



EUROPEAN COMMISSION

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Summary of the Partnership Agreement for Lithuania, 2014-2020

Overall information

The Partnership Agreement (PA) covers five EU funds: the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), jointly known as the European Structural and Investment Funds (ESIF).

The PA will focus on the following major challenges in line with the strategic goals of the Europe 2020 strategy:

- Smart growth: Promotion of RDI, improvement of the quality of education and training, of the efficiency of public administration and development of digital society;
- Sustainable growth: Development of basic modern infrastructure, the creation of a better business environment as well as sustainable and efficient use of natural resources;
- Inclusive growth: more and better jobs, especially for young people, low skilled, long term unemployed and older workers. and reducing poverty and social exclusion.

These funds are the cornerstone of Lithuania's medium and long-term development strategy. They will mobilize additional public national and private funding for growth and jobs creation and will reduce territorial disparities in Lithuania. Investments will focus on innovativeness and investments into RDI, ensuring quality, openness and creativity in education and training, ensuring efficiency in public administration, development of the digital society, development of modern basic infrastructure, creation of a better environment for business, sustainable and efficient use of natural resources, promotion of employment, reduction of poverty and social exclusion, and territorial development.

One of the features of Lithuania's development goals is its shift to a low carbon economy, which means improving energy efficiency in buildings and enterprises and an increasing share of renewable energy sources in the overall energy structure.

A substantial share of the ESIF will still be devoted to upgrading Lithuania's infrastructure. In the transport sector, the Commission expects a strong contribution to low-carbon and environmentally sustainable modes of transport. The railway sector in particular should play a key role in ensuring a real shift to sustainable mobility. In the waste and water sectors, investments are needed to ensure that EU environmental requirements are fulfilled.

Another key element in the Lithuanian investment strategy is the high concentration of resources on innovativeness and RDI investments with the focus on supporting business innovation, cooperation between research and business, commercialisation of RDI results and the development of RDI infrastructure.

Helping people enter the labour market will also be a priority in Lithuania. Substantial resources are put in place for the promotion of employment through support to active labour market policy measures, especially for long term unemployed, low skilled and older workers, and promotion of entrepreneurship. Young people will be specifically targeted via the implementation of a Youth Guarantee that will be supported through the ESF and the Youth Employment Initiative. Improvement of the services delivered by the Public Employment Service is also targeted.

Reduction of poverty and social exclusion is a key issue for Lithuania where more than 30% of the population is at risk of poverty or social exclusion. In order to deal with this issue, the PA will ensure the compatibility and synergy of active labour market policy and social inclusion measures, as well as equal availability throughout Lithuania of adequate social and healthcare services to all residents, in particular by promoting a shift towards community-based services ("de-institutionalisation").

There will be substantial investments in human capital: ensuring high quality education for all, developing non-formal education opportunities, improving the transition from school to work, enhancing attractiveness of work based learning, and vocational training, and enhancing lifelong learning opportunities being the main areas for support.

Rural development support for Lithuania will focus on increasing the competitiveness of the Lithuanian agri-food and forestry sector as well as on sustainable management of natural resources, biodiversity and climate. To achieve these objectives, support will be targeted on investments with the highest impact in terms of innovation, value added of production, and environmental protection. Support for local development, social inclusion and diversification of economic activity will result in more jobs and less poverty in the Lithuanian rural areas.

As for fisheries and aquaculture, the funds will focus on the sustainability and competitiveness of the sectors and on the long-term strategic objectives of the Common Fisheries Policy. Support will also be ensured to the local development of the fisheries areas aiming at diversification inside and outside commercial fisheries and aquaculture, lifelong learning and promoting social well-being.

Lithuania has chosen to finance investment under all 11 thematic objectives defined in the Regulations. Details on the thematic objectives are presented in Table 1.

Investments in these areas will be instrumental in helping Lithuania to respond to the Europe 2020 priorities and the country specific Council recommendations for Lithuania.

Chosen expected results

Investments are aimed at addressing the main development gaps and thus strengthening social, economic and territorial cohesion. The ESIF will assist Lithuania in achieving the national Europe 2020 targets and flagship initiatives:

- R&D expenditure in relation to GDP is to increase from 0.9% (2012) to 1.9% (2020);
- In relation to energy objectives, the ESIF will provide a significant contribution to reducing energy consumption in buildings and enterprises. Energy from renewable energy sources is expected to increase from 21.7% (2012) to 23.0% (2020);

- The funds will contribute to an increased employment rate of 20-64 year-olds with the target of 72.8% by 2020 (69.9% in 2013), reduced risk of poverty and social exclusion (to 814 thousand inhabitants in 2020; 975 thousand in 2012) and improved adaptation of education to the labour market needs.

The commitments made in the Lithuanian National Reform Programme, as well as the Council recommendations for Lithuania, are reflected in the PA. With this approach, interventions co-financed from the ESIF will reinforce the efforts of Lithuania aimed to carry out the necessary reforms and the fulfilment of the recommendations. The PA, which is the strategic framework for the ESIF, sets out clear political commitments in line with the strategic goals of Europe 2020, the EU's growth and jobs strategy.

Budget

In 2014-2020 Lithuania is allocated around EUR 6.82 billion for cohesion policy (ERDF, ESF, Cohesion Fund) including EUR 31.8 million for the specific allocation for Youth Employment Initiative and EUR 113.7 million for territorial cooperation. Additional EUR 1.6 billion will be devoted to the development of the agricultural sector and rural areas from the European Agricultural Fund for Rural Development (EAFRD). The allocation for the European Maritime and Fisheries Fund (EMFF) amounts to EUR 63 million. Details on the allocation are given in the table below.

The concentration of funds on a limited number of priorities is one of the main principles of the reformed cohesion policy. For Lithuania, thematic concentration, meaning the level of ERDF expenditure aimed at research and innovation (thematic objective 1), ICT (thematic objective 2), competitiveness of enterprises (thematic objective 3) and low carbon economy (thematic objective 4) account for EUR 2 billion, including EUR 0.5 billion for low carbon economy. Thematic concentration is kept well above the minimum requirements.

The share of ESF in the allocation of ESI Funds amounts to 24.4% or €1.127 billion and is above the required minimum share of 24.2%. Out of this amount EUR220 million (20%) of the ESF will be concentrated on social inclusion and reduction of poverty, at the level of the minimum requirement.

The whole territory of Lithuania belongs to less developed regions. Significant attention is given to the territorial dimension of interventions in particular in the area of urban development and access to public services. At least 5% of the ERDF allocation will be invested in sustainable urban development actions implemented in Lithuania mainly through Integrated Territorial Investments in regional capital cities and their functional areas. At least 5% of the total EAFRD contribution to the rural development programme will be reserved for Leader / CLLD.

Programmes' architecture

Cohesion policy will be delivered by one multi-fund operational programme for the ERDF, the Cohesion Fund and the ESF, covering all the thematic objectives under cohesion policy.

Moreover, there is one rural development programme (financed by the EAFRD) and one fisheries programme (financed by the EMFF).

Details on the allocations to programmes are presented in table 2.

Allocation: breakdown by thematic objective and by fund (except territorial cooperation).

Thematic objective	ERDF	ESF	Cohesion Fund	EAFRD	EMFF	Total
	Euro					
1. Strengthening research, technological development and innovation	678 878 835			24 268 931		703 147 766
2. Enhancing access to, and use and quality of, ICT	244 037 284			3 766 520		247 803 804
3. Enhancing the competitiveness of SMEs, of the agricultural sector (for the EAFRD) and of the fishery and aquaculture sector (for the EMFF)	531 603 253			658 634 938	31 230 332	1 221 468 523
4. Supporting the shift towards a low-carbon economy in all sectors	517 201 697		454 118 432	146 124 564	325 750	1 117 770 443
5. Promoting climate change adaptation, risk prevention and management	4 064 010		104 842 447	196 764 164		305 670 621
6. Preserving and protecting the environment and promoting resource efficiency	189 613 699		539 257 440	196 764 164	17 674 645	943 309 948
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures	390 625 213		763 156 109			1 153 781 322
8. Promoting sustainable and quality employment and supporting labour mobility	421 299 136	275 504 430		67 797 724	10 395 562	774 996 852
9. Promoting social inclusion, combating poverty and any discrimination	315 540 145	220 294 386		157 712 935		693 547 466
10. Investing in education, training and vocational training for skills and lifelong learning	208 548 495	455 313 921		19 923 540		683 785 956
11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration		150 359 184				150 359 184
Technical assistance		25 812 183	187 543 198	64 523 530	3 805 933	281 684 844
Total	3 501 411 767	1 127 284 104	2 048 917 626	1 613 088 240*	63 432 222	8 385 916 592

The allocation to Youth Employment Initiative accounts for EUR 31.8 million.

* The sum of the allocations per thematic objective for EAFRD is slightly lower than the total EAFRD allocation in final row as does not include transitional expenditure for 2007-2013 measures which are discontinued in 2014-2020 period (about EUR 0.1 bn)

Table 2: Allocation to programmes

Programme	Thematic objectives covered	ESI Fund(s)	Allocation (EUR)
Operational programme for Lithuania	All thematic objectives	ERDF, ESF, Cohesion Fund	EUR 6.7 billion
Rural development programme	Thematic objectives 1-6 and 8-10	EAFRD	EUR 1.6 billion
EMFF operational programme	Thematic objectives 3, 4, 6 and 8	EMFF	EUR 63 million