall keep records and supporting documents for the implementation of activities under these operational arrangements for the duration of the relevant loan agreement including any ex-post checks, audits and investigations.
- 3.10 All classified information and Sensitive Non-Classified Information (SNC) exchanged between the Parties under these operational arrangements shall be transmitted exclusively through the secure system designated and communicated by the Commission.

The Commission's contact details are:

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200, rue de la Loi, B-1049 Brussels
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SAFE Task Force: Unit Task Force 1 – SAFE Implementation
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The Coordinator's contact details are:

State Treasury Department
Ministry of Finance
Lukiškių g. 2, LT-01108 Vilnius
Email address: safe@finmin.lt

Defence Planning Department
Ministry of National Defence
Totorių str. 25, LT-01121 Vilnius
Email address: safe@kam.lt

4. PROVISIONS FOR ACCESS AND PROTECTION OF THE FINANCIAL INTEREST OF THE UNION

- 4.1. The Coordinator shall ensure that the Commission has access to any information, including classified information, necessary for the purpose of verifying the conditions for disbursement of payments and carrying out the controls, reports, reviews, audits and investigations.
- 4.2. The Coordinator shall ensure that, within their competences, the European Anti-Fraud Office (OLAF), the European Court of Auditors (ECA), and the European Public Prosecutor's Office (EPPO) have the same rights as the Commission for the purpose of checks, audits and investigations.

5. AMENDMENTS

- 5.1 The operational arrangements may be amended at any time by mutual written consent between the Parties.
- 5.2 Amendments concerning clerical or minor changes may be notified in writing to the other Party. If the other Party does not object within 20 business days it is deemed to have provided its tacit consent.
- 5.3 Amendments concerning paragraph 3.10 may be notified in writing to the other Party. If the other Party does not object within 20 business days it is deemed to have provided its tacit consent.

6. GOVERNING LAW

These operational arrangements are governed in accordance with the provisions of Article 25 of the relevant loan agreement.

7. ENTRY INTO FORCE

Following the signature by all Parties, these Operational Arrangements shall enter into force on the date on which the Commission receives the official notification in the form of the Legal Opinion drawn up in accordance with the relevant loan agreement.

FOR THE EUROPEAN COMMISSION

Done in Brussels on ...10 June 2026

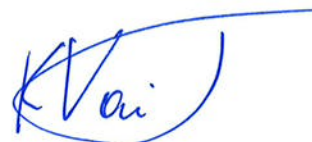


Andrius KUBILIUS

Commissioner for Defence and Space

FOR THE REPUBLIC OF LITHUANIA

Done in Vilnius on ...3 June 2026



Kristupas VAITIEKŪNAS

Minister of Finance

Done in Brussels on ...10 June 2026



Piotr SERAFIN

Commissioner for Budget, Anti-Fraud and Public Administration

Done in Vilnius on ...3 June 2026



Robertas KAUNAS

Minister of National Defence

